



Andhra Paper Limited
59TH ANNUAL REPORT 2022-23

A photograph of a paper mill interior, showing rows of large rolls of paper stacked in a warehouse-like setting. The ceiling is high with many industrial lights. The image is overlaid with a semi-transparent green and yellow circular graphic.

**MODERNIZING
A CHERISHED
LEGACY**

Where Tradition Meets Technology



Five Year Highlights

	UOM	FY23	FY22	FY21	FY20	FY19
PAPER PRODUCTION	MT	2,50,292	2,35,155	1,64,408	2,27,600	2,38,700
PAPER SALES	MT	2,50,238	2,40,479	1,75,659	2,13,600	2,38,700
OPERATING RESULTS						
Turnover	₹/Lakhs	2,08,306	1,36,692	87,949	1,25,722	1,40,950
EBITDA	₹/Lakhs	78,674	26,581	7,611	31,702	39,317
EBITDA	%	38	19	9	25	28
Finance Costs	₹/Lakhs	718	544	451	532	855
Gross Profit (PBDT)	₹/Lakhs	77,956	26,037	7,160	31,170	38,462
Depreciation & Amortisation	₹/Lakhs	6,320	7,201	7,338	7,590	6,787
Exceptional items	₹/Lakhs	-1,538	-	-441	-	-543
Taxation	₹/Lakhs	18,644	5,603	549	6,790	11,330
Deferred Tax	₹/Lakhs	-792	-741	-709	-4,502	-205
Net Profit/Loss	₹/Lakhs	52,246	13,973	-460	21,292	20,008
FINANCIAL POSITION						
Gross Block	₹/Lakhs	1,04,676	97,510	94,291	92,672	91,436
Depreciation	₹/Lakhs	44,733	39,082	32,804	26,080	19,847
Net Block	₹/Lakhs	59,943	58,428	61,487	66,592	71,588
Paid up Capital	₹/Lakhs	3,977	3,977	3,977	3,977	3,977
Reserves & Surplus	₹/Lakhs	1,54,240	1,05,432	93,545	93,608	72,404
Networth	₹/Lakhs	1,58,217	1,09,409	97,522	97,585	76,381
Borrowings*	₹/Lakhs	4,856	5,159	3,349	1,282	1,480
Capital Employed	₹/Lakhs	1,63,073	1,14,568	1,00,870	98,867	77,860
OTHER KEY PARAMETERS						
Earnings per share (FV ₹ 10)	₹	131.37	35.14	-1.16	53.54	50.31
Book Value per share	₹	397.83	275.10	245.21	245.37	192.06
Dividend	%	125	75	50	-	-
Dividend	₹/Lakhs	4,971	2,983	1,989	-	-
Debt Equity Ratio		0.03	0.05	0.03	0.01	0.02

* Borrowings include Current, Non Current Debt & Current maturities of long term debt

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The cherished legacy of Andhra Paper has been a remarkable demonstration of strength, endurance and perseverance. Maintaining a steady focus on excellence and quality, we have consistently nurtured our core capacities.

**MODERNIZING
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Where Tradition Meets Technology



It has allowed us to ramp up manufacturing capacity, introduce innovative products to the market and fulfil changing customer preferences for new and advanced paper products.

Along our journey, we have also realised the importance of incorporating technology into our operations. With rapid advances in the digital domain, we are constantly adopting cutting-edge methodologies to enhance efficiency and reduce costs across the manufacturing process. Additionally, we are relying on new-age technology to modernise other facets of our organisation as well.

It has also empowered us to reduce our environmental footprint through the manufacturing of products that are sustainable by design.

As a progressive organisation that is attuned to the needs of tomorrow, we focus on environmental sustainability as a core concern. To fulfil this objective, we align our actions to our 'Vision 2030' sustainability goals and focus on three important aspects of sustaining fibre source, investing in people and improving the planet – thereby staying true to our promise of leading a sustainable business.

ABOUT ANDHRA PAPER

A legacy powered by innovation, excellence and quality

Andhra Paper Limited (APL) is one of the country's leading manufacturers of paper and pulp. Since our inception in 1964, we have earned a reputation for producing a diverse range of high-quality specialty grade products, including writing and printing paper and Paper boards.

We cater to domestic as well as international customers and continuously focus on creating innovative and sustainable products that can be used for different purposes.

Our state-of-the-art manufacturing facilities, located in Rajahmundry and Kadiyam, Andhra Pradesh, empowers us to adhere to the highest quality standards and ensures cost-effectiveness of

our specialty product range. As a socially and environmentally responsible organisation, we continue to focus on minimising our environmental footprint and aim for sustainable business growth.





Vision

To become the top performing and most respected Paper Company in India.



Business Objectives

- ❖ Achieve world-class productivity
- ❖ Become the low-cost producer
- ❖ Customer support excellence
- ❖ Grow in profitable segments
- ❖ Create a performance culture



Values

- ❖ We fulfil our commitments with the highest ethical standards
- ❖ We focus on superior results to create value for our shareholders
- ❖ We are responsible towards our environment and our community

State-of-art manufacturing facilities

Unit 01: Rajahmundry

300 Acres
Spread over

512 TPD
Capacity of finished products

3500 tonnes
Warehouse Capacity

Unit 02: Kadiyam

150 Acres
Spread over

200 TPD
Capacity of finished products

3000 tonnes
Warehouse Capacity

OUR ETHOS





We focus on



Innovation

By producing new and improved products and solutions



Value creation

By ensuring consistent growth in value for all stakeholders



Community up-liftment

By ensuring improved quality of lives in our areas of operations



Sustainable practices

By ensuring ecological balance



Delivering superior experience

By offering the right product at cost effective price

CHAIRMAN'S MESSAGE



We reported revenue from operations of ₹ 2097.66 crores against ₹ 1,380.23 crores in FY 2021-22. Our EBITDA increased from ₹ 265.81 crores in FY 2021-22 to a phenomenal ₹ 786.74 crores in FY 2022-23.

Dear Shareholders,

Amid continued macroeconomic tension, volatile commodity prices, currency fluctuations and high inflation, fiscal 2022-23 witnessed a fair share of economic uncertainties. Its trickle-down effects were also evident on the price of coal and pulp, necessary raw materials for our production process. However, despite the impact of these developments, our resilient approach allowed us to sustain the growth momentum and what could have been a difficult year, turned out to be a year of historic performance.

Financial performance

During FY2022-23, we recorded best ever profitability, sales and production volumes in the five-decade legacy of Andhra Paper.

We reported revenue from operations of ₹ 2097.66 crores against ₹ 1,380.23 crores in FY 2021-22. Our EBITDA increased from ₹ 265.81 crores in FY 2021-22 to a phenomenal ₹ 786.74 crores in FY 2022-23. Our PAT stood at ₹ 522.46 crores, up from ₹ 139.73 Crores in FY 2021-22. We also touched the highest ever production volume of 2,50,292 MT for the year and were able to sell 250,238 MT of our products during the fiscal.

Growing greener footprints

At Andhra Paper, our continuous emphasis on fulfilling our obligation towards the planet continues to shape our Vision 2030 – prioritising the 3 key pillars of sustaining fibre source, investing in people and

improving the planet. We planted 673 lakhs of saplings in the fiscal to support our farm forestry efforts and to care for the nature and environment.

To reiterate our commitment towards environmental sustainability, we have committed a capital expenditure of more than ₹ 500 crores to revamp and upgrade our plants, to make them energy efficient, reduce emissions associated with our operations and reduce waste.

Moreover, our 'Farm Forestry Programme' is designed to make us wood positive. The initiative spans approximately over 6,90,442 acres, offering a vital economic lifeline for 80,683 farmers. We strive to recycle and use significant amount

of water in our manufacturing processes, returning the majority back to the environment following treatment using industry best practices. Waste paper is reused in paper production which consumes less energy, less water, reduces emission and landfill.

We also remain equally determined to make lasting changes in the lives of people through community development initiatives spanning education, healthcare, provision for safe drinking water and women empowerment.

Fostering a motivated workforce

At Andhra Paper, we realise the importance of nurturing a collaborative and engaging work culture. We, therefore, strive to enhance opportunities for learning and skill development at the workplace through dedicated training programmes. During the year under review, we conducted numerous trainings and workshops covering health & safety, environmental awareness, behavioural training, corporate governance, POSH and risk management. We have a strong performance pay culture which fosters a productive work force.

Emphasis on new-age technology

We are consistently adopting latest technology and relying on innovation to drive growth and productivity within the organisation. Our manufacturing processes run on SAP/Hana version ERP operations which help optimise processes, improve reliability and efficiency. We source machinery from globally reputed vendors in Europe, Germany, known for their workmanship, quality and reliability.

It not only enhances productivity but, also enables us to ensure the health and safety of workmen. Additionally, we have adopted green technologies like Elemental Chlorine Free bleaching and Precipitated Calcium Carbonate (PCC) Plant under construction to utilise the CO₂ emissions from our plants thereby significantly reduce carbon emissions and PCC use in paper production enhances the paper properties. Environmental pollution continues to be a prime concern for the paper industry. To reduce our impact on the planet, we have resorted to greener technologies that help save significant amounts of energy during the manufacturing process and minimise consumption of steam, coal and power.

Way forward

As we look ahead, we are committed to enable profitable business growth. Our future growth is likely to be driven by a number of external factors. Some of them are:

- In India, per capita consumption of paper at present is 15kg, which is way behind the global average and it is likely to improve in light of the universal education policy, especially in rural areas.
- Ban on single use plastic is offering opportunities for the manufacture of sustainable alternatives like cup stock, carry bags and straws made with paper. With the changing market dynamics, the Company began producing value-added products, including Cup stock, Pharma Print and Hi BF Virgin Kraft.
- Change in national education policy and curriculum is expected to boost significant demand for text books.

- The government's focus on 'Aatmanirbhar Bharat' is aimed at reducing imports and making domestic players self-sufficient.
- With considerable macro-economic volatility in different parts of the world, India has emerged as a favourable trade destination and it is expected to create numerous opportunities for the paper industry as well.
- Growth of e-commerce and usage of paper packaging in the food industry is likely to increase demand for different grades of paper.

We believe, our focus on quality, efficiency and continuous improvement will strengthen the foundation of our long-term success.

I am sure that the revival of the economy coupled with our operational excellence will result in further all-round success in the years to come. Before I conclude, I want to express my sincere appreciation to our shareholders for their relentless support and to every member of the Andhra Paper family for their dedication to scale new peaks with every passing year.

Warm Regards,

Shree Kumar Bangur

Chairman & Managing Director

OUR PORTFOLIO

An extensive array of superior quality paper

Focusing on exceptional quality, innovation and recyclability, we produce a wide range of writing and printing, packaging boards, and specialty paper using cutting-edge technology and eco-friendly processes. The products are available in a variety of grades and finishes, making them suitable for different types of printing and packaging applications.

The products are available in a variety of grades and finishes, making them suitable for diverse writing, printing and packaging applications. Our commitment to sustainability and eco-friendliness is reflected in its products and operations.

241000 TPA

Total Production Capacity

4%

YoY growth in sales volume



Writing and Printing Paper

We manufacture an extensive range of high-quality writing and printing papers appropriate for journals, text books, reference books, calendars, notebooks, diaries and a variety of other commercial printing applications.

NOTE BOOK PAPERS



1

Andhra
Starwhite

2

Andhra
Skytone

3

Andhra
Write Choice

MULTI COLOR PRINTING



1

Andhra
Primavera

2

Andhra
Primavera
White

3

Andhra
TruPrint
Ivory

PUBLISHING PAPERS



1

Andhra
CCS

2

Andhra
TruPrint Ultra

Copier

We produce a comprehensive range of multipurpose paper, from economy to premium grades, suitable for personal as well as commercial usage. Our products are ideal for high-volume photocopying and superior quality colour printing. We use Elemental Chlorine Free (ECF) Pulp technology to deliver premium grade, high brightness multipurpose paper. Our copier papers are available under the renowned 'Reflection' brand.

COPIER PRODUCT RANGE



Reflection-65 GSM



Reflection-70 GSM



Reflection WT-70 GSM



Reflection-75 GSM



Reflection-80 GSM



Reflection-100 GSM



AMC-75 GSM



Everyday-80 GSM



Business Copy-75 GSM

Specialty Papers

HIGH QUALITY PAPERS WITH NICHE APPLICATIONS



Andhra Cupstock



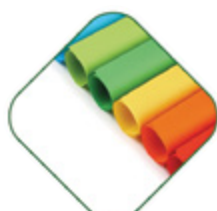
Andhra Carry Bag



Andhra Pharma Print



Andhra Thermal Base Paper



Andhra Colour Poster Paper



Andhra Plain Kraft NS

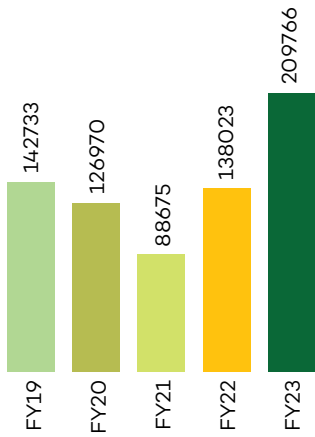
Andhra Paper provides an extensive array of superior-quality specialty grade products that are custom made to meet specific requirements of diverse applications. This range ensures excellent finish quality, is visually appealing and ensures high conversion performance.

FINANCIAL PERFORMANCE

Delivering with prudence

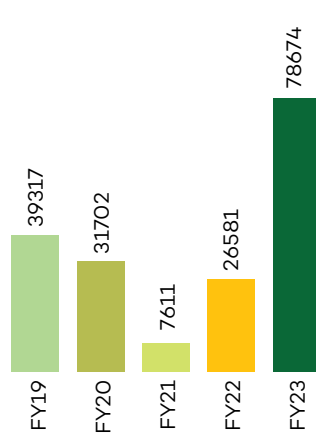
Revenue

₹ in lakhs



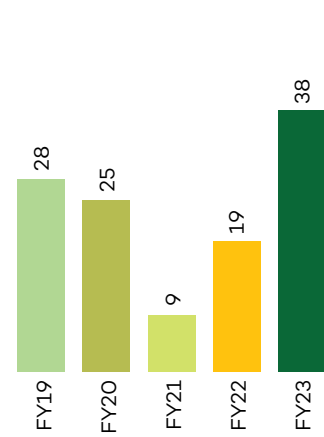
EBITDA

₹ in lakhs



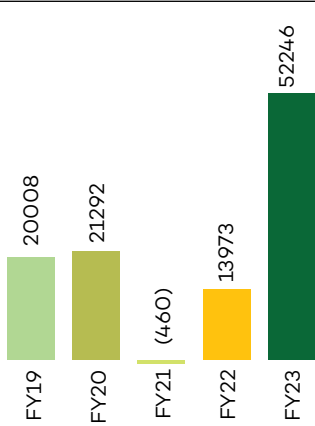
EBITDA Margin

in %



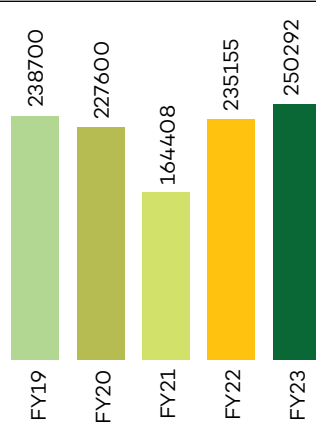
PAT

₹ in lakhs



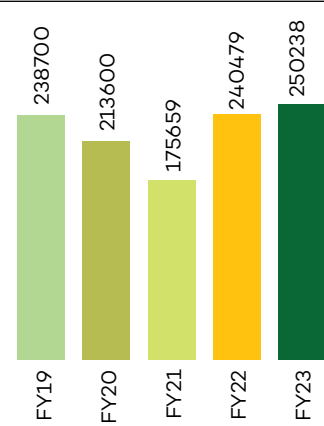
Production Volume

in MT



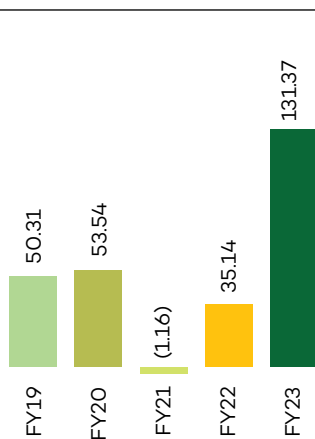
Sales Volume

in MT



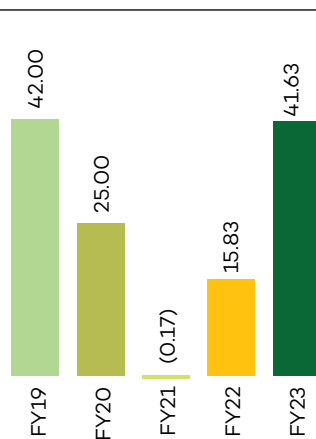
EPS

in Rupees



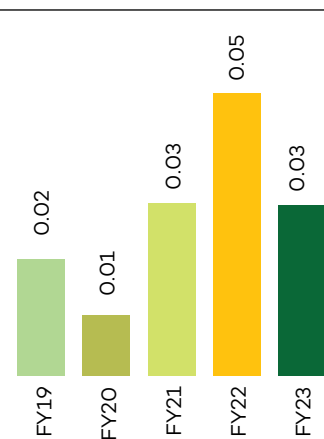
ROCE

in %



Debt-Equity Ratio

in times



OUR PEOPLE

Developing an empowered and engaged team

At Andhra Paper, we value our human resources and intend to foster a diverse and inclusive workforce. To ensure employee well-being, we are dedicated to creating a workplace culture that encourages work-life balance, career growth, and personal development.

We believe in recognising and rewarding employees for exemplary performance. Along with a Performance Appraisal System, we have implemented policies to prevent discrimination on the basis of race, caste, creed, nationality or gender. To attract and retain talent, we focus on continuous training, foster leadership development and have an effective succession planning system to develop future leaders for the organisation.

Employee Engagement

We believe an engaged and motivated workforce is key to our success. As an employee centric organisation, we remain committed to prioritise work-life balance and encourage our employees to adopt a healthy lifestyle. To this end, we have organised a number of workshops and training programmes to improve the quality of life. We also have a gym and recreation club for our employees, managed by our Staff Club Committee.

Various events such as Senior Management Team Get-Togethers, Staff Get-Togethers, Garden Parties, and Diwali Celebrations, movie and cricket telecast and cricket tournament are also organised to boost employee morale.

Health and Safety

The safety of our people remains a foremost concern for us. We have, therefore, developed comprehensive safety systems with a focus on ensuring employee health and well-being. Along with providing safety training to handle emergencies and prevent incidents at the workplace, we constantly make changes to existing policies and upgrade safety systems.

The following initiatives are undertaken to assure the health and safety of our people.

- ❖ Safety Leadership
- ❖ Safe Work Observation Programmes
- ❖ Near miss reporting and Campaign

- ❖ National Safety Month Campaign
- ❖ LIFE month Campaigns
- ❖ Fire Safety Week Celebrations
- ❖ Environment Day /week campaigns
- ❖ Leadership MBWA
- ❖ Safety Sub-Committee Meetings
- ❖ Central Safety Meetings
- ❖ Job Safety Analysis and Communications
- ❖ Tool Box talks
- ❖ Create & Lead a Diverse & Inclusive Team & Environment
- ❖ 5 Minutes 5 S (Program for maintaining Work Place Clean & Safe for Working)



Firefighting training session in progress.

Training and Development

We organise various training programmes through our state-of-art Learning Centre. Our Occupational Health Centre (OHC) is staffed with qualified doctors and nursing personnel and is equipped with necessary equipment, including ambulance services, to provide appropriate medical support. We also have a dedicated Safety Team to organise various safety training programmes for the entire workforce.

We comply with all statutory laws and regulations, and track all applicable activities through our Legatrix system. We also provide on-the-job training to new joiners and offer opportunities for professional growth to all employees.

The focus areas for training and development include:

- Safety Related
- Business Ethics and Code of Conduct
- Environment Related
- Behavioural & Managerial Related
- Technical Related on existing and advance Technologies
- Systems Related Software skills
- Problem Solving



Safety Training Programme at Learning Centre

98%

Employees underwent performance review

56%

Employees trained in H & S

31%

Employees upskilled

~5,300

Total number of direct and indirect employees and workers

27.6 hours

Average training hours per person

19,028 hours

Of training in H & S

BUILDING A SUSTAINABLE FUTURE

At Andhra Paper, we strive to operate in an environmentally responsible manner and prioritise sustainable practices to ensure a better future for people as well as the planet. Our continuous efforts to minimise our environmental footprint allows us to ensure efficient utilisation of natural resources and preserve the ecosystem.

To ensure proper utilisation of water, we strive to conserve water across our operations and implement measures for recycling. Additionally, we undertake efforts to minimise waste to landfills through reuse and recycling. We are also constantly seeking new ways to reuse waste materials such as ETP sludge, wood bark, and chip dust generated from our manufacturing plants.

Through regular monitoring and evaluation of environmental performance indicators, we are effectively establishing ISO Quality and Environmental management systems. Our efforts have also enabled us to control pollution and reduce energy consumption across our facilities.

Farm Forestry Program

Our Farm Forestry Programme is dedicated to produce more wood in comparison to the amount consumed for our paper production processes. It focuses on engaging local farmers for the development of highly productive new generation clonal sapling production plantations. The programme aims to develop an entrepreneurship model and helps to improve yield and provide a regular source of income to farmers. We have been engaging with the farmers to provide technical knowledge and train them about efficient farming practices to improve the yield of these land parcels. To easily procure raw material, the plantations are located within a 150km radius of our mills. It also makes us self-reliant in terms of obtaining virgin fibre.

Research and Development

Our R&D program focuses on yield enhancement with a clear objective to increase farmer income from pulpwood plantations. We have established 10 R&D trial plots and it focuses on improving yield through genetic improvement, advanced silvicultural practices and adoption of new-age agroforestry models.

We have developed clonal casuarina plantations that offer double the yield in comparison to existing varieties through our focused R&D efforts. It has improved yield by 20% to 25%. We are also focusing on improvement of clonal plant production processes to ensure better survival rates and improve the quality of saplings.



GIVING BACK TO SOCIETY

We remain committed to make meaningful change to society with a focus on improving lives and ensuring upliftment of communities.

Focus areas

During the year, our CSR initiatives were focused on health and wellness, provision for safe drinking water, education, community engagement, skill development, gender equality, women empowerment.

CSR Vision

To make positive and lasting contributions to communities around the Company's manufacturing facilities and farm forestry areas.

Our community development activities are mostly focused in and around the mills in Rajahmundry and Kadiyam.

₹ **304.21** lakhs

CSR expenditure

40 villages and one town

Impacted through our CSR activities



Infrastructure support to APPM Model School, Rajahmundry



Cowshed for Animal welfare at Kadiyam Village, East Godavari District



Construction of Water Pipelines and storage sumps of 300KI and 150KI at Village Kadiyam at a cost of ₹ 1.43 crores supporting more than 5,000 families to overcome water scarcity during summer



Medical equipment support to Hospitals in Rajahmundry and Kadiyam



Blood Donation Camp conducted to support Thalassemia Children in Rajahmundry

Corporate Overview



Infrastructure support to working women's hostel at Rajahmundry



Tailoring unit imparting vocational skills to Less Privileged women at Rajahmundry

A LEGACY OF STRONG GOVERNANCE

Our emphasis on conducting business with fairness, transparency and accountability has earned us the trust and confidence of investors and other stakeholders. We believe, good governance is the cornerstone of success and it enables us to maximise value creation through ethical and responsible business conduct. It also allows us to abide by regulatory requirements and fulfil our statutory obligations.

Board Composition

We have an experienced and diverse leadership team that brings various perspectives and deep insight necessary for operating a dynamic organisation. Along with a judicious mix of executive, non-executive and independent directors, we also have female representation in our Board of Directors



Policy on Ethical Business Practices

We have implemented a Code of Conduct to ensure integrity, transparency, and accountability across various functions within the organisation. Our whistleblower policy allows employees to report complaints anonymously without fear of repercussions

or consequences. To ensure strict adherence to regulatory standards, we have formulated a Code of Conduct for the suppliers. Board members and the senior management affirm the validity and effectiveness of the Code of Conduct annually.



Transparency and Accountability

We carry out periodic internal as well as external audits to ensure the efficacy of our internal control systems. We have very defined standard operating process for manufacturing and business. All sale/purchase transactions are formally approved through a board approved corporate hierarchy process to ensure adherence

to regulatory standards. The employees are also bound to abide by policies related to insider trading, and are required to sign a Code of Conduct that states no conflict, no corruption, and no bribery.



Certified Company

BOARD OF DIRECTORS



Mr. Shree Kumar Bangur

Chairman & Managing Director



Mr. Virendraa Bangur

Vice Chairman



Mr. Arun Kumar Sureka

Independent Director



Mr. Sudarshan V. Somani

Independent Director



Mr. Virendra Sinha

Independent Director



Mr. Sitaram Sharma

Independent Director



Mrs. Papia Sengupta

Independent Director



Mr. Rajendra Jain

Non-Executive Director



Mr. Saurabh Bangur

Joint Managing Director



Mr. Mukesh Jain

Executive Director

SENIOR LEADERSHIP TEAM

Mr. Mukesh Jain

Executive Director

Mr. Shyam Srivastava

Vice President
(Purchase & Forestry)

Mr. Rajesh Bothra

Chief Financial Officer

Mr. Sandeep Rao Thallapalli

Vice President
(Sales & Marketing)

Mr. Sura Reddy Mallidi

Sr. Vice President
(Mill Operations)

Mr. Bijay Kumar Sanku

Company Secretary

CORPORATE INFORMATION

Registered Office

Rajahmundry – 533 105
East Godavari District
Andhra Pradesh, India
Phone: +91 883 2471831 to 1835
www.andhraper.com

Statutory Auditors

MSKA & Associates,
Chartered Accountants,
Hyderabad

Cost Auditors

Narasimha Murthy & Co.,
Cost Accountants,
Hyderabad

Works

Unit: RAJAHMUNDRY
Rajahmundry – 533 105
East Godavari District,
Andhra Pradesh, India
Phone: + 91 883 2471831 to 1835

Unit: KADIYAM

Industrial Area,
M R Palem – 533 126
Kadiyam Mandalam,
East Godavari District,
Andhra Pradesh, India
Phone: +91 883 2454651

CIN: L21010AP1964PLC001008

Bankers

State Bank of India
Axis Bank Limited
HDFC Bank Limited
Standard Chartered Bank
IDBI Bank Limited

Internal Auditors

KPMG, Chartered Accountants,
Hyderabad

Secretarial Auditors

D. Hanumanta Raju & Co.,
Company Secretaries,
Hyderabad



MANAGEMENT DISCUSSION & ANALYSIS

Forward-looking statements

The Company has presented forward-looking information in this Annual Report to aid investors assess its future objectives and make informed investment decisions. This report, as well as other written and oral statements that the Company releases periodically, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. The Company has attempted to identify such statements wherever possible by using terms such as 'anticipate,' 'estimate,' 'intends,' 'plans,' 'believes,' and words of similar substance in connection with any discussion of future performance. The Company cannot ensure that any forward-looking statements will be realised, but it believes that its assumptions have been prudent. Results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Global economy

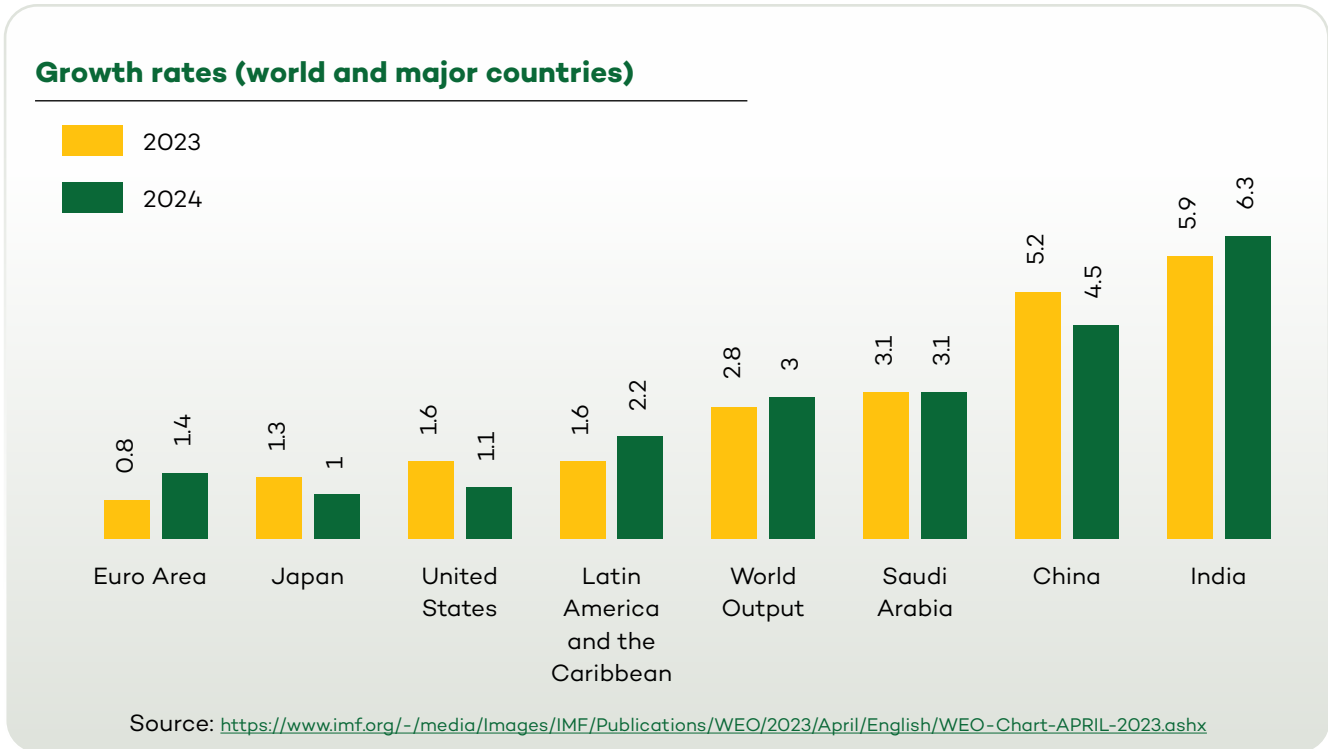
A confluence of factors including high inflation, legacy effects of the COVID pandemic, Europe's food and energy crisis, rapidly shifting macroeconomic conditions and the protracted war in Ukraine weighed on global economic activities in CY2022. In the beginning of CY23, the global economy demonstrated early signs of recovery, but recent financial sector volatility and sticky inflation have dampened the prospects for a sustained rebound. Risks are relatively skewed to the downside as debt levels remain high and geopolitical tensions intensify.

Positive trend is that global inflation is expected to decelerate from 8.7% in CY22 to 7% in CY23 and 4.3% in CY24¹ mainly due to lower food and energy prices and softening global demand.

Emerging markets and developing economies have withstood the inflationary pressures with fiscal support and other measures from central banks. The downturn, however, is concentrated in advanced economies, especially the Eurozone and the United Kingdom mainly driven by rising service sector and wage growth. Moreover, central banks' monetary policies are anticipated to contribute to an overall decline in global inflation.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

Although tightening monetary policies economic uncertainties and other geopolitical concerns are posing enormous threats to the global economy, there are promising signs of a slow recovery. Amid lower commodity prices, fewer restrictions on global supply emerging markets like India are experiencing a boost in their economies by offsetting the impact of the depreciating currency, and as a result, growth rates in India are predicted to rise significantly this year as compared to others.



Outlook

There are positive indicators that point to a slow but steady rebound from the pandemic-induced challenges and supply-chain constraints. Recent improvements in connectivity and trade have helped alleviate some of the obstacles businesses were facing, fostering a resumption of normal operations. Additionally, resilient consumer spending in developed economies, continued growth momentum in India, emerging markets and developing economies (EMDEs) are projected to drive the economic recovery going forward.

A stronger boost from pent-up demand in numerous economies or a sharp decline in inflation are anticipated in the course of CY23. The governments and central banks of the world are expected to remain instrumental in accelerating economic growth through targeted, need-based measures.

Indian economy

Amid intensifying geopolitical concerns, the Indian economy is estimated to have registered a growth of 7% in FY23 (based on the second advance estimate from the NSO)². India to witness GDP growth of 6% to 6.5% in 2024 depending on the trajectory of economic and political developments globally. The S&P Global India Manufacturing PMI increased to 58.7 in May 2023 from 57.2 a month earlier, exceeding market forecasts of 56.5. Lowering unemployment and an increase in net payroll additions under the EPFO signify a surge in employment in the corporate sector. The corporate sector's credit-to-GDP ratio is still below its historical trend, which indicates that there is ample room for this sector to raise its debt burden. The corporate sector's high debt level has also been shown to be crucial for sustaining macroeconomic stability.

According to the IMF, India, along with China, is expected to contribute 50% of the global growth in CY 2023.

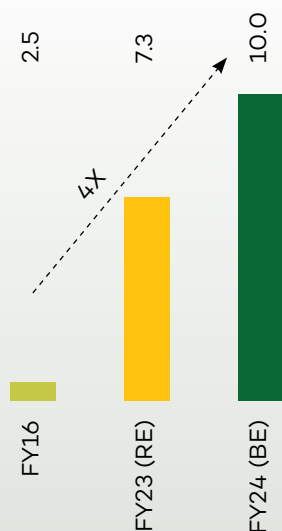
² https://mospi.gov.in/sites/default/files/press_release/PressNoteNAD_28feb23final.pdf

Statutory Reports

Persistent domestic demand, particularly in private consumption, an increase in gross fixed capital formation and the government's enhanced focus on capex have all contributed to this robust expansion. A historic budget estimate (BE) of ₹ 10 lakh crore for FY24 was announced as part of the Union Budget 2023, which marked a 33.4% increase in the capital investment outlay³. The government's capital investments are anticipated to benefit the manufacturing sector of the economy by offering Indian goods a competitive edge in the global market.

Increasing Capital Expenditure of Union Government

₹ in Lakh Crore



[Source: Union Budget 2023]

Outlook

Credit growth to MSME sector has been high at 30.5% during Jan – Nov 2022 which is expected to be big growth driver in 2023-24. The sheer Volume of digital financial transactions have made India the most preferred investment destination of the world. Strong government capex continues to drive growth.

A conducive domestic policy environment and the Government's sustained focus on structural reforms have kept India's economic activity robust despite the gloomy global outlook. India is expected to retain its position as the fastest-growing nation among the G-20 nations in the years ahead. In addition to this, India's

presidency of the G20 Summit in 2023 has significantly bolstered its international standing.

A combination of rising disposable income, easy availability of credit and lowering interest rates in the wake of a stabilising inflation trajectory will bode well for economic growth going forward.

Industry overview

Global paper industry

Global paper demand is estimated to have witnessed an upsurge of 1% in 2022. The demand is expected to increase further by 1-3% in 2023. Annual growth till 2025 is anticipated to be 2% CAGR on account of a shift towards digitalisation, which will impact the writing and printing paper and newsprint segments the most. However, a healthy demand for paperboard from end-use industries would drive overall expansion in the long run. The paperboard segment is estimated to have grown at a robust 8-9% rate, backed by healthy demand from the end-use industries. The market for speciality paper is estimated to have improved at a healthy pace of 12-13% Y-o-Y growth.⁴

Outlook

The overall demand is expected to surge at a healthy two-year CAGR (FY23-FY25) of 5-7% to ~21.5-22.5 million tonne by FY 2025, primarily due to paperboard demand.

- Healthy growth in paperboard volume is predicted to drive demand, with a 7-9% CAGR from FY 2023 to FY 2025. Increased volumes in end-user segments such as household appliances, fast-moving consumer goods (FMCG), ready-made garments, pharmaceuticals, e-commerce and others are likely to strengthen consumer demand.
- W&P demand is projected to rise at a modest 3-5% CAGR from FY 2023 to FY 2025, compared to a de-growth of 3-3.5% over FY 2017 to FY 2021, on account of steep demand falls caused by the closure of educational institutes and offices because of the pandemic.
- Specialty paper (primarily tissue and thermal paper) is expected to continue to record a robust 11-12% CAGR from FY2023 to FY2025.

Indian paper industry

Paper stocks have been among the top performers in 2022 on the back of robust demand, consolidation in the sector, stable margins, and the ban on single-use plastic. The paper industry in India accounts for about

³ <https://www.indiabudget.gov.in/doc/bh1.pdf>

⁴ CRISIL Research report

5% of global paper production. The estimated turnover of the industry is over ₹ 80,000 crore, with a contribution to the exchequer of roughly ₹ 5,000 crore. The industry directly employs around 500,000 workers and indirectly employs nearly 1.5 million.

The per capita paper consumption in India marginally improved over the years to 15kg at present, which is way behind the global average of 57kg. However, India is the world's fastest-growing paper market, presenting an exciting scenario wherein paper consumption is poised to take a significant leap forward in tandem with economic expansion.

The growth in paper consumption is estimated to be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes⁵.

With more than 750 paper mills in operation, the paper industry is fragmented; less than 100 of these mills have a capacity of more than 50,000 TPA. The number of major companies in the market has been constrained by high capital expenditure, technical knowledge, lengthy gestation periods, and difficulties in obtaining raw materials.

In FY 2023, it is projected that the demand for the Indian paper industry will reach approximately 20 million tonnes. This growth is anticipated to be propelled by rising business investments in office supplies and advertising, changes in national education policy and curriculum and an increase in industrial activity. Nonetheless, the newsprint market continues to significantly hinder overall demand due to a decline in the circulation of English newspaper and the shift towards digital versions of newspapers driven by the expansion of digitisation and the prevalence of smartphones.⁶

The Indian paper industry paperboard holds the largest market share in terms of volume, while W&P commands the largest market share in terms of value. However, the paper market in India is highly fragmented and decentralised. This is primarily due to the inadequate domestic supply of wood compared to the demand and the inefficiency in the recovery process of wastepaper, which continues to pose challenges for the paper sector in India. The global recession is pushing the paper products to India at a lower price which is a threat for wood based mills to sell their products at a competitive rate. In Q3 FY22-23 exports of uncoated wood-free & packaging grades had also hit due to highly competitive prices from foreign mills.

During 2022, domestic pulp prices experienced a rapid increase, mirroring the global pulp price trends. This rise

was driven by robust industrial paper demand, strong export demand for Writing and Printing (W&P) paper, and logistical challenges arising from escalating freight costs. However, in 2023, it is expected that pulp prices will decrease significantly due to the easing of supply restrictions and a decline in freight costs.

As for the wastepaper segment, domestic prices are predicted to decline in the 2023. Moreover, there is an anticipation of further price reductions in subsequent years, specifically in 2024, as collection processes improve.⁷

Strategic growth drivers

Paperboard demand is expected to grow sharply, primarily fuelled by moderate demand from end-use sectors.

- FMCG volumes are expected to witness a surge, which is the major growth driver for the paperboard segment. Over the long-term, a rise in population and gradually increasing private expenditure would keep demand from the FMCG segment afloat.
- Demand for consumer durables is expected to improve, which will be marked by better affordability, shorter replacement cycles, multiple ownership (in the case of CTVs) and low penetration levels (in the case of other appliances such as room ACs).
- The requirement of the ready-made garment industry, too, is expected to report growth in volume terms.
- E-retail growth is expected to register a healthy expansion rate and rapidly rising shipments in the e-retail industry and a rise in penetration levels in overall retail will provide a fillip to the volumes within the segment over the medium-term.
- Similarly, the pharma sector's demand is also expected to spike, mainly driven by vaccination shipments and deliveries across the country, supporting the paperboard demand.

Within paperboard, the consumer packaging segment is expected to grow significantly, backed by a rise in demand for FMCG, pharmaceuticals, cosmetics and apparel. Higher disposable income and a greater demand for ready-to-eat foods will support overall volumes. Demand from pharmaceuticals will also be aided by increased exports and new drug launches. Further, the ban on single-use plastics is expected to augur well for the paper industry.

⁵ <https://ipmaindia.org/overview-2/>

⁶ [CRISIL Research Report](#)

⁷ [CRISIL Research Report](#)

Outlook

The paper industry in India is witnessing one of the fastest growth rates globally. The paper market has surpassed pre-pandemic levels and demonstrated a robust recovery in FY23. Owing to its large potential, the paper industry is expected to grow at a rate of 6-8 % per annum. Substantial amounts have been spent by the paper industry on plantation R&D leading to the development of high-quality tree clonal saplings that are disease free, drought resistant and can withstand various agro-climatic conditions. Technical extension services are being imparted to the farmers over a gestation period of 4-5 years to boost agro and farm forestry output.

The New Education Policy (NEP) is expected to lead to a surge in the requirement for textbooks. Nonetheless, it is predicted that the prices of pulp will experience a substantial decrease in 2023 due to the relaxation of supply restrictions and a decline in freight costs. Regarding the pricing of the domestic paper industry, the prices of Maplitho remained stable throughout the month of April in 2023, while there was a slight marginal increase in the prices of Creamwove.⁸

The industry outlook remains positive, with a focus on enhancing production efficiency, sustainability and profitability. The paper industry is likely to continue investing in research and development of new technologies and practices to remain competitive in a rapidly evolving market⁹.

Opportunities and threats

Opportunities

- The Indian paper industry is expected to record sustained growth in demand due to rising literacy rates and business activities. As the literacy rate increases and businesses expand, there will be a greater need for paper products such as books, newspapers and packaging materials.
- The Indian government has implemented several policies to promote the use of eco-friendly products, which could benefit the recyclable paper industry. For example, the Government has launched initiatives such as the Swachh Bharat Abhiyan (Clean India Mission) and Make in India, that encourage the usage of recycled materials and aid domestic manufacturing.
- India has abundant raw materials such as bamboo, wood pulp and wastepaper that can be used for

producing several paper products. This signifies that Indian paper industry has access to a reliable supply of raw materials at competitive prices.

- With greater awareness about environmental issues, there is a growing demand for eco-friendly products. This presents an opportunity for the Indian paper industry to develop and market sustainable paper products that are made from recycled materials or from sustainably managed forests.
- The Indian paper industry has traditionally focused on producing writing and printing paper, but there is potential for diversification into new product segments such as specialty papers, tissue papers and packaging materials. Segments such as paperboard are expected to report significant growth in the upcoming years, which brings forth great opportunities for the domestic paper industry.

Threats

- Under the ASEAN Free Trade Agreement (FTA) agreement, reduced tariffs on paper imports from ASEAN countries would make it easier for them to export their paper products to India at lower prices, which could lead to higher competition for Indian paper manufacturers. Easier investments in paper manufacturing facilities in ASEAN countries could lead to a shift in production away from India and towards these countries, which could have a negative impact on the Indian paper industry.
- New technologies are emerging that could disrupt traditional methods of producing and distributing paper products. For instance, digital printing technology is becoming more advanced, which could lead to increased competition for traditional printing methods. With the rise of digital media, there is a growing trend towards using electronic documents instead of physical ones. This could lead to decreased demand for certain types of paper products, such as writing and printing paper including newspapers and magazines.
- Raw material availability in the near future is a major threat to the Indian paper industry. India has a total land area of 3.3 million square kilometres, yet only 0.7 million square kilometres of the area are covered by forests. The non-forested portion of the overall land area is about 78%. Additionally, the shortage of raw materials for paper mills are due to factors such as depleting forest resources and restrictions on growing man-made forests.¹⁰

⁸ CRISIL Research Report

⁹ <https://ipmaindia.org/paper-industry-poised-for-higher-growth-trajectory-in-india-papertech-2022/>

¹⁰ CRISIL research report

Risks and mitigation measures

Risks	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Occupational Health and Safety	Alongside the direct and indirect loss of production and property, occupational hazards and accidents may cause serious injuries, including the loss of life of our employees, workers, or contractors.	Medium/ High	The Company considers health and safety as essential principles and strives to create, run and sustain workplaces that are free from accidents and injuries for its workers. Constant efforts are made to adhere to the EHSS requirements with Safety leading signs, suitable instruction and assessment procedures.
Raw Materials	Commodity prices and raw material availability can be impacted due to events such as the pandemic which can lead to unusual surge in input prices affecting the Company's business.	High	The management of the Company recognizes the potential risk of not having access to raw materials, particularly wood which is required for production. To mitigate this risk, the Company has formed partnerships with local communities to ensure a consistent supply of fresh wood. Additionally, the Company has learned from the challenges faced during the pandemic and has revisited its inventory stocking strategy. By improving its market intelligence, the Company has enhanced its ability to plan production more efficiently.
General Economic Factors	The Company may suffer as a result of political, economic, or other issues that are normally out of the organization's control. Additionally, the paper business is prone to such risks because of its positive relationship to economic expansion.	High / Medium	The Company keeps a close eye on both domestic and international news and works to predict how future policy changes will affect the relevant markets in order to make proper preparations for mitigation.
Product substitution	An accelerated tendency in businesses adopting digital communication technologies could seriously impact paper consumption. Additionally, increasing awareness and statutory regulations with focus on bio-degradable paper/board product usages may result in product mix change to meet the changing end customer requirements	Medium	The Company proactively assess its product and marketing strategy as well as understanding the threat potential and potential effects to handle the issue in particular markets in the future.
Cyclicality of industry	Sales may suffer as a result of cyclical demand for paper. The operations of APL may be impacted by the drop in sale prices. The business' cyclical nature could hinder profitability or growth.	Medium	The Company has increased the scope of its operations, increased the volume of value-adding items it produces, and consistently worked to increase operational efficiencies to reduce costs. To safeguard profits, operations are being scaled up and fixed costs per tonne of paper are being decreased.
Foreign exchange risk	If foreign exchange transaction risks, particularly those related to imports, such as trade payables, credit notes, trade receivables, and others, are not addressed, the Company may suffer financially.	Medium	The Company has a committed team of professionals who continuously watch the financial markets and use a variety of risk-mitigation tools, including hedging, to reduce risk.

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Risks	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Credit Risk	The risk associated with nonfulfillment of contractual obligation of a financial obligation by a customer to which it is a party. This could cause stress in the management of cash flow and revenue loss.	Medium	The Company has system that allows for regular monitoring and updating of all financial transactions the Company makes. Interventions are made when they are required in advance of any circumstance that could harm the Company's bottom line.
High competition and threat from imports	Increasing supplies from ASEAN Players with existing FTAs and expansions of existing players in domestic markets to increase/sustain their market share will lead to fierce competition.	High	Andhra Paper has developed into one of the most competitive pulp and paper makers, and because of its investment in product development, quality, and branding, the Company continues to hold an immense competitive advantage in the market. The newly introduced kinds have been well appreciated by the market, and Andhra Paper continues to invest in Product Development and optimise product mix across its assets to have a competitive edge in the markets it operates. Over the years, some of the major categories like cutsize and high-grade writing and printing papers, have attained leadership positions in terms of product quality
Technology	The competitive edge (both domestically and internationally) would diminish if production technology is not upgraded regularly.	High/ Medium	To satisfy market demands, efforts are being made to improve procedures and make the best use of resources. The business is dedicated to continuously lowering production costs by implementing cutting-edge technologies while enhancing the quality of its finished goods.
Utilities	Coal, wood and water are all required for the paper industry to operate. Any of these utilities not being available could increase the Company's cost vulnerability.	Medium / High	The Company uses every portion of the wood because it recovers the remaining lignin from the wood during the pulping process to burn in the recovery boiler. Andhra Paper has significantly decreased its reliance on fossil fuels and put in place sufficient strategies to meet its needs. The Company has made investments in appropriate water recycling procedures to minimise its consumption of valuable natural resources. The Company recycles water as much as it can while also minimising waste, which is more vital. The Company has steadily decreased energy and water expenses per MT of goods manufactured over the years.
Environment Risk	In contrast to other manufacturing sectors, the paper industry uses a lot of energy and produces pollutants and greenhouse gases. The trash produced by the pulp and paper industry harms aquatic life severely, upsets the food chain, and has many negative effects on human health. The hazards to the Company's future prospects from noncompliance and reputational damage are consequent.	High	The Company is dedicated to preserving the environment in which it conducts business. In order to raise awareness, the Company has constructed a number of trash recycling facilities inside the manufacturing facility and interacts with the local community and workers. The Company employs the necessary technologies to stop any emissions of dangerous gases into the atmosphere and routinely checks the emissions from the production process.

Risks	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Human Resource Risk	Lack of access to the right human resources may limit corporate operations, which could have an impact on the Company's financial health and operational success. The incidence of labour-related compliance violations (e.g., employment-related problems, harassment, human rights violations, etc.) could result in lawsuits, damage society's confidence in Andhra Paper, have an impact on the Company's business performance, and harm its financial position.	Low	The Company takes steps to reduce any risk associated with labour, such as by managing employment effectively in accordance with laws and regulations. The Company's human resource department places a strong emphasis on employee motivation and engagement, which also aids in the accomplishment of the organization's strategic goals. Human resource procedures are intended to attract exceptional people, guarantee their ongoing growth, and promptly handle any issues they may have.

Human Resources

The Company acknowledges the crucial role of human capital in the capital-intensive paper industry. It has effective talent management strategies in place, including leadership succession planning and organisational assessments. To build a resilient organisation with strong individuals, the Company employs various techniques such as engagement plans, training and skill development, career planning and health and wellness programmes. The Company's number one priority is to ensure the safety of its personnel. As an equal opportunity employer, the Company is dedicated to fostering a positive work environment where employees can do their jobs without being concerned about discrimination, gender bias, or sexual harassment. The Company has handled labour relations in a professional manner as it continued to treat people with dignity and respect as well as upheld important principles of labour relations.

Since the Company firmly believes that it is built on people, investing in their ability to grow is crucial to achieving its objectives. The three C's of leadership—Character, Capability, and Catalyst—have assimilated into the Company's leadership lexicon and are well-integrated into its processes and tools for employee development.

~5,300

Total number of persons employed directly and indirectly by the Company as on March 31, 2023

Operational highlights

With the changing market dynamics, the Company began producing value-added products, including Cup stock, Pharma Print and Hi BF Virgin Kraft.

Products	Y-o-Y sales growth
Cup stock	17%
Pharma Print	125%
Kraft	85%

Apart from developing new products while considering industry trends, continuous efforts are being made to improve the existing products based on feedback from customers and channel partners to customise the products to suit their requirements. It is therefore gratifying that even during these challenging times, the Company's performance ranked among the best in the paper industry.

The Company achieved its highest sales in a year at 2,50,238 MT (Y-o-Y 4%) with zero stock being achieved for the second consecutive year.

OTIF delivery rate (on-time-in-full) at 95.40%, forecast accuracy at 93% and improved complaint closure at 80%, which is top tier in the Indian paper industry.

Financial highlights

In FY23, revenue from operations, registered an Y-o-Y growth of 52% and rose to ₹ 2098 crores as compared to ₹ 1380 crores in the previous year. EBITDA for FY 23 stood at ₹787 crores as against ₹ 266 crores in FY22. Profit after tax in FY 23 was ₹ 522 crores as against a profit of ₹ 139 crores in the previous year. The Company generated free cash flow of ₹421 crores during the year under consideration.

CARE ratings for the company's bank facilities recently improved from CARE AA-; Stable to CARE AA; Stable. The significant improvement in the company's performance during FY22, combined with the strong financial performance in the first half of FY23 and the favourable industry forecast in the near future, have all been key factors in the upgradation of ratings given to the bank facilities of Andhra Paper Limited (APL).

Statutory Reports

In addition, the management has taken additional steps to ensure raw material self-sufficiency. With an integrated approach to operations, an established distribution network, and other management measures, self-sufficiency in raw materials is ensured. Low debt levels, buffer in the fund-based working capital limits, the accommodating capital structure, robust liquidity profile and the availability of excess liquid investments has enhanced credit profile of the company.

In the backdrop of rising EBITDA and realisations and low debt, India Rating assigned Ind AA; Stable ratings to bank facilities of Andhra Paper Limited. The Company has been able to enhance its credit profile, and strengthen its net cash position.

The excellent performance of your Company is reflected in the following financial ratios.

Ratios

Particulars	31-Mar-23	31-Mar-22	Variance
i. Debtors Turnover	16.78	15.50	8%
ii. Inventory Turnover	13.16	8.92	48%
iii. Interest Coverage Ratio	105.77	39.05	171%
iv. Current Ratio	3.40	2.39	42%
v. Debt Equity Ratio	0.03	0.05	-34%
vi. Operating Profit Margin (%)	33.76%	14.04%	140%
vii. Net Profit Margin (%)	24.91%	10.12%	146%
viii. Return on Net Worth	33.02	12.77	159%

For further information and detailed explanations on ratios, please refer Note No.52 of the Financial Statements.

Internal control systems and their adequacy

The management of Andhra Paper is responsible for establishing and maintaining adequate internal controls over financial reporting. Internal controls over financial reporting are designed under the supervision of our Chairman & Managing Director, Joint Managing Director and Chief Financial Officer and executed by our Board of Directors, Audit Committee, Management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore can provide only reasonable assurance of achieving the designed control objectives. The Company's internal control system is supported by written policies and procedures, contains self-monitoring mechanisms, and is audited by Independent Auditors. Appropriate actions are taken by Management to correct deficiencies as they are identified. The Company has a process in place to continuously monitor the processes, identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. The Company takes full support of Internal Auditors, an external & independent Audit Firm, in this continuous process.

The Company performed an evaluation and made an assessment of the adequacy and effectiveness of its internal financial controls as of March 31, 2023. Based on this assessment, the Management believes that, as of March 31, 2023, the Company's internal controls over financial reporting were effective and our Statutory Auditors have expressed an unmodified opinion on the adequacy and

operating effectiveness of the Company's internal financial controls over financial reporting as per their report.

The internal control environment includes an enterprise-wide attitude of integrity and control consciousness that establishes a positive 'tone at the top'. This is exemplified by our ethics programme, which includes long-standing principles and policies on ethical business conduct that require employees to maintain the highest ethical and legal standards in the conduct of Andhra Paper business and have been distributed to all employees.

The internal control system further includes careful selection and training of supervisory and management personnel, appropriate delegation of authority and division of responsibility, dissemination of accounting and business policies throughout the Company, and an extensive programme of internal audits with management follow-up. The Board of Directors, assisted by the Audit Committee, monitors the integrity of the Company's financial statements and financial reporting procedures, the performance of the Company's internal audit function and independent auditors, and other matters set forth in its charter. The Committee, which consists of majority Independent Directors meets regularly with representatives of management, the independent auditors and the Internal Auditors, with and without management representatives in attendance, to review their activities.

The Committee has reviewed and discussed with the Management and the independent auditors, the financial statements for the year ended March 31, 2023, including internal control systems, critical accounting policies and significant Management judgments.

BOARD'S REPORT

Dear Members,

The Board of Directors has the pleasure in presenting its 59th Report along with the Audited Accounts for the year ended March 31, 2023.

Performance Review

Favourable market conditions and buoyancy in paper market throughout the year, driven by higher sales volume and higher sales price realization, the Company posted record performance in all key parameters during the financial year 2022-23 which are the highest in the annals of the Company's history. The higher sales volume was ably supported by the production vertical which posted highest production during the year with improved performance of Pulp mill and recovery operations. The benefits from above factors were partially neutralised by exorbitant increase in the cost of most input materials such as Wood, Chemicals, Wastepaper, Imported Pulp, Coal.

Andhra Paper Limited ("the Company", "APL") continued to focus on important initiatives for improving safety and environmental compliance as well as improving the customer experience and operational efficiencies.

Summary of Financial Results

	(₹ in crores)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	2,097.66	1,380.23
Earnings before interest, depreciation and taxation (EBITDA)	786.74	265.81
Finance costs	7.17	5.45
Depreciation	63.20	72.01
Profit before exceptional items	716.37	188.35
Exceptional items	(15.38)	-
Profit before tax	700.98	188.35
Tax expense	178.52	48.62
Net Profit for the year	522.46	139.73

There was no change in the nature of business during the year.

Dividend

The Board of Directors at their Meeting held on May 08, 2023 recommended a dividend of ₹ 12.50 per equity share of ₹ 10/- each, for approval of the Shareholders at the forthcoming Annual General Meeting and is in compliance with the Dividend Distribution Policy of the Company. The said Policy is disclosed on the Company's website: <https://andhrapaper.com/wp-content/themes/andhrapaper/uploads/investors/1645517957Dividend%20Distribution%20Policy.pdf>

Markets, Customers and Commercial Excellence

The Company endures its core belief in "**Customer First**" and continues to move in the direction to create value for the customers, "**Serving them with Pride**".

The Company's products are preferred by Customers for Printing, Publishing and Converting applications. With changing market dynamics during the year wherein supply for a number of products were short in the Industry, the Company was able to use its strength in changing product mix across machines to meet the need of the hour as per the Customer preferences thereby bringing in swinging capability from Writing & Printing to Industrial application products. This resulted in incremental sales of Cup-stock (17% YoY), High BF Virgin Kraft (85% YoY), Pharma Print (125% YoY) and Copier (5% YoY).

With changing preferences in Customers and Government Regulations, the Company took timely initiatives on new product development and launched niche products, Carry Bag and Straw Paper during the year. These products helped meet the requirements of end customer needs resulting in an incremental product basket offering as well.

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APL continues to be focused on delivering high-quality products which are innovative, sustainable, and recyclable that distinguish it from the competition. In this direction, the Company developed a Barrier Coated product – Eco Cup-stock which is CIPET Certified and will meet the regulated requirements for replacing plastic converted cups. In addition to this, APL constantly endeavours to improve existing products based on periodic feedback from customers and channel partners.

With the changing demand environment as the year began on account of supply/demand imbalances and geopolitical issues resulting in logistic nightmares, the Company was able to swing supplies from Exports to meet the requirements of the Domestic Customers resulting in a record breaking domestic sales of 2,22,344 MT (14% YoY). The strong distribution network, high product quality and adherence to delivery schedules helped Company to overcome volatile Trade Flows.

The Company had put in its best efforts to achieve OTIF delivery rate (On-Time-In-Full) at 95.40%, forecast accuracy to 93%, and improved complaint closure to 80% which is considered top tier in the Indian Paper Industry.

The Company achieved the highest-ever sales in a year at **2,50,238 Tons (YoY 4%)** with **Zero Stock at the close of the year for second consecutive year**.

The Company's core value of "Think Customer" continues to yield desired results to enhance customer value by way of offering '**right products for right applications**' at an increased speed to meet customer needs.

FY 2023 Highlights:

- Highest Sales of 2,50,238 MT
- Highest Domestic Sales of 2,22,344 MT
- Substantial growth in Niche Application products like Cup Stock (17%), Pharma Print (125%) & Hi BF Virgin Kraft (85%)
- OTIF Score – 95.40%, one of the best in the Paper Industry
- Launched Carry Bag, Straw Paper and Eco Cup-stock (Barrier Coated)

Raw Material Security

The Company continues its focus on forestry Research & Development (R&D) program for development of high yielding virgin fibre clones with a goal to increase yield of clones, thereby, increasing farmer income per unit

area. The Company believes that farmers will continue growing trees only if their income increases per unit land. In this direction, the Company, in collaboration with Institute of Forest Genetics & Tree Breeding, Coimbatore (IFGTB), has given impetus to the whole farm forestry program taken up by the Company as the new generation clones are yielding better than old clones and are disease resistant. The Company remains focussed on capacity building of local community in the designated catchment area, sharing of best practices and execution of R&D program for enhancing productivity of farmer's land for production and distribution of high yielding, disease resistant clones. Towards capacity building of local community, the Company had tied up with 24 partner nurseries, imparted training and shared best practices for production and distribution of these clones at lower cost to make the production and distribution program self-reliant. The Company understands that the long term sustainability of paper industry depends on sustainable supply of virgin fibre and accordingly, the Company is committed for stronger backward integration for development of virgin fibre plantation in the catchment area of the mill.

The Company has facilitated distribution of 80 lakhs of Casuarina clones and 593 lakhs Casuarina seedlings covering 8,029 hectares of land and generated 40.15 lakhs man-days of employment to the farmers under the farm-forestry program within the catchment area.

Mill Development and upgradation

During the year, the Board of Directors approved a capital expenditure amounting to ₹400 Crores to re-build and upgrade the existing Pulp plant to improve the reliability and efficiency of the Pulp Mill. This will help sustain the current levels of production, improve efficiency in Pulp Mill processes and lend flexibility in operations, augment pulp production capacity and the average capacity utilisation. The proposal was funded through mix of debt and internal accruals.

The Mill development was undertaken in phases with critical areas of upgradation works on recovery boiler, lime kiln, Fibre line, Evaporation, Ash leaching, recausticizer, Auxilliary systems, modification of KA3 Machine, modern automated film press for RJ5 machine to produce Surface sized premium paper grades. Additional capital equipment was installed in place of obsolete machinery to improve efficiency in production processes. This helped the Company achieve higher net sales realisations. The capacity utilisation for FY 2022-23 at unit- Rajahmundry stood at 102.3% and at unit: Kadiyam the same was 107.8%

Green Field Expansion Project

The Board at its Meeting held on January 31, 2023 accorded an in-principle approval to the pre-feasibility report to exploit opportunities in Paper Board Segment through expansion and capacity addition by setting up an integrated Green Field Project at Unit: Kadiyam, East Godavari District, Andhra Pradesh. It is proposed to install approximately 175,000 Ton per annum Board machine (KA#4) along with ancillary and support infrastructure concerning the project. The existing production capacity is 87,000 TPA. The proposed capacity addition is 2,21,000 TPA (Pulp) and 1,56,000 TPA (Paper Board).

In this regard, the Company will file necessary applications with the Ministry of Environment & Forest for Climate Change (MOEF) for Environment Clearance and further approvals concerning the project shall be sought from concerned regulatory authorities including local, state and central authorities as may be necessary for the proposed project. The final approval for the project shall be granted by the Board subject to the Company obtaining the requisite approvals from concerned authorities.

Memorandum of Agreement

The Company has signed a Memorandum of Agreement (MOA) with the Government of Andhra Pradesh (GOAP) on March 4, 2023 to facilitate investment in the state of Andhra Pradesh by setting up an integrated Green Field Project at Unit Kadiyam, East Godavari District, Andhra Pradesh. This will boost the economic growth of the region. The GOAP will facilitate and extend necessary support for implementation of the proposed project through single window clearances.

Employee Development and Engagement

The Company's agenda for engaging and developing its employees includes initiatives to attract, develop and retain talent. The key focus areas include diversity and inclusion, succession planning, developing a talent pool for critical positions, quality of life programs and leadership development.

The Company has taken a professional approach to industrial relations. The Company continued to treat people with dignity and respect as well as upheld important principles of labour relations.

Leveraging the power of Information Technology

During the year under review, the Company achieved significant efficiency in IT effectiveness in business areas by replacing the previous applications with new applications Keeping cost effectiveness and optimised use of technology.

IT division achieved economy in operational costs through innovations and consolidation with implementation of new applications replacing high-cost applications and introducing efficient vendors without compromising quality of service.

The following projects were implemented and successfully rolled out during the year:

- Success factors replaced with SAP HCM module without any subscription cost and recurring cost.
- Sales force application replaced with SAP custom application without any subscription cost and recurring cost.
- New Reel stretch wrapping machine was integrated with SAP and discontinued existing reel wrapping system without any AMC cost and recurring cost.
- Self-adhesive ream and bundle label printing application developed in SAP for all manufacturing units to replace external label printing Software application without any subscription cost and recurring cost.
- SAP data base size reduced from 1.5 TB to 950 GB by analysing and removing obsolete and redundant data thereby achieving 20% reduction on cost.
- AV conference system implemented in place of existing telepresence system resulting 75% saving in cost.
- Surveillance system installed at critical areas of river water pump house and paper machine areas for better control and monitor.
- Centralised file server system established at RAJAHMUNDRY location where all the corporate functions are situated
- MS-Teams added to reduce the costs, time and network bandwidth.
- Andhra Paper Limited www.andhrapaper.com web site migrated from HTML to WordPress for benefit of cost reduction.
- PF trust application migrated from on premise to cloud as per the Vendor initiation.

Community Service and Engagement

The Company is committed to the cause of communities where it operates, by supporting Education, Health & Wellness and other genuine requirements of the less privileged sections of the society.

The Company considers community as its key stakeholder and is one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the nearby village communities in the fields of health and

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preventive health care, education, rural development, community engagement and livelihood interventions and is sensitive to its needs.

During the year, the Company completed major projects relating to Water pipeline at Kadiyam which will benefit around 5,000 families and constructed skill development centre which will help the youth of the nearby villages in upskilling themselves with employment related skills.

The Company has adopted a CSR Policy which is placed on the Company's website: https://andhraper.com/wp-content/themes/andhra_paper/uploads/investors/1645611255CSR%20Policy.pdf. The Members of Corporate Social Responsibility Committee as on March 31, 2023 comprised of:

Mr. Virendraa Bangur	–	Chairman
Mr. Saurabh Bangur	–	Member
Mr. Sudarshan V. Somani	–	Member
Mr. Rajendra Jain	–	Member

The Annual Report on CSR activities is attached as Annexure – 1 to this report.

Awards

During the year, the Company:

- was awarded “**Best Safety Performer for the year 2022**” by Confederation of Indian Industry for Unit: Rajahmundry.
- secured **SILVER AWARD** as Industrial Best Safety Performer for the year 2022 by Confederation of Indian Industry for Unit: Kadiyam.

Related Party Transactions

All related party transactions that were entered into during the financial year under review were at arm's-length basis and also in the ordinary course of business. There were no material significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interests of the Company at large.

The Board of Directors approved a Policy on Related Party Transactions which is placed on the Company's website: <https://andhraper.com/wp-content/uploads/2023/04/Policy-on-related-party-transactions-1.pdf>. The disclosures on related party transactions are given in Notes to the financial statements.

Remuneration Policy

The Company has adopted the Nomination and Remuneration Committee Charter which contains, inter alia, framework for Directors' appointment and remuneration, criteria for determining the qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, 2013 (“The Act”).

Pursuant to Section 178(4) of the Act, the Company also adopted Remuneration Policy relating to remuneration for the Directors, Key Managerial Personnel and Senior Executives in the rank of Vice President and above. The Remuneration Policy is placed on Company's website: https://andhraper.com/wp-content/themes/andhra_paper/uploads/investors/1599824266Remuneration%20Policy.pdf

Energy Conservation, Technology Absorption & Foreign Exchange earnings and outgo

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Annexure - 2 attached to this Report.

Risk Management

The Company has a robust business risk management framework to identify and evaluate business risks and opportunities. This framework aims to create transparency, minimize adverse impact of risks on the business objectives and enhance the Company's competitive advantage. Some of the critical risks that have been identified are Fibre Procurement, Competition risk, Occupational Health & Safety, environmental etc.

Directors

- a. During the year under review, Mr. Mukesh Jain, Director – Commercial & CFO has been re-designated as Director – Commercial on his resignation as CFO of the Company and subsequently the Board approved change in the nomenclature of designation as Executive Director.

Mr. Shree Kumar Bangur has been reappointed as Chairman & Managing Director of the Company for a period of 3 (three) years effective October 30, 2022 with the approval of Shareholders through Postal Ballot.

Mr. Saurabh Bangur has been reappointed as Joint Managing Director of the Company for a period from June 1, 2023 to September 30, 2026 subject to the approval of shareholders at the ensuing Annual General Meeting.

b. Independent Directors

During the year, the Company appointed Mr. Virendra Sinha and Mr. Sitaram Sharma as Independent Directors of the Company for a period of 3 years effective April 1, 2022.

During the year under review, Mrs. Papia Sengupta has been appointed as an Independent Director of the Company for a period of 3 years effective September 1, 2022 and Mr. Sudarshan V. Somani and Mr. Arun Kumar Surekha have been reappointed as Independent Directors of the Company for a period of 3 years effective October 30, 2022 with the approval of shareholders through Postal Ballot.

Ms. Veni Mocherla, Independent Director completed her term on December 29, 2022 and ceased to be Director of the Company. The Board placed on record its warm appreciation for the excellent contributions made by Ms. Veni Mocherla during her tenure as Independent Director of the Company.

The Board opines that the Independent Directors appointed during the year possess integrity and have requisite expertise, experience and proficiency.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and that they are independent from the Management of the Company and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, all the Independent Directors have given declarations that they complied with the provisions of Companies (Appointment and Qualifications of Directors) Rules, 2014 and are in compliance with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Business Conduct and Ethics of the Company.

A separate Meeting of Independent Directors was held on January 31, 2023. All the Independent Directors of the Company except Mr. Sitaram Sharma attended the said Meeting.

c. Rotational Directors

Mr. Saurabh Bangur, Director, is liable to retire by rotation at the ensuing Annual General Meeting, as per the provisions of the Companies Act, 2013 and being eligible, offered himself for reappointment.

d. Details of Key Managerial Personnel

Mr. Mukesh Jain resigned as Chief Financial Officer of the Company effective February 1, 2023 and continues as Whole-time Director (designated as Executive Director) and Mr. Rajesh Bothra has been appointed as Chief Financial Officer of the Company effective February 2, 2023.

As on March 31, 2023, Mr. Shree Kumar Bangur, Chairman & Managing Director, Mr. Saurabh Bangur, Joint Managing Director, Mr. Mukesh Jain, Executive Director, Mr. Rajesh Bothra, Chief Financial Officer and Mr. Bijay Kumar Sanku, Company Secretary are the Key Managerial Personnel of the Company.

e. Meetings of the Board

During the year under review, four Board Meetings and four Audit Committee Meetings were held. The maximum interval between any two Meetings did not exceed 120 days, as prescribed by the Companies Act, 2013. The details of the Meetings held are given in the Corporate Governance Report forming part of this Report.

f. Performance Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Annual performance evaluation of Board, its Committees, Chairman & Managing Director, Joint Managing Director and Executive Director has been carried out based on various parameters.

A separate exercise for the financial year 2022-23 was carried out to evaluate the performance of all individual Directors including Independent Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders etc.

g. Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Act, the SEBI Listing Regulations and other relevant Laws and Regulations. Details of Familiarization of Directors are disclosed on the Company's website: https://andhrpaper.com/wp-content/themes/andhra_paper/uploads/investors/1676347976Familiarization%20Programme%20for%20website%20and%20Annual%20Report.pdf

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h. Audit Committee

Mr. Praveen P. Kadle and Mr. Adhiraj Sarin completed their second term of office as Independent Directors of the Company on March 31, 2022 and ceased to be Members of Audit Committee. The Audit Committee has accordingly been reconstituted with effect from April 1, 2022 by appointing Mr. Virendra Sinha and Mr. Sudarshan V. Somani.

The Audit Committee as on March 31, 2023 comprised of Mr. Sudarshan V. Somani as Chairman and Mr. Virendra Sinha, Mr. Arun Kumar Sureka and Mr. Saurabh Bangur as other Members. All the recommendations made by the Audit Committee were accepted by the Board.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in Annexure-3. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the information under on Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is being sent to the members of the Company. If any Member is interested in obtaining the above information may write to the Company Secretary at the Registered Office in this regard or can inspect the related documents/information at the Registered Office of the Company.

Vigil/Whistle Mechanism

The Company has adopted Whistle Blower Policy to deal with instance of fraud or any unethical or improper practices. A copy of this Policy is placed on the Company's website: https://andhrpaper.com/wp-content/themes/andhra_paper/uploads/investors/1658382966Whistle%20Blower%20Policy%20modified%20on%2021.07.2022.

Internal Financial Controls

The Company established internal financial control(s) commensurate with the size, scale and complexity of the operations. Internal audit function is being handled by a professional firm of chartered accountants. The main function of Internal Audit is to monitor and evaluate adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions are reported to the Audit Committee.

Statutory Auditors audited the Internal Financial Controls (IFC) over financial reporting of the Company as of March 31, 2023 in conjunction with audit of the financial statements of the Company for the year ended on that date. Unmodified opinion on IFC was given by them.

Statutory Auditors

The Report of Auditors for the fiscal year 2023 does not have any qualifications, reservations or adverse remarks. The Report is enclosed with the financial statements in this Annual Report.

Messrs MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company have been appointed, for a term of five years, to hold office from the conclusion of 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting corresponding to the financial years from 2022-23 to 2026-27.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Messrs D. Hanumanta Raju & Co., a firm of Company Secretaries to undertake the secretarial audit of the Company for the financial year 2022-23. Secretarial Audit Report under Section 204(1) of the Act issued by Messrs D. Hanumanta Raju & Co., Practicing Company Secretaries, in respect of financial year 2022-23 is attached as Annexure - 4 to this Report.

The Report of Secretarial Auditors does not have any qualifications, reservations or adverse remarks.

Cost Auditors

In terms of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the Board at their Meeting held on May 8, 2023, on the recommendation of Audit Committee, appointed Messrs Narasimha Murthy & Co., Cost Accountants as Cost Auditors of the Company for the financial year 2023-24, at a remuneration of ₹ 4.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses and their remuneration is being submitted for ratification by the Members at the forthcoming Annual General Meeting.

Cost Accounting Records and Cost Audit

Cost accounting records for the financial year under review were maintained as per the Companies (Cost Records and Audit) Rules, 2014. M/s. Narasimha Murthy & Co., Cost Accountants were appointed as Cost

Auditors of the Company to audit the Cost Records for the year ended March 31, 2023. The Cost Audit Report for the financial year ended March 31, 2022 was filed with the Ministry of Corporate Affairs in August, 2022.

The Cost Audit Report for the year ended March 31, 2023 will be filed within the due date.

Public Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Particulars of loans, guarantees, security or investments

The particulars of loans, guarantees, and investments covered under the provisions of Section 186 of the Act have been disclosed in the financial statements.

Subsidiary Company

The Company made an investment of ₹5.00 lakhs by way of share capital in Andhra Paper Foundation ("Foundation"), incorporated under Section 25 of the Companies Act, 1956, wherein the excess of income over expenditure will be applied for promoting its objectives. Accordingly, the accounts of Andhra Paper Foundation were not consolidated, since the holding Company will not derive any economic benefit from its investment in Foundation.

The Company undertakes that annual accounts of Foundation and the related information will be made available to the members of holding Company seeking such information at any point of time. The annual accounts of Foundation are placed on the Company's website: https://andhrapaper.com/wp-content/uploads/2023/05/Signed-copies-of-Financial-Statements-for-the-financial-year-ended-March_.pdf and are also available for inspection by any member at the Registered Office of the Company during business hours on all working days of the Company. A statement containing salient features of the financial statement of Foundation for the financial year ended March 31, 2023 is attached as Annexure - 5 to this Report.

Annual Return

In terms of Section 92(3) of the Act, the Annual Return for the financial year ended March 31, 2023 is displayed on the website of the Company <https://andhrapaper.com/wp-content/uploads/2023/06/Annual-Return-for-the-financial-year-ended-March-31-2023.pdf>

Business Responsibility and Sustainability Report ('BRSR')

Pursuant to Regulation 34 of the SEBI Listing Regulations, 'Business Responsibility and Sustainability Report' forms part of this Report as Annexure - 6, which describes the initiatives taken by the Company from an environmental, social and governance perspective.

Material changes and commitments affecting the financial position of the Company which occurred between end of financial year and date of the Report

There were no material changes and commitments affecting the financial position of the Company which occurred between end of financial year and date of the Report.

Directors' Responsibility Statement

The Board of Directors hereby confirms and declares that:

- in the preparation of final accounts for the year ended March 31, 2023 the applicable accounting standards had been followed;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year end March 31, 2023 and of the profit and loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Statutory Reports

- they had prepared the accounts for the year ended March 31, 2023 on a 'going concern' basis;
- they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

- There were no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.
- During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.
- The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set

up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaints were received by the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- The Company has complied with all the applicable laws, rules, regulations and secretarial standards
- All Policies as required under the Act or the SEBI Listing Regulations are available on the website of the company <https://andhraper.com/investors-policies/>

Acknowledgement

The Board of Directors wish to place on record their gratitude to the Central Government, Government of Andhra Pradesh, Government of Telangana and Banks for their continued support during the year.

The Board of Directors wish to convey their thanks to the valued customers and dealers for their continued patronage and place on record their appreciation of the contribution made by all the employees during the year under review.

For and on behalf of the Board

Place: Rajahmundry
Date: May 8, 2023

Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE - 1

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(All the figures in this CSR Annual Report are rounded off to ₹ lakhs)

1. Brief outline on CSR Policy of the Company

CSR vision of the Company is to support, enhance and respect the communities and stakeholders wherever the Company operates its businesses. The focus areas of Company's CSR activities are Education, Health & Wellness and Community Engagement, which make positive contributions to communities around the Company's manufacturing facilities and farm forestry areas. The Company is continually refining its programs and seeking opportunities to make difference in the communities where they live and operate.

2. Composition of CSR Committee as on March 31, 2023

Sl. No.	Name of Director	Nature of Directorship	Designation (Committee)	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. Virendraa Bangur	Non-Executive Non-Independent Director	Chairman	1	1
2	Mr. Saurabh Bangur	Joint Managing Director	Member	1	0
3	Mr. Sudarshan V. Somani	Non-Executive Independent Director	Member	1	1
4	Mr. Rajendra Jain	Non-Executive Non-Independent Director	Member	1	1

- The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: <https://andhraper.com/investors-csr-information/>.
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL**
- Average net profit of the Company as per section 135(5): **₹13,974.94 lakhs**
- (a) Two percent of average net profit of the Company as per section 135(5): **₹279.50 lakhs**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
(c) Amount available to be set off for the financial year, if any: **NIL**
(d) Total CSR obligation for the financial year (7a+7b- 7c): **₹279.50 lakhs**
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
304.21	0	-	Not Applicable		

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(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration (approved time line for completion)	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-
Total												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in lakhs)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/ No)	Mode of implementation -Through implementing Agency	
				State	District			Name	CSR Regn. Number
1	Equipment support to ESI Hospital, Rajahmundry	Item (i) - Health & Wellness	Yes	Andhra Pradesh	East Godavari	18.46	Yes	N.A.	N.A.
2	Infrastructure & Equipment support to Primary Health Centre, Kadiyam	Item (i) - Health & Wellness	Yes	Andhra Pradesh	East Godavari	43.75	Yes	N.A.	N.A.
3	Maintenance of RO Plants installed by the Company, Rajahmundry & Kadiyam	Item (i) - Safe drinking water	Yes	Andhra Pradesh	East Godavari	36.31	Yes	N.A.	N.A.
4	Construction of Kitchen in Old Age Home, Rajahmundry	Item (iii) - Infrastructure support	Yes	Andhra Pradesh	East Godavari	29.82	Yes	N.A.	N.A.
5	Construction of Goshala & related expenditure, Kadiyam	Item (iv) - Animal Welfare	Yes	Andhra Pradesh	East Godavari	46.13	Yes	N.A.	N.A.
6	Infrastructure & equipment support to Government Schools, Rajahmundry & Kadiyam	Item (i) - Health & Wellness	Yes	Andhra Pradesh	East Godavari	32.96	Yes	N.A.	N.A.
7	Infrastructure & equipment support to APPM High School, Rajahmundry	Item (ii) - Education	Yes	Andhra Pradesh	East Godavari	26.24	Yes	N.A.	N.A.
8	Merit Scholarships to Grade X students, Rajahmundry	Item (ii) - Education	Yes	Andhra Pradesh	East Godavari	9.00	Yes	N.A.	N.A.

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation – Direct (Yes/No)	Mode of implementation –Through implementing Agency	
				State	District			Name	CSR Regn. Number
9	Infrastructure support to Working Women's Hostel, Rajahmundry	Item (iii) – Empowering Women	Yes	Andhra Pradesh	East Godavari	15.75	Yes	N.A.	N.A.
10	Running of tailoring Centres for Women, Rajahmundry & Kadiyam	Item (iii) – Empowering Women	Yes	Andhra Pradesh	East Godavari	1.68	Yes	N.A.	N.A.
11	Extension of water supply pipeline at Kadiyam	Item (i) - Safe drinking water	Yes	Andhra Pradesh	East Godavari	7.11	Yes	N.A.	N.A.
12	Extension of construction of Skill Development centre at Jegurupadu	Item (ii) -Education	Yes	Andhra Pradesh	East Godavari	19.89	Yes	N.A.	N.A.
13	Infra & Equipment Support to Girls College, Didwana	Item (ii) -Education	No	Rajasthan	Nagaur	5.00	No	Didwana Vikas Parishad Samittee	CSR00034450
Total						292.10			

(d) Amount spent in Administrative Overheads : ₹12.11 lakhs

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the financial year (8b+8c+8d+8e) : ₹304.21 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	279.50
(ii)	Total amount spent for the financial year	304.21
(iii)	Excess amount spent for the financial year [(ii)-(i)]	24.71
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	24.71

9 (a) Details of Unspent CSR amount for the preceding three financial years: Nil

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(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in lakhs)

Ongoing Projects of FY – 2021-22							
1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the Project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of the reporting financial year	Status of the project Completed/ ongoing
1	Construction of water supply pipeline at Kadiyam	2021-22	9 Months	116.93	135.43	141.36	Completed
2	Construction of Skill Development centre at Jegurupadu, Kadiyam	2021-22	9 Months	55.00	30.91	31.91	Completed
Total				171.93	166.34	173.27	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – **Nil/Not Applicable**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **Not applicable**

Place: Rajahmundry
Date: May 8, 2023

Shree Kamar Bangur
Chairman & Managing Director

Virendraa Bangur
Chairman – CSR Committee

ANNEXURE - 2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of energy-

I. The steps taken or impact on conservation of energy:

At Unit: Rajahmundry –

1. Replacement of Screw Elements of Atlas Copco Air Compressor-1

1. The Air compression 1 screw elements sustained wear and tear over the years with increased power consumption. HP & LP Screw elements were changed in Air Compressor-1 resulting in decrease in motor load from 630 Amps to 560 Amps. The anticipated energy saving will be 43 KW valued at ₹ 24 Lakhs per annum.
2. HP & LP Screw elements installed in 2011 suffered wear and tear were changed resulting decrease in motor load from 562 Amps to 504 Amps. The anticipated energy saving will be of 29 KW valued at ₹ 16.06 Lakhs per annum.
3. Changed the pump impeller in Wetlap Machine from open to closed type and the motor from 37KW, 1440 RPM to 22KW, 990 RPM to reduce motor load from 61 Amps to 30 Amps with an anticipated energy saving of ₹ 8.00 Lakh per annum.
4. Reduction in Power and steam consumption by optimizing evaporator surface condenser Warm water temperature resulted in power saving of 250 A (147 kwh / hr). Warm water average temperature is now maintaining 47.5 Deg C instead of design (45 degC) which giving steam saving of 1 TPH at pulp Mill.
5. Reduction in steam consumption at pulp mill by optimizing WBL temperature. WBL temperature from pulp mill to 4F reduced by 5 deg c from 85 to 80 deg c resulting in net steam saving of 1.12 tph LP steam.
6. Upgradation of RB 4 ESP 1 and 2 Field along with replacement of ductings resulted in reduction of infiltration of air and decrease in stack emissions, meeting the environment norms with resultant power saving of 114 KW / HR as renewal of ducting resulted in reduction in infiltration in turn reduction of ID fan Load.
7. Installation of additional soot blower in RB-4 in Bank Zone to avoid flue gas path jamming in Bank Zone reducing operational down time of RB-4. Water wash frequency reduced from 3 times to 2 times in a year saving around 580 Tons of finished paper.
8. Installation of VFD for CWPH pump for no:2 with saving of 40 KWH / hr, Pump average running for 4 hrs in a day, resulting in saving of 40 *4 *355=56800 KWH /annum.
9. Renovation of RLK cooling tower reducing water consumption of 1500 m3/day.
10. LP & MP steam lines rerouted for RJ 1 to 5 machine and disconnected old lines resulting pressure drop and reduction in heat losses in Paper M/cs.
11. Raw water lines for paper machines (RJ2,3 &5) and rerouted RLK and disconnected old lines. Line Size reduced and old lines which is in deteriorated condition was disconnected. Improved reliability.

At Unit: Kadiyam -

- New Pulper for KA#2 wet lap pulper was replaced with VFD Control to reduce power and improve reliability.
- Motor pulley was changed for KA#3 machine chest agitator to reduce power.
- VFD for KA#1 machine chest pump was provided for process improvement and energy conservation.
- Stand pipe was arranged for KA#1 centri cleaners for energy reduction.
- VFDs for Deinking cell supply pump for energy conservation and process control.
- Old air compressor was replaced with new energy efficient compressor at KA3.
- KA2 Rewinder Trim blower connection was changed to star to reduce power.
- KA3 Wetlap Pulper Impeller Design was changed with VFD Control for power reduction.

Statutory Reports

- VFD for Stock preparation 3 No.6 Chest Pump for power reduction.
- Conversion of Delta to Star of Light loaded.
- Nature Switches for Auto Lighting Switch Over to avoid Manual On & OFF.

II. The steps taken by the Company for utilising alternate sources of energy: Kadiyam

- Energy Efficient Foot Print TG to reduce 1.0 MW load on Grid.

III. The capital investment on energy conservation equipment's:

At Unit: Rajahmundry –

- Change of HP & LP Screw elements in Air Compressor
- Upgradation of RB 4 ESP 1 and 2 Field along with replacement of ductings
- Renovation of RLK cooling tower
- LP & MP steam lines rerouted for RJ 1 to 5 machine

At Unit: Kadiyam –

- VFDs for Deinking cell supply pump for energy conservation and process control– 1200 Units /Day Savings
- New Pulper for KA#2 wet lap pulp line with VFD Control – 1000 units / Day.
- New air compressor for KA3 – 1320 units / Day Savings

(B) Technology absorption-

I. Efforts made towards technology absorption:

Unit: Rajahmundry

- **DM Plant PLC upgrade**

DM Plant PLC controller upgraded from Series S90-30 Model GE Fanuc PLC to PAC Rx3i Model and Windows XP-based operating system upgraded to Windows 11 pro with SIMPLICITY Supervisory Control and Data Acquisition System version 11. As existing PLC and Operating Systems are obsolete and failure of these systems will lead to DM plant inoperable.

- **Clo2 Chiller# 1 PLC Upgradation**

CIO2 Plant chillers are operating with Siemens PLC S7-200, as these PLC Systems are obsolete and failure of these systems will lead to CIO2 & O2 Plant being inoperable due to the non-availability of chilled water. The PLC units 1 Out of 2 Chillers

have been upgraded to S7-1200 with current technologies to ensure parts availability and to get support from OEM.

- **Replacement of Brightness Analyzer**

At Pulp Mill D1 stage feed, Valmet make, Model: Kajani Cormec i Brightness Analyzer used for measuring Brightness and optimizing the bleaching chemicals. This obsolete Analyzer was failed and upgraded with latest model Valmet Cormec 5X.

- **Redundancy Enhancement of ABB DCS Controllers**

ABBDCSControllersrepeatedfailureswereobserved in TG & Recovery Boiler due to fault generated in Communication Expansion Bus and was triggered both primary and Secondary controllers in to fault mode. Considering the criticality of the equipment Bus Coupler modules (BC810) were installed in RB4, CF6, TG & Evaporator DCS as production loss in any one of these areas will impact the total mill production.

- **New Refiner for RJ#5 in series with existing Refiner**

Installed additional new 350 KW 26" Tri Disc Parason make Refiner at RJ5 for high refining pulp to produce cup-stock grade now extended its use for refining Imported Soft Wood Pulp so that refined SW can be used in any machine for improving Quality & or / Productivity.

- **R #3 Winder upgradation**

Improvement in output reel build-up reducing hard bands and wrinkles, Improvement in speed by 10 – 15%, thereby improvement in production.

- **CC cameras / Surveillance Cameras**

14 surveillance CC cameras were installed in various processes for better control and monitoring of productivity and improve behaviour and efficiency at work place. This also helps improve incident investigation & ensure better Control measures at work place.

- **Old Black Liquor Cooler converted to Indirect Heater**

Unused old Black Liquor Cooler modified to Hot Water Heater by changing it from direct cooler to Indirect heater which increased Hot Water Temperature by 50C & helped to maintain healthy and safe operation by reducing hammering & avoiding gasket failures.

Unit: Kadiyam

- **New Hydraulic head box**

KA#3 is provided with New Intellijet hydraulic head box from Valmet with slice controls of both

vertical and horizontal, lamella for micro turbulence, attenuator to avoid pressure pulsation on jet, more slice actuators for fine control of flow from slice and thus the CD profile correction.

- **Replacement of Air Compressor in KA#3**

Existing obsolete compressor is replaced with Atlas Copco oil free screw air compressor to ensure oil free air to protect end products. It contributes to energy saving.

- **New Rewinder for KA#2**

New Kintec rewriter for KA#2 along with New higher diameter tambour roll improved the reel quality in Cup stock as well as in Color printing. Finishing losses have been reduced by 0.5%. We will be able to deliver 110 cm diameter reels to customer there by reduction in handling losses.

- ESP Controllers replacement with PRICICON R Model in place of PRICICON 3
- Replacement of KA3 Drives Operating HMI with PP875 Touch Panels
- Modifying the KA1 & KA2 EOT Crane Infeed Power supply arrangement with C Track system in place of Conventional Stay wire system
- Web Cutter Arrangement with Paper Break Detection Sensors in KA3 Machine
- KA1 Machine Chest Pump VFD arranged with Flow Control system

II. Benefits derived like product improvement, cost reduction, product development or import substitution:

Unit - Rajahmundry:

1. **Automatic Shrink Wrap System- A4 Section** at Cut-Size line – Cheetah 3 shift operations manually helped to reduce Packing cost and fulfilling customer requirements.
2. **Optimization of Cationic Starch & DSR** in RJ 5 helped to reduce dusting & fluff issue at @₹50/- per Ton of Paper.
3. **Green liquor settling aid “Infinity PS 1100”** Polymer of M/s. Solenis Chemicals India helped in effective reduction of TSS without any adverse effects on the process.
4. **Increased use of Casuarina Junjuniana** after de-barking in place of regular Eucalyptus wood at chipper helped to manage cost, raw material availability & particularly increasing debarked material ratio in the total mix. This increase in debarked wood indicated an improvement in

production of Pulp (from 540 to 553 TPD) with better brightness & strength with reduced chemicals.

5. **Stopping of Deposit** control in RJ 3 helped in improving RJ 3 productivity by reducing quality rejections.
6. **Use of Micro Talc** as detacyfying agent in pulping helped reduce quality rejections for pitch & Improved paper machine productivity.
7. **Optimization of AKD in RJ 3** helped in reducing AKD & reducing adverse impact of excess AKD through machine reliability.
8. **Use of Storage tank for Cat size** helped in reducing handling of drums & creating a drum free environment.
9. **Use of AFT pressure screen in RJ 1** helped to reduce broke flakes in paper even with higher usage of broke which helped to reduce cost & supports safe working environment.
10. **Changing Plate Pattern to fine Bar (LF) in RJ 1 CR 45 Refiner** helped to produce high BF Kraft in RJ 1 on sustainable basis without rejections.
11. **On site Enzymatic conversion of Native starch to Cationic starch in RJ 6** helped us get Cationic starch all the time irrespective of market condition & helped us to reduce cost.

Unit - Kadiyam:

- Azure laid Green regularized in KA#1 with Bulk Improvement
- Usage of Solenis Wire Passivation chemical in KA#3, reduced the sticky related down time (3 hours per month to Nil)
- KA#2 post MG dryer top and bottom dryers separate steam connections given for better curl control in higher GSM.

New Product developments at Unit - Rajahmundry

1. Carry bag 90 -130 GSM on RJ# 3 machine: All paper properties and critical parameters are met with specifications. Average stretch value of 5.4% was achieved against the target of 4.9%. Based on the Bag conversion feedback from the converter, further product specifications stream lined & product regularised.
2. Straw Paper 60 -120 GSM on RJ# 5 machine: All paper properties and critical parameters are met with specifications. Average stretch value of 5.4% was achieved against the target of 4.9%. Based on the Bag conversion feedback from the converter, further product specifications stream lined & product regularised.

Statutory Reports

New Product developments at Unit – Kadiyam

- i New Product Décor Paper developed at KA#1. Trials taken for Decor barrier & Décor Print base.
- ii. Carry bag & Straw paper trials taken at KA#1, feedback encouraging. further trials are required for evaluation.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

1.	a)	Details of technology imported	TOC Analyzer for ETP TOC-4200 analyzer is SHIMADZU make, based in Japan. It is the only online TOC analyser that utilises catalytic combustion oxidation technology, with MCERTS accreditation, available on the market
	b)	Year of import	2021
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken	Not Applicable
2.	a)	Details of technology imported	QCS/DCS FOR KA#3 Valmet IQ 8, DCS & QCS along with Color scanner was imported from Finland. On-line measuring of GSM, Moisture, caliper along with ash gives real time measurement and controlling of the same to meet the product quality much within specification
	b)	Year of import	2021
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
3.	a)	Details of technology imported	Double Doctor FOR KA3 Double doctor for KA#3 Suction press to improve post press dryness which in turn gives reduced steam consumption
	b)	Year of import	2021
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
4.	a)	Details of technology imported	Advanced Process Control System for RLK#2. ABB Ability Advanced Process Control is globally proven advanced controlled system. It is implemented using the PPC platform, which provides multi-variable feedback control and optimizes the process
	b)	Year of import	2022
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
5.	a)	Details of technology imported	Head Box for KA#3 KA#3 is provided with New Intellijet hydraulic head box from Valmet with slice controls of both vertical and horizontal, lamella for micro turbulence, attenuator to avoid pressure pulsation on jet, more slice actuators for fine control of flow from slice and thus the CD profile correction
	b)	Year of import	2022
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable

Research and Development -

Unit: Rajahmundry

1. Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> - New Product Development - Product quality improvement - Process optimisation studies - Identification of functional additives and plant trials for cost reduction /quality improvement - Evaluation of new fibrous raw materials
2. Benefits derived as a result of the above R&D.	<ul style="list-style-type: none"> - New products developed as per market demand - Modification of products for Customer satisfaction - Identification of additives for quality Improvement and cost reduction - Identification of alternate fibrous raw materials
3. Future plan of action	<ul style="list-style-type: none"> - New Product Development - Evaluation of alternate fibrous raw materials. - Process optimisation studies - Identification of functional additives/ chemicals for Product development, Process / quality Improvement and Cost reduction.

Kadiyam:

1. Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> - New Product Development – In KA#3 Andhra Sapphire grade developed with 50:50 Furnish of DIP & Wetlap Pulp as per market requirement. In KA#1 Andhra Carry Bag trial and Straw Paper was taken and the results are encouraging In KA#1 Décor trials Barrier & Print base were conducted to understand techno commercial feasibility. In KA#2 Lab scale Beige shade developed with dual dye optimisation. - Product quality improvement – Reduction in Paper machine CD profile Gsm variations was achieved by installation of New Head Box in KA#3 . Better smoothness & better formation achieved. CD Profile Moisture variation reduced. - Process optimisation Developed alternate supplier HABER for AKD at KA#3 along with retention Programme. Developed alternate supplier for AKD at KA#1 ,Lakshmi Rosin. - Identification of functional additives and plant trials for cost reduction /quality improvement Alternative defoamer, PAC reduction in HRT & ETP clarifier with Polymer, Telioform for ash retention improvement in KA#3. Native starch in place of Cationic starch. Identified alternate OBA from SG Corporation, for Cost reduction, Plant trial to be planned. Surfactant trials conducted at DIP for Improvement of Poor cleanliness. Evaluation of alternate vendors for Caustic SS Powder, GCC, Dyes (Sun pulp violet, Direct red etc.) has carried & established at Lab scale.
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2. Benefits derived as a result of the above R&D.	<ul style="list-style-type: none"> Developed New Shade/products like AS/ASW (K) as per market demand. -Modified products for Customer satisfaction like Azure laid with better bulk with smoothness Optimisation. Identified additives for quality improvement and cost reduction Identified alternate fibrous raw materials like Softwood, Hard wood, & Recovered fibre.
3. Future plan of action	<p>- Product Development Beige Shade to be made at KA#2 as per market demand.</p> <p>Quality Improvement</p> <ul style="list-style-type: none"> Static Bar for KA#1 Static bar will be installed in KA#1 calendar section to eliminate static current from the paper which in turn gives better sheet release property during printing operation. Dip Project DIP Project for Cleanliness & Spec Improvement is under discussion with supplier. Size Press at KA#3 Plan for Size press project under progress STP Project under Progress. Storm water Drains & Rain water Harvesting system under Progress KA#3 1st & 2nd Press part frames strengthening under discussion. <p>Process optimisation,</p> <ul style="list-style-type: none"> OBA optimization & cost reduction with Identified suppliers. Reduction in Fiber loss. Dye Trials to be taken for Sun Pulp Violet

(C) Expenditure incurred on Research and Development:

(₹ in lakhs)

Sl. No.	Particular	Amount
a.	Capital	-
b.	Recurring	74.71
c.	Total	74.71
d.	Total R & D expenditure as percentage of total turnover (%)	0.04

(D) Foreign exchange earnings and Outgo-

(₹ in lakhs)

Particular	Amount
Foreign Exchange earned in terms of actual inflows	17,139.25
Foreign Exchange outgo in terms of actual outflows	5,831.63

ANNEXURE-3

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2022-23

Sl. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2022-2023 (₹ in lakhs)	% increase / (decrease) in the remuneration	Ratio of remuneration of each director to median remuneration of employees
i.	Shree Kumar Bangur Chairman & Managing Director	-	N.A	N.A
ii.	Virendraa Bangur Vice Chairman	2.50	(64.29)	0.46
iii.	Saurabh Bangur Joint Managing Director	328.34 ¹	134.18	60.25
iv.	Sudarshan V. Somani Independent Director	4.50	(28.00)	0.83
v.	Arun Kumar Sureka Independent Director	4.00	(56.76)	0.73
vi.	Rajendra Jain Non-Executive Director	2.50	(55.00)	0.46
vii.	Ms. Veni Mocherla* Independent Director	1.75	N.A	N.A
viii.	Virendra Sinha [®] Independent Director	3.25	N.A	0.60
ix.	Sitaram Sharma [®] Independent Director	3.00	N.A	0.55
x.	Mrs. Papia Sengupta [®] Independent Director	1.00	N.A	N.A
xi.	Mukesh Jain [§] Director - Commercial	83.02	N.A	15.23
xii.	Rajesh Bothra [®] Chief Financial Officer	-	N.A	N.A
xiii.	Bijay Kumar Sanku [®] Company Secretary	21.51	N.A	N.A
xiv.	Aravind Matta* Company Secretary	20.98	N.A	N.A

* Veni Mocherla and Aravind Matta have ceased their office during the financial year and therefore remuneration cannot be compared

¹ includes commission of ₹188.13 lakhs for FY 2021-22

[®] Virendra Sinha, Sitaram Sharma, Papia Sengupta, Rajesh Bothra and Bijay Kumar Sanku have been appointed during the financial year and therefore remuneration cannot be compared.

[§] Mukesh Jain has been appointed as Director Commercial w.e.f November 10, 2021 and therefore his remuneration cannot be compared.

Statutory Reports

The percentage increase in the median remuneration of employees in the financial year

The median remuneration of employees in the current financial year registered an increase of (0.18%) over the previous financial year

The number of permanent employees on the rolls of the Company

There were 2,010 employees as on March 31, 2023

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification need to be given for increase in the remuneration thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salary/wages of the employees was (1.14%) (other than managerial personnel) whereas average percentile remuneration to managerial personnel increased by (40.00%) during the year.

It is hereby affirmed that the remuneration paid is as per Remuneration Policy of the Company.

For and on behalf of the Board

Place: Rajahmundry
Date: May 8, 2023

Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
ANDHRA PAPER LIMITED
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ANDHRA PAPER LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (Not applicable to the company during the period under review);
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- (Not applicable to the company during the period under review);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

Statutory Reports

- (Not applicable to the Company during the period of audit);

(h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the company during the period under review);

(i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- (Not applicable to the Company during the period of audit); and

(j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other laws **specifically** applicable to the Company include:

A. Factories Act, 1948

B. Indian Boilers Act, 1923

C. The Environment (Protection) Act, 1986 and allied Environment Laws

D. Contract Labour Act, 1971 and A.P Contract Labour Rules

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and requisite number of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting Board members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that company has subscribed to an Online Compliance Management System whereby system generated reports are submitted quarterly to the members of the Board about non-compliance and delayed compliance, if any, with respect to all laws and rules that are applicable to the Company. The Board in their meetings takes note of this report and suggests corrective action if deemed necessary.

We further report that the Company has signed a Memorandum of Agreement (MOA) with the Government of Andhra Pradesh (GOAP) on March 4, 2023 to facilitate investment in the State of Andhra Pradesh which will boost employment and local economy aiding economic growth of the State.

We further report that during the audit period, the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad
Date: 02.05.2023

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO:1709
UDIN: F004044E000239565
PR NO: 699/2020

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A'

To
The Members,
ANDHRA PAPER LIMITED,
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO:1709
UDIN: F004044E000239565
PR NO: 699/2020

Place: Hyderabad

Date: 02.05.2023

ANNEXURE – 5

Form AOC- I

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

Name of the subsidiary	Andhra Paper Foundation
The date since when subsidiary was acquired	20-06-2013 (incorporated as a wholly subsidiary of the Company)
Reporting period for the subsidiary concerned, if different from the holding Company’s reporting period	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
Share capital	₹ 5,00,000
Reserves & surplus	₹ 12,20,186
Total assets	₹ 18,24,686
Total Liabilities	₹ 18,24,686
Investments	₹ 16,36,307
Turnover/ Income	₹ 95,903
Excess of Expenditure over Income, before taxation	₹ 1,01,029
Provision for taxation	NIL
Excess of Expenditure over Income, before taxation	₹ 1,01,029
Proposed Dividend	Not applicable
% of shareholding	100

- Names of subsidiaries which are yet to commence operations - **Nil**
- Names of subsidiaries which have been liquidated or sold during the year – **Nil**

Part B: Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures

The Company does not have any Associates/Joint Ventures.

For and on behalf of the Board

Place: Rajahmundry
Date: May 8, 2023

Shree Kumar Bangur
Chairman & Managing Director

SECRETARIAL COMPLIANCE REPORT

**OF ANDHRA PAPER LIMITED
FOR THE YEAR ENDED 31.03.2023**

To
The Members,
ANDHRA PAPER LIMITED
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

We, D. Hanumanta Raju & Co, Company Secretaries, having our office at B-13, F-1, P.S.Nagar, Vijayanagar Colony, Hyderabad – 500 057 have examined:

- a) all the documents and records made available to us and explanation, information and clarifications provided by **ANDHRA PAPER LIMITED**, (“the Listed Entity”),
 - b) the filings/ submissions made by the listed entity to the Stock Exchanges,
 - c) website of the Listed Entity,
 - d) any other documents/declaration/filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2023 (“Review Period”) in respect of compliance with the provisions of:
 1. the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 2. the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Listed Entity during the period under review)
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Listed Entity during the period under review)
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Listed Entity during the period under review)
 - f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- (Not applicable to the Listed Entity during the period under review); and
 - i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- And circulars / guidelines issued thereunder;

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We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	Secretarial Standard: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time as per the regulations/ circulars/ guidelines issued by SEBI. 	Yes	NIL
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website. 	Yes	NIL
4.	Disqualification of Director: None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	Yes	Provisions with regard to material subsidiaries are not applicable to the company.
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	NIL
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions. (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes Not Applicable	NIL There are no such transactions.
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	NIL
12.	Additional Non-Compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	Yes	NIL

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i) if the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report of such quarter; or	Not Applicable	During the review period there is no such event
	ii) if the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or		
	iii) if the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.		
2.	Other conditions relating to resignation of statutory auditor		
	i) Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	Not Applicable	During the review period there is no such event
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.		
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.		
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.		
	ii) Disclaimer in case of non-receipt of information:		
	The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.		

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Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019.	Not Applicable	During the review period there is no such event

(a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(b) The Listed Entity has taken the following actions to comply with the observations made in previous reports:
Not applicable for the period under review.

Place: Hyderabad
Date: 02.05.2023

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO:1709
UDIN: F004044E000241105
PR NO: 699/2020

ANNEXURE – 6

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of listed entity

1.	Corporate Identity Number (CIN) of the Company	L21010AP1964PLC001008
2.	Name of the Company	Andhra Paper Limited
3.	Year of incorporation	1964
4.	Registered office address	Rajahmundry, East Godavari District, Andhra Pradesh – 533 105
5.	Corporate address	1st Floor, 31, Chowringhee Road, Kolkata - 700 016 West Bengal.
6.	E-mail id	Bijaykumar.sanku@andhrapaper.com
7.	Telephone	+91-883-2471831
8.	Website	www.andhrapaper.com
9.	Financial year reported	2022-23
10.	Name of the Stock Exchanges where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up Capital (in crores)	₹ 39.77
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mukesh Jain Executive Director mukesh.jain@andhrapaper.com DIN Number: 09380039 Ph: 0883-2471831
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Manufacture	Manufacture of Paper, Paperboard and pulp	100

15. Products/Services sold by the Company (accounting for 90% of the turnover)

Sl. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Paper, Paperboard and pulp	17011, 17016 and 17093	100

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III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	2	7	9
International	-	-	-

17. Markets served by the Company

a. Number of locations

Location	Total
National (No. of States)	25
International (No. of Countries)	29

b. What is the contribution of exports as a percentage of the total turnover of the Company?

FY 2022-23	8.48%
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c. Types of customers

The Company manufactures writing, printing, and copier papers for both domestic and international markets. Customers who purchase the Company's products include printers, publishers, notebook converters, jobbers, stationers, and corporations.

IV. Employees

18. Details as at the end of Financial Year, i.e. March 31, 2023:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	768	754	98.18%	14	1.82%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D+E)	768	754	98%	14	2%
WORKERS						
4.	Permanent (F)	1,242	1,238	99.68%	4	0.32
5.	Other than Permanent (G)	3,304	3,193	96.64%	111	3.36%
6.	Total workers (F+G)	4,546	4,431	97.47%	115	2.53%

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0.00%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total differently abled employees (D+E)	0	0	0.00%	0	0.00%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0.00%	0	0.00%
5.	Other than Permanent (G)	0	0	0.00%	0	0.00%
6.	Total differently abled workers (F+G)	0	0	0.00%	0	0.00%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Management Personnel	4	0	0%

20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

	FY 2022-23			FY2021-22			FY2020-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13%	31%	44%	11%	52%	63%	6%	18%	24%
Permanent Workers	10%	27%	38%	8%	15%	23%	5%	14%	20%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. Name of holding/subsidiary/associate companies/joint ventures**

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	West Coast Paper Mills Limited	Holding	72.24	No
2	Andhra Paper Foundation	Subsidiary	100	No

VI. CSR Details**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

The Company has aligned its CSR activities with Schedule VII of the Companies Act, 2013 and has established a CSR Committee in accordance with the Act. The composition of the CSR Committee, as well as the CSR policy and approved CSR projects, are disclosed on the Company's website at <https://andhrapaper.com/investors-csr-information/>.

(ii) Turnover (in ₹) – 2083,05,62,000

(iii) Net worth (in ₹) - 1582,17,06,000

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web link for grievance redressal policy)	FY 2022-23			FY2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes. Refer Point 1.	-	-	-	-	-	-
Investors (other than shareholders)	Yes. Refer Point 2.	-	-	-	-	-	-
Shareholders		-	-	-	2	0	-
Employees and workers	Yes. Refer Point 3.	-	-	-	-	-	-
Customers	Yes. Refer Point 4.	63	7	-	102	0	-
Value Chain Partners	Yes. Refer Point 5.	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

1. Communities

Addressed through the CSR Policy of the Company

[https://andrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645517930CSR%20Policy.pdf]

2. Shareholders

As per Investor Grievance Handling Policy

[https://andrapaper.com/wp-content/uploads/2023/04/17_Investor-Grievance-Handling-Policy.pdf]

3. Employees and workers

Through policy on Grievance Redressal at the workplace.

4. Customers

Covered in contracts and agreements entered into with the distributors (Indentors), dealers, agents and customers of the Company

5. Value Chain Partners

This is covered in the contracts and agreements entered into with the value chain partners and also addressed under the Ethics Policy of the Company www.andrapaper.com

24. Overview of the Company’s business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	2	3	4	5	6
1	Social responsibility towards Communities	Opportunity	The Company’s commitment to the communities is sincere and longstanding and the focus is on areas where societal needs are high. The initiatives include health and wellness, education, women empowerment, and so on.	-	Positive The Company’s initiatives are in line with national priorities and Sustainable Development Goals. The Company strives to make a positive difference and create maximum value for the society.
2	Market Competition	Risk	High competition in domestic markets due to dumping of paper products at cheaper prices by foreign mills in view of recession trends in foreign markets.	The Company has been making necessary investments to diversify its product range and has also been strengthening its marketing network and the supply chain.	Negative since margins will be impacted on both existing Writing and Printing Paper and other alternate grades
		Opportunity	Presents an opportunity to diversify the product portfolio to cater to different segments of markets and develop alternatives to banned plastic products.		
3	Availability of raw material (wood)	Risk	Wood pulp constitutes major raw material in the paper manufacturing process	The Company has well-defined Farm Forestry programme to enable marginal farmers in nearby districts to grow trees and has covered about 6,90,442 acres. The Company has planted 1.972 billion saplings. This enables the Company to be wood positive.	Negative

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Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	2	3	4	5	6
4	Dependency on imported coal	Risk	Volatile price of coal leads to increase in cost of procurement.	Long-term fuel supply agreements with PSUs and Government e-auctions help us in mitigating this risk. In addition, the Company conserves coal by employing wood chip and lignin in its recovery boiler.	Negative
5	Brand Image & Management	Risk	Inconsistent brand image and management may cause reputational risk and loss of customer trust	Emphasising on effective and positive communication by leveraging media channels	Negative
		Opportunity	Good brand recognition promotes customer trust		Positive
6	Employee Engagement	Opportunity	Improves employee productivity and innovation in products and services, reduces employee turnover, and improves customer service	Clear Communication of goals and responsibilities, continuous dialogue and feedback, performance linked pay, and recognition and appreciation, foster collaboration between peers and managers	Positive
7	Corporate Governance & Ethics	Risk	Inadequate corporate governance could reduce stakeholder trust and reputation, and cause disruption in business	Making the governance structure robust through policy mechanisms, compliance, and audit frameworks	Negative
8	Regulatory Compliance	Risk	Non-compliance with current and emerging regulations can lead to penalties, business disruption, increased scrutiny, and reputational risk	Robust framework to ensure compliance with current and emerging regulations	Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	2	3	4	5	6
9	Sustainable business strategy	Opportunity	Offers the Company a competitive advantage, reduces operational costs, increases new business opportunities and improves risk management practices		Positive
10	Health and Safety of employees	Risk	Health and Safety of employees is a major challenge which may impact the production and distribution (supply chain) and eventually, the bottom line.	Hazard Recognition and Risk Assessment programme under integrated management system. Annual Safety Audit programme, campaign programmes on National Safety Week, Electrical Safety Week, Fire Services Week, 5S Week, APL Safety Month, Industry best practices	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web link of the Policies, if available	https://andhrapaper.com/investors-policies/								
2. Whether the Company has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes, the Company has Suppliers Code of Conduct, Code of Business Conduct and Ethics, Investors Grievance Handling Policy.								

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	Andhra Paper production units have well-defined Environment, Health, and Safety (EHS), quality management and environment management systems in place that have been established in accordance with International Standards such as ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System), FSC Controlled Wood Procurement Policy, BIS Standards. The certificates can be accessed in Company's website at https://andhrapaper.com/iso-certificates/ .								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	<p>Mill wide goals (objectives) for the year 2022-23</p> <p>Rajahmundry Mill:</p> <ol style="list-style-type: none"> To plant 80,00,000 tree saplings in 2022-23. To reduce steam consumption to 7.85 per tonne of paper. To cover an optimal area of 2,000 hectares for plantation of Subabul, Casuarina and Eucalyptus plantations to meet the projected hardwood demand. To improve the overall chemical recovery efficiency to 98%. <p>Kadiyam Mill:</p> <ol style="list-style-type: none"> To reduce finishing losses to 6.8%. To reduce fresh water consumption to 23.0 M3 per tonne of paper. To reduce steam consumption to 4.45 ton of paper. To reduce power consumption to 933 KWH per tonne of paper. 								
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	<p>Mill wide goals (objectives) achieved in 2022-23</p> <p>Rajahmundry Mill:</p> <p>Achieved</p> <ol style="list-style-type: none"> Planted 93,09,020 tree saplings against the target set for 80,00,000 saplings. Steam consumption reduced to 7.68 per tonne of product against the target of 7.85 per tonne of paper. Optimal area of planation cover of 2,344 hectares achieved for Subabul, Casuarina and Eucalyptus plantations to meet the projected hardwood demand against the goal of 2,000 hectares. Improved overall chemical recovery efficiency of 96.29% against the target of 98%. <p>Kadiyam Mill:</p> <ol style="list-style-type: none"> Achieved 6.5% of finishing losses against the target set for 6.8%. Optimised water consumption to 21.9M3 per tonne of paper against the target of 23.0M3 per tonne of paper. Reduced steam consumption to 4.34 per tonne of paper against the target of 4.45 per tonne of paper. Reduced power consumption to 920 KWH per tonne of paper against the target of 933 KWH per tonne of paper. <p>Besides the performance of the Company is mentioned under each of the principles.</p>								

Governance, leadership and oversight

7 Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

The Company’s objective is to become India’s best-performing and most recognised paper company by incorporating environmental, social, and governance (ESG) principles into its growth strategy, which is critical to enhancing the quality of life of the communities it serves. As an organisation, APL is committed to integrating ESG into the organisational culture. Our focus areas include Climate, Resources (Energy, Air and Water), and Waste Management. The Company has committed to reduce its carbon emission and has established Policy for Quality, Environment, Health and Safety.

The Company is also committed to fair business practises with regards to labour, human capital, and the community. It provides employees and business partners with clean, safe, healthy, and equitable working environment. It aspires to be the preferred neighbour in the communities in which it operates, contributing to their equitable and inclusive development.

To deliver these commitments, the Company has separate CSR policy, Human Rights policy, Code of Conduct, Ethics policy. It is a continuous effort to provide consumers with high-quality products and services while causing minimal harm to the environment and society. Our robust economic success is supported by the Company’s robust business model, adoption of emerging technologies and automation, brand strength, and customer-centric approach.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies) Mr. Mukesh Jain, Executive Director (DIN: 09380039) under the guidance and supervision of the Board.

9 Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. Yes. Mr. Mukesh Jain, Executive Director, is assisted by Committee of senior officials for ESG matters. Further, the Managing Director is responsible for making decisions on sustainability related issues.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review provided below taken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

11 Has the entity carried out independent assessment of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. The Auditors of the Company (ISO Auditors / Internal Auditors / In-house ISO designated Personnel) review the implementation of the policies from time to time. The Company’s units have been subject to audit by external certification agencies. No dedicated Business Responsibility Audit has been conducted.

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12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principle material to its business (Yes/No)					N.A				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					N.A				
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)					N.A				
It is planned to be done in the next financial year (Yes/No)					N.A				
Any other reason (please specify)					N.A				

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE



Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Directors	4	During the year, the Board of Directors have invested time on various updates and presentations comprising matters relating to an array of issues pertaining to the business, operations, regulations, economy and environment, social and governance parameters, Risk Management, Market developments, new initiatives, community engagement, and so on.	100%
Key Managerial Personnel	3	<ul style="list-style-type: none"> • Prevention of Sexual Harassment; • Compliance updates; • Risk Management; • Business operations. 	100%
Employees other than Board of Directors and KMPs	5	<ul style="list-style-type: none"> • Environment Related; • Behavioural & Managerial Related; • Technical Related; • System Related; • ISO Awareness Training; • Prevention of Sexual Harassment. 	100%
Workers	5	<ul style="list-style-type: none"> • Environment Related; • Behavioural & Managerial Related; • Technical Related; • System Related; • ISO Awareness Training; • Prevention of Sexual Harassment. 	100%

2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR) Brief of the Case Has an appeal	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding fee		NONE		

Non-Monetary			
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment		NONE	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NIL	NIL

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has adopted the 'Code of Conduct', to ensure ethics, transparency and accountability in all aspects of the business. All Directors and Senior Management personnel pledge compliance with Code on an annual basis.

The Company's Supplier Code of Conduct addresses anti-corruption and anti-bribery issues. In accordance with the stated Code of Conduct, the Company believes that it operates its business in a transparent manner and is not involved in bribery or corruption.

Further, the Company's gifting policy restricts the giving and taking gifts, thereby placing control on anti-corruption and anti-bribery.

The Supplier Code of Conduct and policy on Giving Gifts for Andhra Paper is available on `the Company's official website at <https://andhraper.com/investors-policies/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors KMPs Employees Workers	There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against Directors / KMP / employees / workers that have been brought to the attention of the Company.	

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6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		NONE		

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

N.A

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	Human Rights, Labour practices, Sustainability.	100% of Dealers /Distributors
1,881	Farm Forestry Best Practice, Agriculture Productivity, Plantation Management, Health & Safety	100% of Farmers
54	Health & Safety	100% of Contract workers

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has adopted a Code of Conduct specifically for the Directors of the Company and Members of Senior Management of the rank of Vice President and above (Covered Employee). The CoC sets out that they should act in the best interests of the Company and avoid/abstain from situations which gives to rise conflict of interest or potential conflict of interest.



Principle 2: Business should provide goods and services in a manner that is sustainable and safe

- The printing and writing grades of paper manufactured by the Company is biodegradable, recyclable and environment-friendly.
- Measures for preserving customer health and safety during the use of Paper products are not specifically required as there is no identified health risks associated with the products.
- The Company's products conform to the applicable regulations and standards as prescribed by the Bureau of Indian Standards. There has been no incidence of non-compliance with respect to regulations concerning health and safety impacts of products and services during the reporting period.
- 100% of the mill workers (95% being persons from local communities) are given training on health and safety aspects at the time of joining and provided safety equipment/accessories to ensure safe and healthy work environment. The Company has suitable welfare measures for workers like housing, canteen, school, gardens, playground, temple, club house, uniform and allowances apart from statutory benefits.

- Manufacturing process is elemental chlorine free (ECF) which uses environment-friendly chemicals like Oxygen, Hydrogen Peroxide and Chlorine Di-oxide for bleaching. The process adopted by the Company generates a liquor called 'Black Liquor' which is a biomass, rich in lignin. It is burnt in a boiler to produce green power. This power contributes to 65% of Company needs. Nearly 96% of the Chemicals used in pulping process are recovered, put back in the Chemical Recovery Complex and recycled.
- Wood Fibre used for manufacturing of different grades of printing and writing paper is sourced using well defined Plantation / Farm forestry programme which helps farmers to grow high yield trees and earn revenue.
- The Lime Sludge, which is a waste product from the Reausticizing Plant, is burnt in a Rotary Lime Kiln. The solid sludge generated from Reclaimed back water system at ETP is the primary raw material for small board and egg tray manufacturers.
- In the Kadiyam unit, recycled waste paper is reused for manufacture of high quality printing and writing paper.
- Service providers and suppliers are issued orders with company polices encompassing environment, safety and health for compliance.
- Through numerous business meetings, we engage with our suppliers, vendors, and all those involved in the product lifecycle to sensitise them on environmental impact, social impact, and business ethics. The interactions contribute to a better understanding of our role in environmental protection by minimising negative consequences across commercial, social, and environmental aspects that result from the manufacturing process, use, and disposal of the product.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

Segment	FY2023	FY2022
R&D	100%	100%
Capex	34%	7%

Details of improvements in environmental and social impacts

The below mentioned environmental improvement projects were undertaken during FY 2022-23 in the Rajahmundry unit. The said projects, enhance compliance with respect to water conservation, emission control, waste storage, fugitive dust control and waste water treatment improvement. So far ₹ 66.88 crores investment was made towards environment management systems in unit Rajahmundry from FY 2013-14 to FY 2022-23. Precipitated Calcium Carbonate (PCC) unit is under construction wherein Co2 for lime kiln stack flue gas is proposed to be recycled as raw material to produce PCC. It will significantly reduce greenhouse gas emission and is an eco-friendly technology.

Description	Total Project
Rerouting in RLK Cooling Tower Water Lines	2.24
Flow Meter for RLK area Water measurement	2.77
RJ Storage facility lime sludge & Slaker	18.00
RJ Tertiary Clarifier for Exiting ETP	2.00
RB4 ESP 1 & 2 Upgrade with Ducting	1,044.44
Reclamation Water Piping Replacement 12"	23.15
Dust extraction system at chipper house	146.57
ETP cooling tower revamping	52.82
ETP RCB water use in pulp mill D1 washer	41.04
Total	1,333.03

(₹ in Lakhs)

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- Sewage treatment plant was constructed for canteen and domestic waste treatment in unit Kadiyam at a cost of ₹ 84.00 Lakhs.
- Well defined Farm Forestry Programme helps farmers grow high yield trees and revenue. This programme covers nearly 6,90,442 acres and provides a means of economic survival for approximately 1,881 rural farmers and their communities. At the end of 2022, nearly 1.972 billion saplings have been planted. The programme provided small farmers with means of survival and improved the socio-economic status of the farming communities and thereby help increase green cover.
- The R&D also emphasises on reduction in plantation input cost through innovative research. The Company provides treated water (after treating water drawn from river Godavari to make it fit for human consumption) to nearby villages to help them fight water shortages throughout the year and prevent diseases owing to water contamination.
- Nearly 95% of the work force constitutes people from local communities which has contributed to the economic development of the region.
- The Company promotes welfare measures and safe work environment for the workers and employees which improves productivity.
- Throughout the year training programs are conducted for upskilling the workers for better performance at work place.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Andhra Paper obtains 100% of its virgin fibre requirements from sustainable plantations produced on farmer's fields, as well as 50% of recovered fibre that is post-consumer exclusively, accounting for around 40% of total sourcing.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

(a) Plastics (including packaging): Andhra Paper Limited has registered with the Central Pollution

Control Board (CPCB) for extended producer responsibility (EPR) under a pressurised water reactor (PWR) in 2016. Around 337.503 tonnes of plastic packages was collected from the market and recycled against EPR target of 337.4489 for the year 2022-23 for all locations of Andhra Paper. Certificates of recycling for this amount were issued by a third-party organisation approved and registered by the CPCB under EPR.

(b) E-waste: APL is compliant with the authorisation order of the State Pollution Control Board for E-waste disposal. The Company sends its E-waste to authorised dismantlers, recyclers, and re-processors for proper disposal.

(c) Hazardous waste: Andhra Paper is authorised by the SPCB to reuse a part of their hazardous waste as a biofuel in their boilers, while the remaining hazardous waste is sent to external parties for recycling or disposal in accordance with the SPCB authorisation order.

(d) Other waste: The Company complies with the SPCB authorization order for non-hazardous waste disposal. A portion of the non-hazardous waste is sent to authorised external parties for beneficial usage, recycling or disposal, while another portion is reused internally in boilers as a biofuel in accordance with the SPCB authorisation.

The plastic waste that is separated from recycled raw material (Waste paper) at Andhra Paper is sent to the cement industry as a raw material. The organic and inorganic sludge collected from the ETP is used to manufacture egg trays, while the fly ash is sent for brick manufacturing. Paper waste that is generated during the manufacturing and finishing stages is also reused within the Company's pulping process. These sustainable waste management practices enable Andhra Paper to reduce its environmental impact by diverting waste from landfills and contributing to the circular economy.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Company's waste collection plan aligns with the EPR action plan in accordance with Central Pollution Control Board (CPCB), demonstrating its adherence to EPR in its business operations.

Leadership Indicators -

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
The Company has not conducted LCA during the year under review.					

1. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

The Company has put in place guidelines and standards protocols, that are benchmarked against international best practices, with defined Standard Operating Procedures for identifying and mitigating social and environmental risks.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable, the Company manufactures paper products		

2. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Unit - Rajahmundry

Indicate input material	Recycled or re-used input material to total material	
	FY2023	FY2022
Recycled Liq Salt used as % of Total Salt Cake (Sodium sulphate)	59.79	74.29
Recycled White Liquor Consumed as % Total Whitye Liquor	96.80	97.31
RBC / Reclaimed Water / Se. Condensate use as % of Total	37.58	25.86
Knots reused as % of Total	0.16	0.18
Recycled Lime Consumed as % of Total Lime	93.06	94.01

Unit - Kadiyam

Indicate input material	Recycled or re-used input material to total material	
	FY2023	FY2022
RBC / Reclaimed Water / Se. Condensate use as % of Total	33.20	33.23
Recycled Paper consumed to total raw material	43.84	36.55

3. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2022-23			FY2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	0	337.503	EPR is mandated from 2022-23 as PWR - 2016 and amendments thereof			
E-waste	0	21.88	0	0	17.53	0
Hazardous waste	5582.85	55932.42	21.25	4796.88	46795.61	5.92
Other waste	37091.635	106026.82	0	38760.87	107853.8	0

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Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Unit: Kadiyam	Not Applicable
Unit: Rajahmundry	



Principle 3: Business should respect and promote the well-being of all employees, including those in their value chains

Essential indicators:

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	754	754	100%	754	100	0	0.00%	754	100	754	100%
Female	14	14	100%	14	100	14	100%	0	0	14	100%
Total	768	768	100%	768	100	14	100%	754	100	768	100%
Other than Permanent employees											
Male	7	7	100%	7	100	0	0%	7	100	7	100%
Female	0	0	0	0	0	0	0%	0	0	0	0%
Total	7	7	100%	7	100	0	0%	7	100	7	100%

b. Details of measures for the wellbeing of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1,238	1,238	100%	1238	100%	0	0%	0	0	1238	100%
Female	4	4	100%	4	100%	4	100%	0	0	4	100%
Total	1242	1242	100%	1242	100%	4	100%	0	0	1242	100%
Other than Permanent Workers											
Male	3193	0	0%	734	23%	0	0%	0	0	0	0%
Female	111	0	0%	70	63%	0	0%	0	0	0	0%
Total	3304	0	0%	804	24%	0	0%	0	0	0	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2023			FY2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	2%	19%	Y	2%	8%	Y
Others- please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Andhra Paper is dedicated to establishing a better and more accessible work environment for its entire workforce. The establishments / offices of the Company are accessible to differently abled employees and the management continuously works towards improving infrastructure for eliminating barriers to accessibility.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Andhra Paper has implemented a comprehensive policy document that strictly prohibits any discrimination based on disability. Andhra Paper provides reasonable accommodations to enable employees with disabilities to perform their duties efficiently. By promoting respect and equal opportunities, the Company strives to cultivate a diverse and talented workforce that can contribute to its growth and success. The Company has an internal policy available and accessible to the employees and workers.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate (%)	Retention Rate (%)	Return to work rate (%)	Retention Rate (%)
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If yes, then give details of the mechanism in brief
Permanent workers	YES	The Company's Grievance Redressal Policy aims to ensure that employees can openly express their concerns without fear of reprisal. The policy seeks to provide a fair and effective mechanism to resolve individual grievances and promote a healthy work environment for a productive workforce. Employees can raise their concerns through the Grievance Redressal Committee, which investigates all matters reported during the financial year and takes necessary action to resolve them.
Other than permanent workers	YES	
Permanent employees	YES	
Other than permanent employees	YES	
	YES	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023			FY2022		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers	1102	1102	100%	1096	1096	100%
- Male	1098	1098	100%	1085	1085	100%
- Female	4	4	100%	11	11	100%

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8. Details of training given to employees and workers:

Category	FY2023					FY2022				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	754	422	56%	232	31%	755	355	47%	169	22%
Female	14	8	57%	4	29%	15	7	47%	3	20%
Total	768	430	56%	236	31%	770	362	47%	172	22%
Workers										
Male	1238	644	52%	511	41%	1083	477	44%	370	34%
Female	4	2	50%	2	50%	11	5	45%	4	36%
Total	1242	646	52%	513	41%	1094	482	44%	374	34%

9. Details of performance and career development reviews of employees and workers:

Category	FY2023			FY2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	754	735	97%	755	701	93%
Female	14	14	100%	15	11	73%
Total	768	749	98%	770	712	92%
Workers						
Male	1238	261	21%	1083	110	10%
Female	4	0	0%	11	0	0%
Total	1242	261	21%	1094	110	10%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company's commitment to ensuring the safety and well-being of its employees is exemplified by its compliance with ISO 45001:2018. The Company has implemented LIFE (APL Flagship Program for Health and Safety) project, which includes quarterly reviews to monitor the project's effectiveness. This initiative aims to enhance the safety performance of the Company and create a safer work environment for its employees.

Moreover, the Company utilises the APL Safety Leading Indicator, a crucial metric for measuring its safety performance. The Safety Leading Indicator is designed to track the leading indicators of safety performance, providing valuable insights into areas that require improvement. APL uses this metric to monitor its Health and Safety performance and

to make necessary adjustments to its Health and Safety practices to enhance the safety of its employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Andhra Paper implements various procedures, audits and programmes to ensure the safety and health of its employees, including the Hazard Recognition and Risk Assessment programme under the Integrated Management System. Additionally, the Company conducts an annual Safety Audit Programme according to IS 14489 protocols, and a HIRA and Job Safety Analysis Programme.

Andhra Paper also implements a Mill Wide Cross Functional Audit Programme and conducts both internal and external health and safety audits. The Company conducts campaign programmes for National Safety Week, Electrical Safety Week, Fire Services Week, 5S Week, and APL Safety Month (LIFE month). Employees are trained in hazard

recognition and control strategies through the Competence Development programme. Industrial best practices and programmes, such as Personal LOTO (Lock Out and Tag Out), Group LOTO, permit to Work systems, and Safe Work Observations are also implemented by the Company to ensure the safety of its employees.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes, Andhra Paper has implemented several programmes to enhance safety in the workplace, including a Near Miss Reporting Programme that encourages employees to report near-miss incidents. The Company also has an Unsafe Act/Unsafe Condition Identification Process, a SAP-based Safety Notification Process, and a Safe Work Observation Programme in place. These initiatives aim to identify potential

hazards and prevent accidents from occurring, demonstrating the Company's commitment to ensuring the safety and well-being of its employees.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Andhra Paper is dedicated to promoting the health and well-being of its employees and workers. The Company believes that providing access to non-occupational medical and healthcare services is essential for maintaining a healthy workforce. As part of this commitment, the Company provides free health check-ups for its employees on a regular basis. The check-ups are conducted by qualified medical professionals and aim to identify and prevent potential health issues. The Company also provides medical facilities and first-aid services to both employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident /Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees (Staff+ Permanent workmen)	1.20	2.50
	Workers (Contractors)	0.82	0.44
Total recordable work-related injuries	Employees (Staff+ Permanent workmen)	06	06
	Workers (Contractors)	05	04
No. of fatalities	Employees (Staff+ Permanent workmen)	00	01
	Workers (Contractors)	00	00
High consequence work-related injury or ill-health (excluding fatalities)	Employees (Staff+ Permanent workmen)	02	03
	Workers (Contractors)	02	01

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Andhra Paper Limited has made significant progress in enhancing its safety performance over the years, demonstrating its commitment to providing a safe and secure work environment. The Company's flagship safety programme, LIFE (Life Changing Injury and Fatality Elimination), is based on a PDCA approach and consists of 15 core safety standards, which are regularly reviewed and updated as part of an annual sustainability programme.

APL also conducts regular HAZOP (Hazard Operability) studies of critical chemical processes to ensure that control strategies are effective against identified hazards. In addition, the Company has a robust internal plant safety inspection programme in place to ensure that established systems are functioning correctly. All employees and contractors are provided with mandatory training, including basic hazard recognition and control strategies, annual safety refresher training, and safety training as per the APL training calendar for all identified target employees. Apart from the LIFE programme, APL continues to focus on near miss identification and reporting, basic hazard recognition skills, and control strategies programmes, as well as a permit to work system. With these proactive measures in place, APL is poised to continue to provide a safe and healthy work environment for its employees and contractors.

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13. Number of Complaints on the following made by employees and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions Health & Safety	No complaints received by Safety department during the year.					

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Andhra Paper Limited has a comprehensive incident investigation process that is followed in the event of any injury or potential near miss that could have resulted in an injury or fatality under the LIFE (Life Changing Injury and Fatality Elimination) safety programme.

The Company believes in identifying the root cause of any incident, and therefore a systematic investigation is carried out to identify the contributing factors and root causes of the incident. Based on the findings of the investigation, suitable corrective actions are identified and implemented against each root cause of the incident. To ensure the effectiveness of the corrective actions, the Company closely monitors and tracks the compliance of the corrective action plan. By taking a proactive approach to incident investigation and implementing corrective actions, Andhra Paper Limited strives to maintain a safe and healthy work environment for all its employees.

Department	Completed	Pending	Total
Chemical Plant	16	0	16
Environment cell	27	0	27
Logistics	32	0	32
Projects	8	0	8
RMH	9	0	9
Stores	27	0	27
Welfare	4	0	4
Electrical	57	3	60
Instrumentation	19	1	20
Paper machine	95	10	105
FH	52	7	59
Pulp Mill	143	25	168
Reliability	19	4	23
Power Block	33	7	40
Civil	15	10	25
Total	556	67	623

Department	Completed	Pending	Total
DIP & SP3	14	0	14
Stores & RMH	20	0	20
Electrical	34	0	34
Converting, Finishing House	38	4	42
KA 1 2 & 3 Mech, OCC SP 1 & 2 Mech & DIP Mech	30	0	30
Power Block	13	0	13
Welfare	23	0	23
ETP	16	0	16
KA 1 & 2 process	25	0	25
KA 3 process	7	0	7
OCC SP 1 & 2 process	5	1	6
Instrument	3	0	3
Reliability	11	0	11
QC & C.Lab	2	0	2
Civil	1	0	1
Logistic	2	0	2
Total	244	5	249
Grand Total	800	72	872

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) and (B) Workers (Y/N)

Yes, the Company provides compensatory packages in the event of death as per the long-term Agreement with workmen, indicating that workers are covered. In addition, the Company also extends this benefit to employees, demonstrating its commitment to providing support and care to its workforce.

2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

Andhra Paper ensures that statutory dues as payable by service providers for their employees are deposited on time and in full, through a process of periodic audits and controls. The Company has multiple systems in place to ensure compliance to various statutory requirements. Further, there are agreements in place specifying statutory compliance to be ensured by service providers. Besides this, as an additional measure, balancing is provided by Internal Controls, Internal Audit check-list and internal audits conducted basis defined frequency.

3. Provide the number of employees / workers having suffered grave consequences due to work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total No. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
Employees	0	0	0	0
Workers	0	1	0	0

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4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% (Farm Forestry Farmers/workers)
Working Conditions	100% (Contract workers)

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company identifies corrective actions during FSC audits and proceeds to implement and report follow-up actions. However, there are no significant risk / concerns arising from value chain partners.



Principle 4: Business should respect the interests of and be responsive to all its stakeholders

APL places a strong emphasis on actively seeking feedback and suggestions from a wide range of stakeholders. Through meaningful dialogues, the Company engages with stakeholders to identify and address material issues. Valuable insights obtained from these interactions are utilised to develop strategies, establish policies when necessary, and set objectives and goals. To ensure effective implementation, APL has established a robust monitoring mechanism that tracks progress and maintains accountability for these initiatives. By actively involving stakeholders in the decision-making process, the Company demonstrates its commitment to inclusive and responsible practices.

APL's proactive engagement with stakeholders reflects its dedication to fostering transparent and collaborative relationships. By considering diverse perspectives and incorporating stakeholder input, the company strives to create sustainable value and achieve positive outcomes for all involved parties.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the Company.

The Company's stakeholder network consists of those who influence the Company's activities. The Company identifies the stakeholders based on the scope of the activities and the need of organisation. Stakeholder meetings, workshops and other events help us deepen dialogue and develop our understanding of important societal and environmental issues and regulatory challenges. The interaction helps teams build their capabilities, facilitates collective action and promotes trust and mutual respect. The engagement approach takes into consideration that each stakeholder group is unique and has a distinctive set of priorities. Feedback and insights from stakeholder engagements helps validate the Company's performance and shape new perspectives on the challenges and opportunities.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Farmers	Yes	Community Meetings, others	Frequently	The Company engages with farmers, who form a part of the value chain directly or indirectly for training/awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.
Distributors & traders, Suppliers Supply chain Partners Aggregators	No	Emails, SMS, Community Meetings, Website, Others	As and when required	The Company engages and receives cooperation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company.
Shareholders	No	Emails /Websites	Quarterly	Informing the shareholders about the performance indicators of the Company and update them on Company's strategies
Employees	No	Notices/Meetings	Continuous	Appraisals and feedback, career management, building a safety culture and inculcating safe work practices, on-the-job training
Local Communities	No	Through interactions, meetings	Before and after undertaking CSR initiatives	Understand areas which need support, implementation of CSR programmes
Government Bodies & Regulators	No	Meetings	As and when required	For compliance and adherence to laws and for new project initiatives
Industry Bodies	No	Conference, Seminars, Meetings	As and when required	For discussion on issues concerning Paper Industry

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

When formulating the policy documents, the Company carefully analyses the rights and obligations of all stakeholders in accordance with industry-best practices. The Company is dedicated to corporate governance and has implemented robust policies that align stakeholder interests with the Company's commercial success.

The relevant information on key stakeholders is shared with the Board of Directors of the Company regularly. The Board of Directors, through its various committee reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company actively listens to feedback and suggestions from various stakeholders. It engages with them to identify material issues and, based

on these insights, develops further strategies, sets policies if necessary, and establishes objectives and goals with a monitoring mechanism in place.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company acknowledges the concerns of vulnerable and marginalised stakeholders and takes steps to address them through comprehensive CSR projects. In response to the requirements expressed by nearby villagers, the Company has been supplying RO water plants and treated drinking water to neighbouring villages free of charge to meet the domestic water needs of the villagers. Moreover, upon receiving requests from government schools, the Company has constructed toilets and provided new equipment at no cost to facilitate the operation of smart classrooms. Additionally, the Company has supplied furniture, RO Water Plants to Gram Panchayat Schools, and essential medical equipment to government hospitals and primary health centres based on their requests.

The Company has also undertaken the construction of water storage sump and pipelines, which serve more than 5,000 families. Moreover, the Company has constructed a skill development centre in a nearby village to enhance the employability of the local youth through the acquisition of job-related skills. In addition, skill training centres have been set up in nearby villages to empower women through cluster tailoring centres, spoken English courses.



Principle 5: Business should respect and promote human rights

APL has implemented a well-defined Human Rights Policy, underscoring its commitment to upholding and safeguarding human rights. The Company has further established a range of policies to promote fairness and transparency in various areas, including recruitment, compensation, gender equality, and performance management.

To foster a safe and inclusive work environment, APL has formed a POSH (Prevention of Sexual Harassment) committee, dedicated to addressing grievances related to gender-based issues. Additionally, the Company has implemented a Grievance Redressal policy and formed a committee specifically focused on addressing workplace conditions. These comprehensive policies and committees exemplify APL's commitment to treating all employees with fairness and respect, ensuring a secure and healthy working environment that is free from discrimination and harassment.

By prioritising these policies and committees, APL demonstrates its dedication to maintaining a work culture that upholds the rights and well-being of all employees. The Company strives to create an atmosphere of trust, equality, and accountability, fostering a positive and productive workplace for everyone involved.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2023			FY2022		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	768	233	30.34%	771	131	16.99%
Other than Permanent	-	-	-	-	-	-
Total Employees	768	233	30.34%	771	131	16.99%
Workers						
Permanent	1242	642	51.69%	1094	322	29.43%
Other than Permanent	3304	1361	41.19%	2852	689	24.16%
Total Workers	4546	2003	44.06%	3946	1011	25.62%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	754	-	-	754	100%	756	-	-	756	100%
Female	14	-	-	14	100%	15	-	-	15	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	763	-	-	763	100	735	-	-	735	100
Female	3	-	-	3	100	10	-	-	10	100
Other than Permanent										
Male	2431	1459	60%	972	40%	2006	918	46%	1088	54%
Female	69	22	32%	47	68%	74	25	34%	49	66%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration salary/wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	6	3,12,500	2	1,37,500
Key Managerial Personnel (KMP)	6	21,51,597	-	-
Employees other than BoD and KMP	754	5,80,059	14	4,83,702
Workers	1241	5,20,563	4	5,00,292

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4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has various policies and procedures in place to ensure a fair and equitable workplace. This includes the existence of a committee to resolve workplace conditions and a grievance resolution procedure. Additionally, the Company has policies on freedom of association and collective bargaining, grievance redressal, non-discrimination, protection of women, and prevention of child and forced labour. The Company also provides statutory benefits and leaves, as well as wage agreements that cover various aspects of human rights such as safe and hygienic working conditions, protection against unfair terms, minimum wages, equal pay for equal work, and working hours. Employees are also given the right to complain or strike against unfair working conditions and are protected from sexual harassment.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Andhra Paper Limited (APL) has Human Rights Policy to respect and protect the Human Rights, and further implemented various other fair and transparent policies in various areas such as recruitment, compensation, gender equality, and performance management. APL also has a POSH committee to address any grievances related to gender and a grievance redressal policy along with a committee for the redressal of workplace issues. These policies ensure that all employees are treated fairly and have a safe and healthy work environment free from discrimination or harassment.

6. Number of Complaints on the following made by employees and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other Human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established a Grievance Redressal Committee, which is headed by the top management of the organisation. In the event that an employee feels unable to discuss a grievance with their supervisor or department head, they can direct the issue to the HR Department or IR Department, as applicable. The Grievance Redressal Committee is comprised of the Executive Director, Head - Operations, Head - HR, Head - IR, and Head - Legal & Compliance. Employees can also send their grievances via email to grievance@andhrapaper.com, which is directly supervised by the Executive Director

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company has suitable provisions in the contracts being entered with the suppliers and buyers of the products and services before undertaking business with them.

9. Assessment for the year:

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	
Forced Labour/Involuntary Labour	100%
Sexual Harassment	The Company undertook internal assessment through its HR and IR function besides the Internal Auditor/ISO Auditor reviews compliance by the Company.
Discrimination at workplace	
Wages	
Other- please specify	

Note: The Internal and External Auditors conduct assessments as per the Audit schedule. Assessments are also carried out by respective Government authorities and the Company has not received any non-compliance certification.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

Leadership Indicators**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

The Company has not received any complaints regarding human rights violations, which indicates that its business processes and workplace practices are designed in a way that respects human rights.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company has no specific due diligence conducted by any specialised agency. However, the Company is subject to monitoring by regulatory authorities for all its business activities and licenses and required to comply with the applicable laws as prescribed by the local, state and central and other statutory bodies or agencies which encompass various Human Rights Aspects. Besides, the Internal Auditor/ISO Auditor annually review compliance by the Company.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Andhra Paper is dedicated to establishing a better and more accessible work environment for its entire workforce. The establishments / offices of the Company are accessible to differently- abled employees and the management continuously works towards improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100% (Workers/Farmers in Farm Forestry Programme)
Discrimination at workplace	100 % (Contract workers)
Child Labour	The Company is in the process of undertaking such assessment for other value chain partners although the value chain partners furnish such declaration in the contractual agreements and through Suppliers' Code of Conduct.
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Nil

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Principle 6: Business should respect and make efforts to protect and restore the environment.

APL has implemented several projects to effectively reduce greenhouse gas emissions and mitigate its environmental impact. One significant measure involves the substitution of fossil fuels with biofuels in its coal-fired boilers. By utilising biofuels such as black liquor, ETP sludge, wood bark, chip dust, and knots, the Company significantly decreases its reliance on traditional fossil fuels. In fact, APL exclusively operates its chemical recovery boiler with black liquor as a biofuel source, generating steam and captive power. This shift to biofuel usage accounts for an impressive 65% of the power requirements at the Rajahmundry unit, resulting in substantial reductions in greenhouse gas emissions.

Additionally, APL has undertaken a significant project that harnesses CO₂ emissions from the stack of a rotary lime kiln, approximately 19,000 tonnes per annum, to produce precipitated calcium carbonate (PCC). This innovative approach not only addresses emissions but also utilises captured CO₂ as a filler in the paper-making process. The integration of PCC production further contributes to the reduction of greenhouse gas emissions, showcasing the Company's commitment to sustainability.

In addition, APL has established an extensive farm forestry programme that plays a crucial role in carbon sequestration and promotes sustainable forestry practices. This programme ensures the cultivation of trees and supports the Company's efforts in mitigating its carbon footprint.

In line with its commitment to environmental stewardship, APL is actively exploring opportunities to collaborate with a third party in setting up a Green Methanol Plant. This plant aims to extract biogenic carbon dioxide (BCO₂) from the flue stack, leading to a substantial reduction in the Company's carbon emissions.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (In Mega Joules)

Parameter	FY2022-23	FY2021-22
Total electricity consumption (A)	893152	869017
Total fuel consumption (B)	8805234	8715842
Energy consumption through other sources (C)	104758	105782
Total energy consumption (A+B+C)	9803144	9690641
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0004706	0.0007089
Energy intensity (optional) – the relevant metric may be selected by the Company		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The independent assessment is carried out by ECSOL besides In-house monitoring and tracking system with energy meters' installations at various consumption areas.

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, the Company falls under the purview of the Perform, Achieve, and Trade (PAT) programme, which aims to promote energy efficiency in industries. Andhra Paper Ltd. has effectively met the targets set for Cycle 1 under this programme, showcasing its commitment to energy conservation and efficiency. However, the Company faced challenges in meeting the targets for Cycle 2. To ensure compliance and fulfil the programme's requirements, Andhra Paper Ltd. has taken proactive measures and obtained the necessary certificates. By doing so, the Company reaffirms its commitment to sustainable practices and endeavours to enhance its energy efficiency in line with the PAT programme's objectives.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2023	FY2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	14281554	14265097
(ii) Groundwater	303681	496268
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	14585235	14761365
Total volume of water consumption (in kilolitres)	14560209	14694731
Water intensity per rupee of turnover (Water consumed / turnover)	0.000699 KL/ Rupee	0.001075 KL/ Rupee
Water intensity per rupee of turnover (water consumed/turnover optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Independent assessment is carried out by Chola MS Risk Services Limited.

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

There is no Zero Liquid discharge in Andhra Paper. Waste water is being treated and disposed as per SPCB norms. Treated waste water is being discharge to sand shoals of Turupulanka Island of river Godavari and part of water for gardening purpose within the premises. Whereas in unit Kadiyam, part of treated waste water is recycled to process and part to farmers for irrigation purposes and remaining to surface drains as per SPCB consent.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY2022-23	FY2021-22
NOx	NA	NA	NA
SOx			
Particulate matter (PM)	Kg	164800	116496
Persistent organic pollutants (POP)	NA		
Volatile organic compounds (VOC)	NA		
Hazardous air pollutants (HAP)	NA		
Others – H2S	Kg	2057	1510

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent assessment has been carried out by NABL

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6. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	808426	781984
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	24461	24704
		832887	806688
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00003998 MT/Rupee	0.00005902 MT/Rupee
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

In-house monitoring, tracking and management is in place.

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

Andhra Paper Ltd. has implemented several projects to reduce greenhouse gas emissions. These initiatives include:

- Utilising biofuels such as black liquor, ETP sludge, wood bark, chip dust, and knots in coal-fired boilers to replace a portion of fossil fuels.
- Operating the chemical recovery boiler solely with biofuel, specifically black liquor, which generates steam and captive power. This biofuel usage contributes to 65% of the power requirements at the Rajahmundry unit, significantly reducing greenhouse gas emissions.
- Undertaking a project, currently under construction, to utilise the CO₂ emissions from the stack of a rotary lime kiln, approximately 19,000 tonnes per annum, to produce precipitated calcium carbonate (PCC). PCC is used as a filler in the paper-making process, further reducing greenhouse gas emissions.
- Implementing a dedicated and extensive farm forestry programme, which involves distributing a significant number of clones and seedlings. This programme promotes carbon sequestration and sustainable forestry practices.
- Engaging in discussions with a third party to establish a Green Methanol Plant. The aim of this project is to extract biogenic carbon dioxide (BCO₂) from the flue stack, contributing to a significant reduction in the company's carbon footprint.

8. Provide details related to waste management by the Company, in the following format:

Parameter	FY2022-23	FY2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2991.45	3488.02
E-waste (B)	21.88	17.53
Bio-medical waste (C)	0.1194	0.175
Construction and demolition waste (D)	1001.60	597.20
Battery waste (E)	10.70	0.52
Radioactive waste (F)	0.0016	0.03
Other Hazardous Waste. Please specify, if any. (G)		
ETP Sludge	55637685	46696.44
Used Lubricating oil	28.84	15.96

Parameter	FY2022-23	FY2021-22
Empty Barrels	14908	126.72
Cleaning of tanks	318.8	0
Oil Sludge	5.43	6.12
Spent Ion Exchange Resin	3.30	2.00
Discarded Asbestos	19.26	0
Date Expired Off Specified	0	16.75
Oil Contaminated Cotton	5.05	4.54
Ash From Producer Gas Plant	0	0
Waste Lime Cake	5366.74	4723.88
Discarded Carbon Filter Media	0	0
Discarded activated Alumina	0	0
Discarded Glass Wool	1.96	5.92
Discarded Thermocol	0	0
Discarded PPE	0.03	0
Total Hazardous waste	61536.175	51598.33
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Waste Lime Sludge + Slaker Stone	11862.78	9558.21
PVC/HDPE & Polythene Scrap	47.63	82.58
Chip dust	20488.09	21132
Wood Bark	15551.28	16469.36
Waste wood & logs	37	0
Knots from pulp mill	730	786
ESP Ash	1699.36	1857.86
Coal ash	102148.93	95311.265
Paper Cuttings	285.265	373.51
Demolition and construction Waste	869.97	996.66
Metal Waste	5.15	14.37
Discarded Machine clothing	18.07	8.37
Discarded Packing Wooden	23.93	25.16
Scrap Electrical & electronic	153767.445	146614.7
Total Non-hazardous waste generated (F)	219329.371	202315.8795
Total (A+B + C + D + E + F + G + H)	2991.45	3488.02
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	24497.31	17606.41
(ii) Re-used	5582.85	4796.88
(iii) Other recovery operations	0	0
Total	30080.16	22403.29
For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. The Company has In-house SOP, tracking and management system in place.

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9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Andhra Paper Ltd. has implemented various measures to address waste management effectively. These steps include:

- Developing Standard Operating Procedures (SOPs) to ensure proper handling and compliance of hazardous and non-hazardous waste, e-waste, battery waste, and biomedical waste throughout the company across different departments and sections.
- Organising annual training sessions for employees engaged in waste handling to enhance their knowledge and skills.
- Segregating, collecting, storing, and disposing of waste in accordance with the conditions and methodologies specified in the Hazardous Waste Authorisation granted by the State Pollution Control Board (SPCB).
- Submitting annual returns to the SPCB as required by the regulations.
- Safely storing all waste in closed containers or under concrete platforms with sheds to prevent any adverse impacts on the environment and human health.
- Maintaining Transport Emergency Cards (TREM CARD) for applicable waste, ensuring preparedness for any potential transportation emergencies.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the Company is in compliance with the applicable environmental regulations.				

Leadership Indicators -

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY2022-23	FY2021-22
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	893152	869017
Total fuel consumption (E)	8805234	8715842
Energy consumption through other sources (F)	104758	105782
Total energy consumed from non-renewable sources (D+E+F)	9803144	9690641

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assessment is carried out by ECSOL.

2. Provide the following details related to water discharged:

Parameter	FY2022-23	FY2021-22
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface water	10664096	10640586
- No treatment	0	0
- With treatment – please specify level of treatment	10664096	10640586
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	553356	486404
- No treatment	0	0
- With treatment – please specify level of treatment	553356	486404
Total water discharged (in kilolitres)	11217452	11126990

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The independent assessment is carried out by Chola MS Risk Services Limited. The Company and water resources department also monitors through meters installed at various places.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

Unit Kadiyam: Water drawn from bore wells located within the premises and canals

Unit Rajahmundry: Water drawn from River Godavari

(ii) Nature of operations: Integrated pulp and paper manufacturing, as well as waste paper-based paper production

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(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY2022-23	FY2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	14281554	14265097
(ii) Groundwater	303681	496268
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	14585235	14761365
Total volume of water consumption (in kilolitres)	14560209	14694731
Water intensity per rupee of turnover (Water consumed / turnover)	0.0006990 KL/ Rupee	0.0010750 KL/ Rupee
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
i) Into Surface water	14281554	14265097
- No treatment	303681	496268
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	553356	486404
- No treatment	0	0
- With treatment – please specify level of treatment	553356	486404
Total water discharged (in kilolitres)	11217452	11126990

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assessment is carried out by Chola MS Risk Services Limited.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO2 equivalent	Not tracking these emissions	
Total Scope 3 emissions per rupee of turnover		Not tracked Scope 3 GHG emissions	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Water and Effluent consumption reduction projects	<p>Rajahmundry Unit:</p> <p>Paper Machines back water reuse, secondary condensate from evaporator reuse, treated water reuse for gardens, back water use in wet lab, WTP under flow reject reuse, paper machines shower upgradation. Reuse of white water in paper machines, CD filter hot water reuse, improvement of Paper machine disc filter; RLK. 1 & 2 bearing cooling Vacuum Sealing Barometric legs water recycling, Replacement of Fresh water with Hot water in 3 Nos. of HP showers of RJ.5 machine and so on.</p> <p>Kadiyam Unit:</p> <p>Treated waste water is being used in Paper Machine No. 1 and 2 in place of fresh water.</p>	<p>Specific water consumption per tonne of product reduced from 68.00 M3 in FY 2014-15 to 55.17 M3 in FY 2022-23</p>
		Replacement of fresh water with paper machines RCB water in 'D1 washers showers' in pulp mill	Under progress
2	Improvement of effluent Treatment Plant	<p>Addition of new Jet Aerators</p> <p>Renovation of ETP cooling tower</p>	<p>Under progress</p> <p>Under progress</p>
3	Air emission control	<p>Renovation of Recovery Boiler ESP 1 & 2</p> <p>Dust control system in Chipper House</p>	<p>Completed. Emission control is sustained</p> <p>Under progress</p>

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Andhra Paper Ltd. has implemented a comprehensive Emergency Response and Disaster Management Plan, along with an Incident Reporting System (IRS) and an Evacuation Standard Operating Procedure. These measures ensure effective management of any potential disaster or emergency situations. The Company conducts regular onsite and offsite mock drills to raise awareness among employees and prepare them for prompt actions in case of an accident or emergency. Additionally, a dedicated team of safety professionals is available round the clock to handle incidents and manage any disasters that may affect the production facilities at the Rajahmundry and Kadiyam plants.

To ensure seamless business continuity, the Company has implemented multiple systems and mechanisms. This includes robust digital initiatives, a well-established plan for cloud data backup, a comprehensive risk management strategy, and a reliable supply chain network. The supply chain network is carefully designed to source both core and non-core operations from trusted suppliers, ensuring uninterrupted operations and minimizing any potential disruptions.

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8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Company has controlled wood policy, sustainable policy, supplier Code of Conduct, that enshrines the unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. It is shared and accepted by all supply chain partners and service providers.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Wood suppliers, 100% of them, are covered under FSC audits, as mentioned earlier. Suppliers for other materials have not been formally assessed by the Company for environmental impacts.



Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

With over four decades of experience and expertise in the industry, Andhra Paper Ltd. (APL) takes a proactive approach in engaging with various stakeholders through its active membership in industry associations. The Company recognises the value of the expertise and insights gained over the years and actively provides inputs on a wide range of issues pertaining to the paper industry. APL's Chairman and Managing Director have played pivotal roles in leading industry associations, demonstrating their commitment to influencing and shaping the direction of the industry.

APL places great importance on responsible and ethical engagement and actively participates in the public policy advocacy process. The Company is dedicated to contributing to policy discussions in a manner that upholds the highest standards of integrity and ethics. By engaging in public policy advocacy, APL seeks to influence decisions and promote policies that align with the best interests of the paper industry and its stakeholders.

Essential indicators

1. a. Number of affiliations with trade and industry chambers/associations.

6 (Six)

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of Indian Industry	National
2	The Federation of Telangana Chambers of Commerce and Industry	State
3	The Federation of Andhra Pradesh Chambers of Commerce and Industry	State
4	Indian Paper Manufacturers Association	National
5	Federation of Indian Export Organizations	National
6	Bharat Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
Competition Commission of India	Allegation, levelled against large paper manufacturers in India (including the Company) of simultaneous price increases during the period January 2012 - December 2013, is currently under evaluation by the Competition Commission of India	

Leadership Indicators

1. Details of public policy positions advocated by the Company:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others- please specify)	Web Link, if available
1	The Company has laid down a policy framework for necessary interface with Government & Regulatory Authorities on various matters concerning the business sector in which the Company operates. The matters taken up are in line with national priorities to strengthen the domestic industry, promoting sustainable business practices.	The Company works with local & national institutions engaged in policy recommendations, like the Confederation of Indian Industry, Bharat Chamber of Commerce, Indian Paper Manufacturers Association & and other forums. The engagement with the relevant authorities is guided by values of commitment, mutual trust, integrity, transparency taking into consideration interests of all stakeholders.	NO	Review by top management	No



Principle 8: Businesses should promote inclusive growth and equitable development

APL is deeply committed to community engagement and development, as evidenced by its comprehensive Corporate Social Responsibility (CSR) projects. In direct response to the expressed needs of neighbouring villages, the Company has implemented a range of impactful initiatives to provide assistance and support. One such initiative involves the installation of state-of-the-art RO water plants, enabling the provision of treated drinking water to nearby villages free of charge. This initiative effectively addresses the domestic water requirements of the villagers, ensuring access to clean and safe drinking water.

Moreover, APL has proactively responded to requests from government schools by constructing toilets and supplying new equipment at zero cost, thereby facilitating the operation of smart classrooms. The Company has also contributed furniture and RO water plants to Gram Panchayat Schools, while fulfilling specific requests for essential medical equipment from government hospitals and primary health centres. These endeavours directly contribute to enhancing educational facilities and healthcare services in the surrounding areas.

To tackle water accessibility challenges, APL has taken a proactive stance by constructing water storage pumps and pipelines that benefit over 5,000 families. This vital infrastructure significantly improves water availability and distribution, positively impacting the lives of numerous individuals.

In addition to these initiatives, APL has established a skill development centre in a nearby village, focused on enhancing the employability of local youth by providing them with job-related skills. Moreover, skill training centres have been set up in neighbouring villages, empowering women through cluster tailoring centres and spoken English courses. These programmes not only contribute to the socio-economic development of the community but also foster empowerment and self-sufficiency.

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Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
None of the projects require social impact Assessments					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company demonstrates its commitment to an effective mechanism for addressing grievances of the community through its well established CSR initiatives. The CSR team actively interacts with nearby villagers' / government authorities and gets their feedback on the effectiveness of the Company's ESG initiatives and ascertain their needs requiring support from the Company. These are then formalised through the CSR programmes of the Company, which are reviewed and approved by the CSR Committee / the Directors.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY2023	FY 2022
Directly sourced from MSMEs/small producers	31%	38%
Sourced directly from within the district and neighbouring districts	38% of raw material is sourced from the district and neighbouring districts	31% of raw material was sourced from the district and neighbouring districts

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	Not applicable

2. **Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1	Andhra Pradesh	<ul style="list-style-type: none"> • Alluri Sitharamaraju • Parvatipuram Manyam • YSR 	Nil

The Company spends most of the CSR expenditure in East Godavari District where it is situated

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Company is committed to collaborate with small farmers (growing varieties of wood for pulping), by supplying them clones / seedlings at concessional rates and also enters contracts with them to buy back wood at Minimum Support Prices or ruling market prices, whichever is higher.

(b) From which marginalised /vulnerable groups do you procure?

Farmers

(c) What percentage of total procurement (by value) does it constitute?

38 % of procurement value is from the marginalised/vulnerable group

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not applicable

6. Details of beneficiaries of CSR Projects:

Sl. No	CSR PROJECTS	Amount in ₹	No of beneficiary
1	Equipment support to ESI Hospital, Rajahmundry	18,45,781	5000
2	Infrastructure & Equipment support to Primary Health Centre, Kadiyam	43,74,646	3000
3	Maintenance of RO Plants installed by the Company, Rajahmundry & Kadiyam	36,30,818	5000
4	Construction of Kitchen in Old Age Home, Rajahmundry (Jeevakarunya)	29,81,762	200
5	Construction of Goshala & related expenditure, Kadiyam	46,13,346	3000
6	Infrastructure & equipment support to Gov. Schools, Rajahmundry & Kadiyam	32,96,180	1000
7	Infrastructure & equipment support to APPM High School, Rajahmundry	26,23,721	1000
8	Merit Scholarships to Grade X students	9,00,000	120/year
9	Infrastructure support to Working Women's Hostel, Rajahmundry	15,75,253	100
10	Running of tailoring Centres for Women, Rajahmundry & Kadiyam	1,68,000	25/year
11	Construction of water sump & pipeline at Kadiyam	7,11,235	3000
12	Construction of Skill Development centre at Jegurupadu	19,89,587	3000
13	Infra & Equipment Support to Girls College, Didwana	5,00,000	100
14	Administration Expenses	12,10,585	
		3,04,20,914	

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Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

APL is a consumer-centric company that engages with its consumers and aligns its business with customer expectations. The Company conducts a number of activities to educate and inform distributors, consumers, and other stakeholders about the safe and responsible use of its products. These initiatives include encounters with distributors, road shows, technical meetings, and mill visits. By hosting such events, the Company displays its commitment to assuring information diffusion and supporting responsible usage of its products. The Company provides website details for consumers to know more about the Company's activities.

The Company also conducts Annual Meet for all the dealers and distributors where feedback is received regarding the products to maximise value creation.

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The customers are provided with Customer Quality Complaint Forms for any complaints. There is a manual process using the Customer Quality Complaint Format (CQCF). Additionally, customers can also access our website, <https://andhrapaper.com/enquiries-product-query-page/> for any product-related grievances.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	30%
Safe and responsible usage	Not applicable
Recycling and/or safe disposal	Not applicable

3. Number of consumer complaints in respect of the following:

	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber- security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
# Other (product related)	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has developed a comprehensive and robust information security policy and corresponding procedures to effectively address cyber security risks and ensure data privacy. This is an internal policy of the Company available and accessible to the employees of the Company. The data privacy compliance is applicable to all the agreements with third parties.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.

Nil

Leadership Indicators

1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available)

Information on products of the Company is available on the Company's website at www.andhrapaper.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Paper is 100% biodegradable and recyclable. The Company engages in a range of activities aimed at educating and informing distributors, customers, and other stakeholders about the safe and responsible utilisation of its products. These

activities include distributor interactions, road shows, technical meetings, and visits to the mill. By organising such events, the Company demonstrates its commitment to ensuring the dissemination of knowledge and promoting the responsible use of its offerings.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Through formal and informal channels (website/ Stock exchanges) and through distributors and / dealers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

Yes. The Company provides website details of the Company for consumers to know more about the Company's activities.

Yes. The Company conducts Annual Meet for all the dealers and distributors where feedback is received regarding the products.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches, along with impact

- NIL

b. Percentage of data breaches involving personally identifiable information of customers

-NIL

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of the business and to meet its obligations to the stakeholders. The Company firmly believes that practice of Corporate Governance, inter alia, should aim at meeting the aspirations of the stakeholders and the expectations of the society at large. Accordingly, the Company believes in and has consistently practiced good Corporate Governance. In pursuance of this philosophy, the management adheres to transparency, professionalism and accountability in performance of its role.

2. Board of Directors

a. Composition of Board

We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its

independence, and separate its functions of governance and management. The Listing Regulations mandate that every listed company shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors.

As on March 31, 2023, the Board comprised ten members, consisting of one Chairman & Managing Director, one Joint Managing Director, one Executive Director (whole-time), two Non-Executive Non-Independent Directors, five Non-Executive Independent Directors including one Independent Woman Director. Independent Directors constitute 50% of the Board's strength complying with the requirements of the Companies Act, 2013 and Listing Regulations.

As on March 31, 2023, Independent Directors occupied the position of chairmanship for each of the audit committee, nomination and remuneration committee, stakeholders' relationship committee.

a) Composition and category of directors, number of other board of directors or committees in which the director is a member or chairman as on March 31, 2023:

Name of the Director	Indian-listed companies	Category of Directorship	All companies around India ⁽¹⁾⁽³⁾	Committee membership ⁽²⁾⁽³⁾	Committee Chairmanship ⁽²⁾⁽³⁾
Executive Directors:					
Mr. Shree Kumar Bangur	Jayshree Chemicals Limited	Non-Executive, Promoter	9	1	1
	West Coast Paper Mills Limited	Non-Independent Director			
		Executive, Promoter, Chairman & Managing Director			
	Andhra Paper Limited	Executive, Chairman & Managing Director			
Mr. Saurabh Bangur	West Coast Paper Mills Limited	Non-Executive, Promoter	6	2	-
	Andhra Paper Limited	Non-Independent Director			
		Executive, Joint Managing Director			
Mr. Mukesh Jain	Andhra Paper Limited	Executive, Whole-time Director	2	-	-

Name of the Director	Indian-listed companies	Category of Directorship	All companies around India ⁽¹⁾⁽³⁾	Committee membership ⁽²⁾⁽³⁾	Committee Chairmanship ⁽²⁾⁽³⁾
Non-Executive Non-Independent Directors:					
Mr. Rajendra Jain	West Coast Paper Mills Limited	Executive, Whole-time Director	2	3	-
	Andhra Paper Limited	Non-Executive, Non-Independent Director			
Mr. Virendraa Bangur	West Coast Paper Mills Limited	Executive, Promoter Joint Managing Director	11	1	-
	Jayshree Chemicals Limited	Non-Executive, Promoter Non-Independent Director			
	Taparia Tools Limited	Non-Executive, Non-Independent Director			
	Andhra Paper Limited	Non Executive, Non-Independent Director			
Non-Executive Independent Directors:					
Mr. Sudarshan V. Somani	West Coast Paper Mills Limited	Non-Executive, Independent Director	5	3	2
	Andhra Paper Limited	Non-Executive, Independent Director			
Mr. Arun Kumar Sureka	Andhra Paper Limited	Non-Executive, Independent Director	9	1	-
Mr. Virendra Sinha	Andhra Paper Limited	Non-Executive, Independent Director	6	2	1
	Electrosteel Castings Ltd	Non-Executive, Independent Director			
	Texmaco Rail & Engineering Limited	Non-Executive, Independent Director			
Mr. Sitaram Sharma	Andhra Paper Limited	Non-Executive, Independent Director	4	-	-
Mrs. Papia Sengupta	Andhra Paper Limited	Non-Executive, Independent Director	3	2	-
	The Investment Trust of India Limited	Non-Executive, Independent Director – Shareholders Director			
	Indian Bank	Non-Executive, Independent Director			

1. Directorship in companies around India (Listed Public, Unlisted Public, No Profit & Loss and Private Limited companies)
2. Disclosure includes membership / chairmanship of the audit committee and stakeholders' relationship committee in Indian public companies (listed and unlisted)
3. Including Andhra Paper Limited

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b. Attendance of each director at the Meeting of the board of directors and the last annual general meeting:

Name of the Director	Last AGM dated August 12, 2022	Board Meetings		
		Held during the tenure	Attended	% of attendance
Mr. Shree Kumar Bangur (Chairman & Managing Director)	Yes	4	4	100.00
Mr. Saurabh Bangur (Joint Managing Director)	Yes	4	4	100.00
Mr. Rajendra Jain	No	4	4	100.00
Mr. Virendraa Bangur (Vice Chairman)	Yes	4	4	100.00
Mr. Sudarshan V. Somani	Yes	4	4	100.00
Mr. Arun Kumar Sureka	Yes	4	4	100.00
Ms. Veni Mocherla ¹	Yes	3	3	100.00
Mr. Mukesh Jain	Yes	4	4	100.00
Mr. Virendra Sinha ²	Yes	4	4	100.00
Mr. Sitaram Sarma ²	Yes	4	4	100.00
Mrs. Papia Sengupta ³	N.A	2	2	100.00

1. Ceased to be a Director w.e.f December 29, 2022

2. Appointed as a Director w.e.f. April 01, 2022

3. Appointed as a Director w.e.f. September 1, 2022

c. No. of meetings of the Board of Directors held and dates on which held:

During the financial year, four meetings of Board of Directors were held on May 05, 2022; July 29, 2022; November 02, 2022 and January 31, 2023.

d. Mr. Virendraa Bangur and Mr. Saurabh Bangur (sons) are related to Mr. Shree Kumar Bangur (father) and other Directors are unrelated to each other except as Members of the Board.

e. None of the Non-Executive Directors and Independent Directors hold equity shares and convertible instruments of the Company.

f. The details of Familiarization Programme imparted to Independent Directors are placed on the Company's website viz. https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1676347976Familiarization%20Programme%20for%20website%20and%20Annual%20Report.pdf

g. A chart or a Matrix for skills/attributes identified by the Board of Directors as required in the context of business/sectors to function effectively & Directors who have such skills / expertise/competence is given in Appendix – 1.

h. In the opinion of the Board, the Independent Directors fulfill the conditions specified in

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

i. No Independent Director has resigned before expiry of his/her tenure.

3. Audit Committee

a. Brief description of terms of reference of Audit Committee as per the Charter approved by the Board are:

i. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure accuracy and correctness;

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing with the management of the annual financial statements before submission to the Board, with particular reference to the following:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in

terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- v. Reviewing with the management quarterly financial statements before submission to the Board for approval;
- vi. Reviewing the functioning of the whistle blower mechanism;
- vii. Evaluation of internal financial controls and risk management systems.

b. Composition of Audit Committee

Mr. Praveen P. Kadle and Mr. Adhiraj Sarin completed their second term of office as Independent Directors of the Company on March 31, 2022 and ceased to be Members of Audit Committee. The Audit Committee has accordingly been reconstituted with effect from April 1, 2022 as follows:

Name	Category	Designation
Mr. Sudarshan V. Somani	Non-Executive, Independent Director	Chairman
Mr. Virendra Sinha	Non-Executive, Independent Director	Member
Mr. Arun Kumar Sureka	Non-Executive, Independent Director	Member
Mr. Saurabh Bangur	Executive Director	Member

All Members of Audit Committee are financially literate and Mr. Sudarshan V. Somani have accounting and related financial management expertise.

There is no change in the composition of the Committee during the year.

c. Meetings and attendance during the year

During the financial year, four meetings of Audit Committee were held on May 05, 2022; July 29, 2022; November 02, 2022; and January 30, 2023.

All the 4 Committee Members have attended all the 4 meetings held during the financial year.

The Company Secretary acts as the Secretary to the Committee.

4. Nomination and Remuneration Committee

Brief description of terms of reference of Nomination and Remuneration Committee as per the Charter approved by the Board are:

a. Terms of reference

- Formulating criteria for determining the qualifications, positive attributes and independence of a director;
- Evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an Independent Director, recommend to the Board for appointment as an Independent Director who have the capabilities identified in such description;
- Identifying the persons who are qualified to become Executive Directors, Non-Executive Directors and Independent Directors and to recommend to the Board their appointment and removal;
- To extend or continue the term of appointment of Independent Directors;
- Identifying persons who may be appointed in Senior Management and to recommend to the Board their appointment and removal;
- Devising a policy on Board diversity;
- Succession Planning;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

b. Composition of Nomination and Remuneration Committee

Mr. Adhiraj Sarin completed his second term of office as Independent Director of the Company on March 31, 2022 and ceased to be a Member of Nomination and Remuneration Committee. The Committee has accordingly been reconstituted with effect from April 1, 2022 as follows:

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Name	Category	Designation
Mr. Arun Kumar Sureka	Non-Executive, Independent Director	Chairman
Mr. Sitaram Sharma	Non-Executive, Independent Director	Member
Mr. Sudarshan V. Somani	Non-Executive, Independent Director	Member
Mr. Shree Kumar Bangur	Executive Director	Member

There is no change in the composition of the Committee during the year.

c. Meetings and attendance during the year

During the financial year, Four Meetings of Nomination and Remuneration Committee were held on May 05, 2022; July 29, 2022; November 02, 2022 and January 30, 2023 and the details of Meetings attended by the Members are given below:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Mr. Arun Kumar Sureka	4	4
Mr. Sitaram Sharma	4	4
Mr. Sudarshan V. Somani	4	4
Mr. Shree Kumar Bangur	4	2

The Company Secretary acts as the Secretary to the Committee.

d. Performance evaluation criteria for independent directors

The Board of Directors evaluates the performance of Independent Directors on yearly basis as per the applicable statutory provisions.

5. Stakeholders' Relationship Committee

The Composition of Stakeholders' Relationship Committee as on March 31, 2023 is as follows:

Name	Category	Designation
Mr. Sudarshan V. Somani	Non- Executive, Independent Director	Chairman

Name	Category	Designation
Mr. Virendraa Bangur	Non-Executive, Non-independent Director	Member
Mr. Rajendra Jain	Non-Executive, Non-independent Director	Member

During the financial year, the Stakeholders Relationship Committee met on January 31, 2023.

All the three Members attended the meeting.

The Company Secretary acts as the Secretary to the Committee.

Name and Designation of the Compliance Officer: Mr. Bijay Kumar Sanku, Company Secretary

The details of the status of complaints received from the security holders during the financial year ended March 31, 2023 are furnished below:

No. of pending complaints as on March 31, 2022	0
No. of shareholders' complaints received during the financial year	0
No. of complaints solved to the satisfaction of shareholders	0
No. of complaints not solved to the satisfaction of shareholders	0
No. of pending complaints as on March 31, 2023	0

6. Risk Management Committee

A. Brief description of terms of reference:

- (1) Formulate a detailed risk management policy which shall include:
 - I. A framework for identification of internal and external risks specifically faced by the Company, in particular, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee
 - II. Measures for risk mitigation including systems and processes for internal control of identified risks
 - III. Business continuity plan
- (2) Ensure that appropriate methodology, processes and systems are in place to

monitor and evaluate risks associated with the business of the Company;

- (3) Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- (4) Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) Review appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

B. Composition, No. of Members and Chairperson

As on April 01, 2022, the Risk Management Committee comprised of Mr. Saurabh Bangur, Mr. Mukesh Jain and Ms. Veni Mocherla.

During the year, Ms. Veni Mocherla ceased as a Member of the Committee due to her cessation as Director of the Company on December 29, 2022 upon completion of her term as Independent Director.

The Board reconstituted the Committee by appointing Mr. Virendra Sinha as a Member of Risk Management Committee w.e.f December 30, 2022 in place of Ms. Veni Mocherla.

The Composition of Risk Management Committee as on March 31, 2023 is as follows:

Name	Category	Designation
Mr. Saurabh Bangur	Executive Director	Chairman
Mr. Virendra Sinha	Non-Executive, Independent Director	Member
Mr. Mukesh Jain	Executive Director	Member

C) Meetings and Attendance during the year

During the financial year, two Meetings of Risk Management Committee were held on September 03, 2022 and February 28, 2023 and details of attendance of members are as follows:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Mr. Saurabh Bangur	2	2
Ms. Veni Mocherla	1	1
Mr. Mukesh Jain	2	2
Mr. Virendra Sinha	1	1

7. Remuneration of Directors:

a. All pecuniary relationship or transactions of the Non-Executive Directors

The details of sitting fees paid to the Non-Executive Directors during the financial year ended March 31, 2023 were as follows:

Name	Sitting Fees
Mr. Rajendra Jain	2.50
Mr. Sudarshan V. Somani	4.50
Mr. Arun Kumar Sureka	4.00
Mr. Virendraa Bangur	2.50
Ms. Veni Mocherla	1.75
Mr. Virendra Sinha	3.25
Mr. Sitaram Sharma	3.00
Mrs. Papia Sengupta	1.00
TOTAL	22.50

Apart from the above, there were no other pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors, during the year.

b. Criteria of making payments to Non-Executive Directors

The Board of Directors at its meeting held on May 05, 2022 approved to pay all Non-Executive Directors a sitting fees of ₹ 50,000 per meeting for attending the Board Meeting and ₹ 25,000 per meeting for attending the Board Committee Meetings with effect from May 05, 2022.

Statutory Reports

c. Disclosure with respect to remuneration

Sitting fees was paid to all Non-Executive Directors for attending the Board/Committee Meetings held during the financial year 2022-23.

The details of remuneration paid to Executive Directors for the financial year 2022-23:

(₹ in lakhs)

Particulars of Remuneration	Name of Executive Director		
	Mr. Shree Kumar Bangur, Chairman & Managing Director	Mr. Saurabh Bangur, Joint Managing Director	Mr. Mukesh Jain, Director - Commercial
Gross salary			
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	328.34	83.02
b. Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0	0	0
Total	0	328.34*	83.02

*includes ₹188.13 lakhs as commission for FY 2021-22

The Executive Directors were appointed for three years and the service is terminable by giving three month's notice on either side. No severance fees is payable to Directors.

The Company did not issue any stock options during the year.

8. General Body Meetings

a. The location and time of the last three Annual General Meetings held

Year ended	Date and time	Venue
March, 2020	September 21, 2020 at 11.00 A.M.	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
March, 2021	August 12, 2021 at 12.00 Noon	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
March, 2022	August 12, 2022 at 12.00 Noon	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")

b. Special Resolutions passed in the previous three Annual General Meetings

Date	Venue
September 21, 2020	<ol style="list-style-type: none"> Appointment of Mr. Shree Kumar Bangur as a Director and Chairman & Managing Director for a period of 3 years from October 30, 2019 to October 29, 2022 and to continue to hold such directorship post attaining the age of seventy (70) years, without any remuneration. Appointment of Mr. Anish T. Mathew as a Director and Whole Time Director of the Company, designated as Director - Commercial & Chief Financial Officer, for a period of three years from October 30, 2019 to October 29, 2022. Appointment of Mr. Saurabh Bangur as a Director and Joint Managing Director for a period of three years from June 1, 2020 to May 31, 2023.
August 12, 2021	- NIL -
August 12, 2022	- NIL -

c. Details of Special Resolutions passed through postal ballot during the financial year ended March 31, 2023:

	Reappointment of Mr. Shree Kumar Bangur (DIN: 0053237) as Chairman & Managing Director w.e.f. October 30, 2022	Appointment of Ms. Papia Sengupta (DIN: 07701564) as an Independent Director of the Company w.e.f. September 1, 2022	Reappointment of Mr. Sudarshan V. Somani (DIN: 00137568) as an Independent Director of the Company w.e.f. October 30, 2022	Reappointment of Mr. Arun Kumar Sureka (DIN: 00055934) as an Independent Director of the Company w.e.f. October 30, 2022
Date of Postal Ballot Notice	August 22, 2022			
Voting Period	September 01, 2022 to September 30, 2022			
Date of Approval	September 30, 2022			
Date of Declaration of Results	October 01, 2022			
Type of Resolution	Special			
No. of Votes polled	32303663	32303263	32303262	32303262
Votes cast in favour –				
- No. of Votes	32278688	32294766	32277828	32243526
- % of votes	99.9227	99.9737	99.9213	99.8151
Votes cast against –				
- No. of Votes	24975	8497	25434	59736
- % of votes	0.0773	0.0263	0.0787	0.1849

- d. Mr. D. Hanumanta Raju, Partner, M/s. D Hanumanta Raju & Co., Company Secretaries, B-13, F-1 & F-2, P.S. Nagar, Vijaynagar Colony, Hyderabad – 500057, was appointed as the Scrutinizer for carrying out the above postal ballots in a fair and transparent manner.
- e. At present no special resolution is proposed to be conducted through postal ballot. The procedure laid down in Companies (Management and Administration) Rules, 2014 would be followed as and when necessary.

9. Means of Communications

Quarterly, half-yearly and annual financial results are usually published in Business Standard (English Version) and vernacular regional newspaper viz. Andhra Prabha. The results are placed on the Company's website: <https://andhraper.com/investors-financial-results/>.

Official news releases interactions or presentations made to media, analysts, institutional investors etc., are being displayed on the website of the Company.

10. General Shareholder Information**a. Date, Time and Venue of Annual General Meeting**

	Date & time	Venue
59 th Annual General Meeting	Friday, August 11, 2023 at 11.30 A.M. (IST)	Through Video Conferencing / Other Audio Visual Means

b. Financial calendar – (Tentative and subject to change)

Financial year: April 1, 2023 to March 31, 2024

Particulars	Period ended	On or before
Unaudited Financial Results for the quarter ending	June 30, 2023	August 14, 2023
Unaudited Financial Results for the quarter ending	September 30, 2023	November 14, 2023
Unaudited Financial Results for the quarter ending	December 31, 2023	February 14, 2024
Audited Financial Results for the year ending	March 31, 2024	May 30, 2024

Statutory Reports

Particulars	Period ended	On or before
Annual General Meeting for the year ending	March 31, 2024	September 30, 2024
Details of Record Date	Friday, August 4, 2023	
Details of payment of Dividend on equity shares	Within 30 days from the date of declaration	

c. Listing on stock exchanges

BSE Limited (BSE)	National Stock Exchange of India Limited (NSE)
Phiroze Jeejeebhoy Towers,	“Exchange Plaza”
Dalal Street,	Bandra-Kurla Complex
Mumbai – 400 001	Bandra (East), Mumbai – 400 051

The Company paid the Annual Listing fees for the financial year 2023-24 to BSE and NSE.

d. Stock Code

BSE	502330	
NSE	Symbol : ANDHRAPAP	Series :EQ
ISIN (for Dematerialization)	INE435A01028	

e. The details of monthly high and low quotations of the equity shares of the Company traded on the stock exchanges:

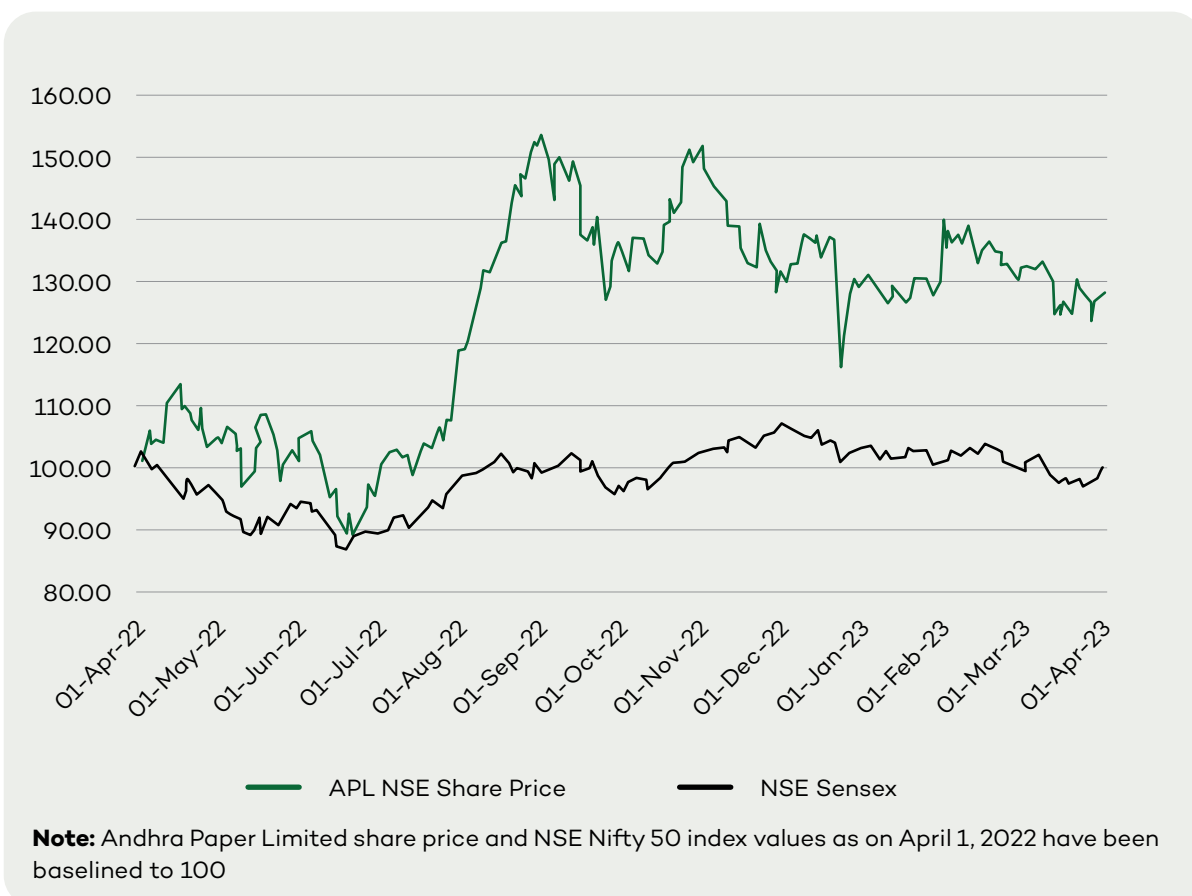
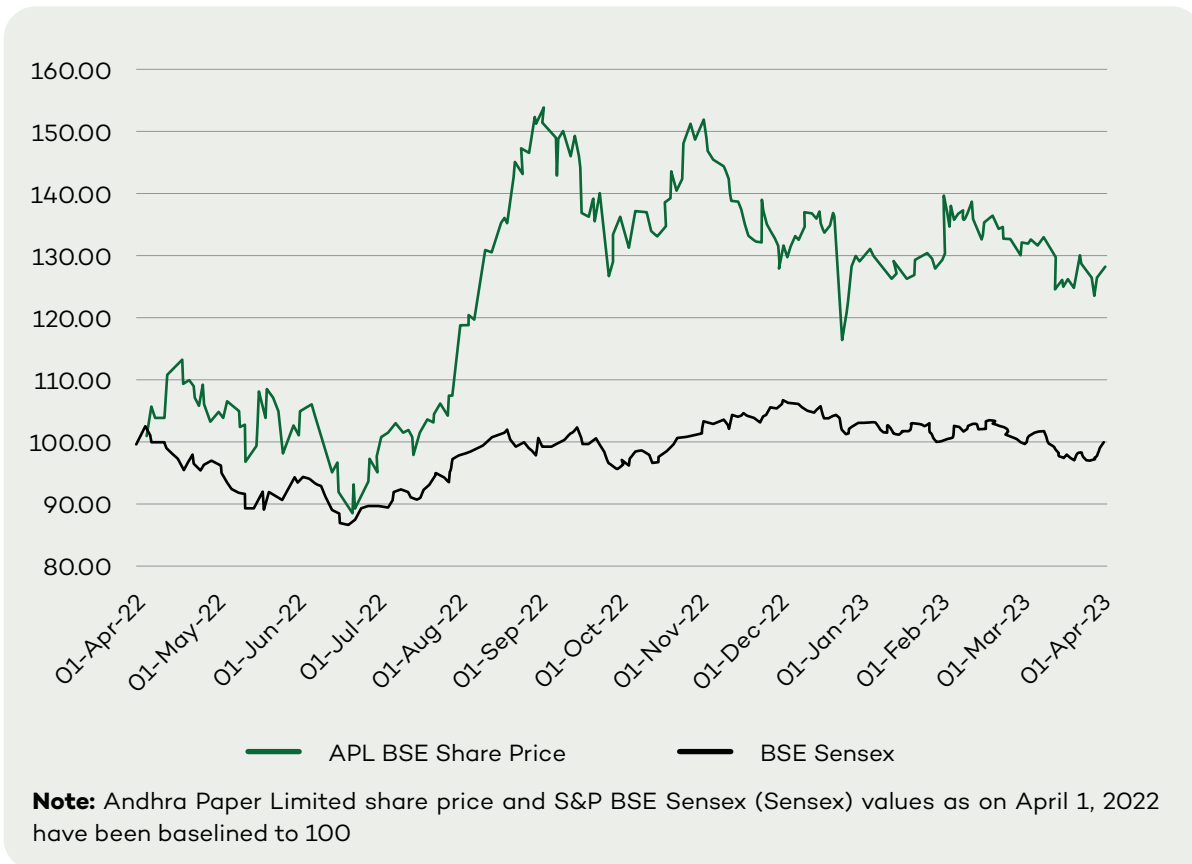
i. BSE

Month	Share Price ₹		BSE Sensex	
	High	Low	High	Low
April	375.25	280.00	60,845.10	56,009.07
May	370.00	301.55	57,184.21	52,632.48
June	346.00	280.00	56,432.65	50,921.22
July	356.00	302.00	57,619.27	52,094.25
2022 August	509.95	373.65	60,411.20	57,367.47
September	504.70	403.00	60,676.12	56,147.23
October	497.60	422.75	60,786.70	56,683.40
November	500.95	413.80	63,303.01	60,425.47
December	453.60	371.40	63,583.07	59,754.10
January	466.60	404.90	61,343.96	58,699.20
2023 February	460.00	419.35	61,682.25	58,795.97
March	440.45	395.00	60,498.48	57,084.91

ii. NSE

Month	Share Price ₹		NIFTY 50	
	High	Low	High	Low
April	375.00	293.05	18,114.65	16,824.70
May	369.90	302.00	17,132.85	15,735.75
June	346.00	282.00	16,793.85	15,183.40
July	359.75	305.05	17,172.80	15,511.05
2022 August	510.00	371.10	17,992.20	17,154.80
September	499.40	402.20	18,096.15	16,747.70
October	498.90	423.00	18,022.80	16,855.55
November	499.00	414.00	18,816.05	17,959.20
December	452.00	371.00	18,887.60	17,774.25
January	465.00	404.25	18,251.95	17,405.55
2023 February	460.00	418.20	18,134.75	17,255.20
March	441.00	393.80	17,799.95	16,828.35

f. Performance of share price of the Company in comparison to BSE SENSEX and NSE NIFTY



- g. The securities of the Company have not been suspended from trading during the financial year ended March 31, 2023.

h. Registrar and Share Transfer Agent

KFin Technologies Limited
 Corporate Registry
 Selenium, Tower- B, Plot No 31 & 32, Gachibowli,
 Financial District, Nanakramguda, Serilingampally Mandal
 Hyderabad – 500 032
 Toll Free No. (India) 1-800-309-4001
 Email : einward.ris@kfintech.com
 Contact Person: Mr. Praveen Chaturvedi – Vice President – Corporate Registry

i. Share Transfer System

All activities in relation to share transfer facility as per Regulation 7(2) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are being maintained by Registrar and Share Transfer Agent: KFin Technologies Limited.

As per proviso to Regulation 40(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities cannot be transferred unless they are held in dematerialized form with a depository, except in case of transmission or transposition of securities. Further SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated that transmission, transposition, duplicates, renewal, exchange, subdivision, splitting, consolidation shall be effected only in dematerialize form.

SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated that holder of physical shares shall mandatorily furnish PAN, KYC and nomination details to the RTA without which RTAs shall not process any service requests or complaints received from the shareholders / claimants.

The above service requests for the shares held in physical mode are being approved by the authorized person as per the delegation of powers by the Board. The average time taken for processing the service request is approximately 10 days from the date of receipt of a valid request.

j. Distribution of Equity Shareholding as on March 31, 2023 (PAN Based):

Nominal Value of Equity shares ₹	Shareholders		Value	
	Number	%	₹	%
1 - 5000	18,166	91.95	1,47,80,630	3.72
5001 - 10000	797	4.03	60,96,500	1.53
10001 - 20000	420	2.13	60,15,660	1.51
20001 - 30000	122	0.62	31,29,770	0.79
30001 - 40000	58	0.29	20,51,910	0.51
40001 - 50000	42	0.21	19,49,630	0.49
50001 - 100000	75	0.38	54,03,860	1.36
100001 and above	76	0.39	35,82,72,430	90.09
Total	19,756	100.00	39,77,00,390	100.00

Category of equity shareholders as on March 31, 2023:

S. No.	Category	No. of Shares	%
(A) PROMOTERS			
	Bodies Corporate	2,87,28,400	72.24
	Promoter Shareholding (A)	2,87,28,400	72.24
(B) PUBLIC			
1	Mutual Funds	23,15,027	5.82
2	Resident Individuals	52,36,761	13.17
3	Bodies Corporates	22,26,546	5.60
4	Hindu Undivided Families	2,17,103	0.54
5	Insurance Companies	1,87,901	0.47
6	Investor Education and Protection Fund	1,04,081	0.26
7	Clearing Members	7,297	0.02
8	Non-Resident Indians	2,21,262	0.55
9	Trusts	13,599	0.03
10	Foreign Portfolio – Corp	5,07,456	1.28
11	Director Relatives	4,000	0.01
12	Others	606	0.01
	Public Shareholding (B)	11,041,639	27.76
	Grand Total (A+B)	3,97,70,039	100.00

k. Dematerialization of shares as on March 31, 2023:

Depository Name	No. of shares dematerialized	Percentage on equity share capital
National Securities Depository Limited	3,61,19,994	90.82
Central Depository Services (India) Limited	34,72,375	8.73
Total dematerialized shares	3,95,92,369	99.55

l. No GDRs, ADRs/warrants/convertible instruments have been issued by the Company during the year.

m. **Commodity price risk or foreign exchange risk and hedging activities:** Furnished under the head 'Risks and Concerns' in Management Discussion & Analysis.

n. Plant Locations

Unit: Rajahmundry	Unit: Kadiyam
Rajahmundry - 533 105	Industrial Area,
East Godavari District	Near Kadiyam Railway Station,
Andhra Pradesh, India	M.R.Palem - 533 126, Kadiyam Mandal,
	East Godavari District, Andhra Pradesh, India

o. Address for Correspondence from shareholders

KFin Technologies Limited	Secretarial Department
Selenium, Tower - B,	Andhra Paper Limited
Plot No 31 & 32, Gachibowli,	Rajahmundry – 533 105
Financial District, Nanakramguda,	East Godavari District,
Serilingampally District,	Andhra Pradesh, India
Hyderabad – 500 032, Telangana, India	

- p. **As there are no debt instruments and no fixed deposits are invited involving mobilization of funds, the Company has not obtained any rating during the year.**

CARE Ratings Limited, during the year, revised the credit ratings upward from

- i) CARE AA-; A; Outlook: Stable) Stable (Double A Minus; Outlook: Stable) to CARE AA; Stable (Double A; Outlook: Stable) in respect of long term bank facilities; and
- ii) CARE AA-; Stable / CARE AI+ (Double A Minus; Outlook: Stable / A One Plus) to CARE AA; Stable / CARE AI+ (Double A; Outlook: Stable/ A One Plus) in respect of long term/short term bank facilities.

During the year, India Ratings & Research has assigned IND AA/ Stable rating in respect of the credit facilities (includes capex letter of credit) of ₹ 200 crores availed/to be availed by the Company.

11. Other Disclosures

- a. **Disclosure on materially significant related party transactions**

During the financial year, there were no materially significant related party transactions that have potential conflict with the interests of the Company at large.

- b. **Details of penalties imposed on the Company**

There were no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

- c. **Whistle Blower Policy**

The Company has formulated Whistle Blower Policy and established a mechanism for directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy. This mechanism provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is posted on the Company's website viz., https://andhraper.com/wp-content/themes/andhra_paper/uploads/investors/1658382966Whistle%20Blower%20Policy%20modified%20on%2021.07.2022.

- d. **Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with all mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non-Mandatory/Discretionary requirements

1. **Shareholder Right:** This will be considered for adoption in future.
2. **Audit Qualifications:** The Company is already in the regime of unqualified financial statements. Auditors have raised no qualification on the financial statements of the current financial year.
3. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** This will be considered for adoption in the future.
4. **Reporting of Internal Auditor:** External consultancy firm was appointed as Internal Auditor of the Company which reports directly to the Audit Committee.
- e. There were no material subsidiaries during the year. The Policy on material Subsidiaries is placed on the Company's website at: https://andhraper.com/wp-content/themes/andhra_paper/uploads/investors/1645517984Policy%20on%20Material%20Subsidiaries.pdf.
- f. The Policy on Related Party Transactions is placed on the Company's website at: <https://andhraper.com/wp-content/uploads/2023/04/Policy-on-related-party-transactions-1.pdf>
- g. No funds were raised through preferential allotment or qualified institutions placements during the year.
- h. A Certificate dated May 2, 2023 from M/s. D. Hanumanta Raju & Co., Company Secretaries, a company secretary in practice confirming that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority has been received.

- i. None of recommendations of any Committee of the Board, which are mandatorily required to be accepted, was rejected by the Board during the year.
- j. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part, is ₹ 38.84 lakhs.
- k. During the year, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was pending as on March 31, 2023.
- l. During the year, neither the Company nor its subsidiaries has granted any loan(s) to firms/companies in which directors are interested.
12. There were no non-compliance of requirements of Corporate Governance during the year.
13. The Company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46. A certificate from Practicing Company Secretary on compliance of conditions of Corporate Governance is annexed.

14. Code of Conduct for Directors and members of senior management

The Company adopted a Code of Business Conduct and Ethics for its Directors and members of senior

management. The Code has also been posted on the Company's website: https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1599824151Code%20of%20Business%20Conduct%20and%20Ethics.pdf. The Chairman & Managing Director has given a declaration that all the Directors and members of senior management have affirmed compliance with the Code of Conduct. The declaration is annexed.

15. CEO/CFO Certification

A certificate duly signed by Chairman & Managing Director and Chief Financial Officer relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 was placed before the Board and the same was taken on record.

16. Equity shares in the Unclaimed Shares Demat Suspense Account

In terms of Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company opened a demat account and dematerialized the unclaimed shares. The Company is maintaining the details of shareholding of each individual allottee whose shares are credited to the Unclaimed Shares Demat Suspense Account.

The particulars of shares in "Andhra Paper Limited – Unclaimed Shares Demat Suspense Account" as on March 31, 2023 were as follows:

Particulars	Number of shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Demat Suspense Account at the beginning of the year	2	26
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Shares Demat Suspense Account during the year	-	-
Number of shareholders to whom shares were transferred from the Unclaimed Shares Demat Suspense Account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Demat Suspense Account as on March 31, 2023	2	26

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners of such shares claim the shares.

Skills and attributes identified by Board of Directors

Sl. No.	Skills	Experience	Attributes
1	Practical wisdom and good judgment	Specialized knowledge in specific area	Highest personal and professional ethical standards and honesty.
2	Financial literacy – ability to read and understand a financial statement	Detailed knowledge of the industry or relevant industrial experience	Integrity, independence and free from conflict of interest.
3	Specialized professional skills viz. operations, finance, human resources, marketing, legal, corporate governance etc.	Expertise on global issues	An enquiring and independent mind.
4	Director Education - a clear understanding of the role and duties of a director and knowledge of code of conduct and business ethics.	High visibility in the field	Commitment to improve business, its continued well-being and making a difference.
5	Good interpersonal skills and ability to communicate clearly.	Leadership and Management experience	Willingness to represent the best interests of all stakeholders and objectively appraise the Board and Management performance.
6	Decision Maker- explore options and choosing those that have the significant benefit to the organization and its performance.	International Experience	Critical analysis and Judgment.
7	Risk Management	Personal networks and external contacts	Vision, imagination and foresight.
8	Interpersonal sensitivity – a willingness to keep an open mind and recognize other perspectives.		Strategic perspectives, able to identify opportunities and threats.
9	Ability to mentor other directors		Innovator – a willingness to challenge Management and their assumptions, stimulate Board discussion with new, alternative insights and ideas.
10	Agility to move from advisor to challenger as well as being a strong supportive voice one needed.		Motivation – drive and energy to set and achieve clear objectives and make an impact.
11	Advisory Skills		Clear personal commitment. Full participation and pro- active as a Board Member. Willingness to deal with tough issues. Maturity and discipline to know and maintain fine line between governance and management oversight.

Directors of the Company and their areas of expertise is provided hereunder

Name of the Director	Category	Areas of expertise/ competence (as per above provided list)
Shree Kumar Bangur	Chairman & Managing Director	1 to 11
Virendraa Bangur	Non-Executive, Vice-Chairman	1 to 11
Saurabh Bangur	Joint Managing Director	1 to 11
Rajendra Jain	Non-Executive Director	1 to 11
Virendra Sinha	Independent Director	1 to 11
Sitaram Sharma	Independent Director	1 to 11
Arun Kumar Sureka	Independent Director	1 to 11
Sudarshan V. Somani	Independent Director	1 to 11
Papia Sengupta	Independent Director	1 to 11
Mukesh Jain	Director – Commercial	1 to 11

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR ON CODE OF CONDUCT

The Members of
Andhra Paper Limited

In compliance with the Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I confirm that, on the basis of confirmations/declarations received, all the Members of the Board of Directors and senior management personnel of the Company have complied with the Code of Business Conduct and Ethics framed by the Company for the financial year ended March 31, 2023.

Place: Rajahmundry
Date: May 8, 2023

Shree Kumar Bangur
Chairman & Managing Director

CERTIFICATE

To
The Members of
Andhra Paper Limited

We have examined the compliance of conditions of Corporate Governance by **Andhra Paper Limited** ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 02.05.2023

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO:1709
UDIN: F004044E000241149
PR NO: 699/2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Andhra Paper Limited
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ANDHRA PAPER LIMITED** having **CIN : L21010AP1964PLCOO1008** and having registered office at Rajahmundry, East Godavari District, Andhra Pradesh– 533105 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Shree Kumar Bangur	00053237	30.10.2019
2.	Mr. Arun Kumar Sureka	00055934	30.10.2019
3.	Mr. Sudarshan Vijaynarain Somani	00137568	30.10.2019
4.	Mr. Saurabh Bangur	00236894	01.06.2020
5.	Mr. Virendraa Bangur	00237043	30.12.2019
6.	Mr. Rajendra Jain	07250797	30.10.2019
7.	Mr. Mukesh Jain	09380039	10.11.2021
8.	Mr. Sitaram Sharma	01298299	01.04.2022
9.	Mr. Virendra Sinha	03113274	01.04.2022
10.	Mrs. Papia Sengupta	07701564	01.09.2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 02.05.2023

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO:1709
UDIN: F004044E000241116
PR NO: 699/2020

FINANCIAL

STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
the Members of
ANDHRA PAPER LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Andhra Paper Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Recognition, Measurement and Presentation of provisions and contingent liabilities</p> <p>Refer Note 2C (e), 22, 23 and 33A in the financial statements for the related disclosures.</p>	<p>Our audit procedures in respect of this area included:</p> <p>Obtained an understanding of Company's policies and procedures and evaluated the design implementation and operating effectiveness of relevant controls to identify new obligations and changes in existing obligations for compliance with Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.</p> <p>Analysed significant new litigations, changes and updates from prior periods of existing litigations and obtained a detailed understanding of these changes and assumptions applied.</p> <p>Engaged in discussion with legal departments of the Company on the status of ongoing and potential legal matters and its possible outcome and measurements as assessed by the management.</p> <p>Evaluated of the reasonableness of the assumptions & estimates used by the management for the measurement of the provisions and contingent liability including taxation related matters.</p>

Financial Statements

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its reliable estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.</p> <p>Given the complexity and magnitude of potential exposures to the Company, the assessment of the existence of legal or constructive obligation and analysis of the probability of the related outflow of resources involves significant judgement by the management.</p> <p>Due to the level of judgement relating to recognition, measurement and presentation disclosures of provisions and contingent liabilities, this is considered to be a key audit matter.</p>	<p>Perused through the regulatory correspondence and external opinion obtained directly from lawyers / consultants of the Company appearing for the litigation including direct and indirect tax matters and evaluated the likelihood of outcome, magnitude of potential exposure and its relevant impact on the financial statements. Further, perused through relevant documents to understand the objectivity of the lawyer/ consultant.</p> <p>We have involved our internal direct and indirect tax experts, to assess management interpretation and application of the tax legislation and the legal precedence of other rulings used by management in evaluating legal position on the uncertain tax matters.</p> <p>Assessed the appropriateness of the disclosures made in the financial statements as required by the relevant applicable accounting standards.</p>

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc., but does not include the financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report etc., is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required

to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 5, 2022 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 16.3 to the financial statements).
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid /provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 23214198BGXCQO6209

Place: Hyderabad

Date: May 08, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF ANDHRA PAPER LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial position of the Company to express an opinion on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 23214198BGXCQO6209

Place: Hyderabad

Date: May 08, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ANDHRA PAPER LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment and right of use assets have not been physically verified by the management during the year but there is regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee
- and the lease agreements are duly executed in favour of the Company) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including right-of-use-assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder.
- ii. (a) The inventory except for goods-in-transit, were physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regards to size of the Company and the nature of its operations. Following discrepancies were noticed on physical verification which has been properly dealt with in the books of account:

Sr. No	Particulars (category wise inventory)	Amt as per books (₹ Lakhs)	Amt as per physical verification (₹ Lakhs)	Variations (₹ Lakhs)	variance %
1.	Coal	2,939.32	2,498.42	440.90	15

- (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements filed with such Banks are in agreement with the books of account.
- iii. (a) According to the information and explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.
- (A) The details of such loans or advances and guarantees or security to parties other than Subsidiaries, Joint ventures and Associates are as follows:

	Loans (₹ Lakhs)
Aggregate amount granted/provided during the year	
- Others	1,750.70
Balance Outstanding as at balance sheet date in respect of above cases	
- Others	1,637.02

The Company has not provided any guarantee or security to any other entity during the year.

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and / or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.

- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties.
- (e) According to the information and explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information and explanation provided to us, the Company has granted loans and / or advances in the nature of loans during the year. These are not repayable on demand / have stipulated the schedule of repayment of principal / interest. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ (Lakhs)	Amount Paid ₹ (Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	12.64	-	2001-02 to 2003-04	High Court of Andhra Pradesh
	Tax	14.26	-	2001-02	Income Tax Appellate Tribunal, Hyderabad
	Interest	24.96	-	1979-80	High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Tax	21.54	-	2008-09	Appellate Deputy Commissioner, Visakhapatnam
	Tax	56.12	9.93	2014-15 to 2015-16	Appellate Deputy Commissioner, Vijayawada
	Tax	33.82	16.91	2005-06	Sales Tax Appellate Tribunal (STAT), Visakhapatnam

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Name of the statute	Nature of dues	Amount Demanded ₹ (Lakhs)	Amount Paid ₹ (Lakhs)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Tax Sales Tax Act, 1957	Tax	27.41	-	1995-96 to 1999 to 2000	Sales Tax Appellate Tribunal (STAT), Visakhapatnam
	Tax	10.82	4.24	1996-97	Sales Tax Appellate Tribunal (STAT), Visakhapatnam
	Tax	126.78	-	1990-99 and 2000-05	High Court of Andhra Pradesh
AP Value Added Tax Act, 2005	Penalty	11.79	5.89	2015-16 to 2017 (Q1)	Appellate Deputy Commissioner, Vijayawada
	Penalty	13.91	-	2016-17	Assistant Commissioner, LTU, Kakinada
	Penalty	1.81	0.04	2009-12	Assistant Commissioner (LTU), Kakinada
	Tax	23.66	11.82	2009-12	Sales Tax Appellate Tribunal (STAT), Visakhapatnam
	Tax	117.91	45.03	2015-16 to 2017 (Q1)	Appellate Deputy Commissioner, Vijayawada
Madhya Pradesh Value Added Tax Act, 2002	Tax	15.00	-	1997-98	High Court, Madhya Pradesh
West Bengal Value Added Tax, 2005	Tax	1.78	-	2009-10	Additional Commissioner of Commercial Taxes
Kerala Value Added Tax, 2003	Tax & Interest	40.18	5.70	2016-17	Joint Commissioner (Appeals), Ernakulam
Orissa Entry Tax Act, 1999	Tax	4.24	0.86	2006-07 to 2009-10	Deputy Commissioner of Commercial Taxes
Finance Act, 1994	Service Tax & Penalty	283.21	-	2005-06 to 2009-10	Commissioner of Central Excise (Appeals), Visakhapatnam
	Service Tax & Penalty	6.74	-	2010-11 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Service Tax & Penalty	5.46	-	2005-06	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Service Tax	274.18	-	2004 - 05 to 2005-06	High Court of Andhra Pradesh
	Central Excise Act, 1944	Duty & Penalty	1723.94	50.37	2008-09 to 2012-13
Duty & Penalty		2.90	0.15	2015-16	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Duty & Penalty		1.09	-	2005-06 to 2006-07	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Duty & Penalty		43.29	-	2001-02 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Duty		9.41	-	2012-13 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad

Name of the statute	Nature of dues	Amount Demanded ₹ (Lakhs)	Amount Paid ₹ (Lakhs)	Period to which the amount relates	Forum where dispute is pending
	Duty	10.90	-	1996-97 to 1997-98	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Duty	768.91	-	2008-09	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Duty	1302.64	-	2004-05 to 2006-07	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Duty & Penalty	251.31	-	2005-06 to 2006-07	High Court of Andhra Pradesh
	Duty	0.36	-	1993-94	High Court of Andhra Pradesh

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of accounts which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from

an any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the

Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act is not applicable to Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order is not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Paragraph 3(xx)(a) and Paragraph 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Agarwal
Partner

Place: Hyderabad
Date: May 08, 2023

Membership No. 214198
UDIN: 23214198BGXCQO6209

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ANDHRA PAPER LIMITED

[Referred to in paragraph 2(f)] under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of **Andhra Paper Limited** on the Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Andhra Paper Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures

Financial Statements

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Hyderabad
Date: May 08,2023

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 23214198BGXCQO6209

BALANCE SHEET

as at March 31, 2023

(₹ in lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
A ASSETS			
Non-current assets:			
(a) Property, plant and equipment	3	56,766.06	57,341.85
(b) Right-of-use assets	4	688.01	841.35
(c) Capital work-in-progress	3	2,938.18	767.65
(d) Other intangible assets	4a	238.84	318.22
(e) Financial assets			
(i) Investments	5	17,479.24	13,822.92
(ii) Other financial assets	7	424.08	426.27
(f) Other non-current assets	8	7,061.14	3,761.10
Total non-current assets		85,595.55	77,279.36
Current assets:			
(a) Inventories	9	17,365.95	14,508.75
(b) Financial assets			
(i) Investments	5	71,182.56	24,446.05
(ii) Trade receivables	10	14,753.41	10,255.17
(iii) Cash and cash equivalents	11	2,132.26	2,453.92
(iv) Bank balances other than cash and cash equivalents	12	2,604.27	3,027.14
(v) Loans	6	1,637.02	10,439.34
(vi) Other financial assets	7	280.00	482.06
(c) Other current assets	8	4,918.81	6,770.15
		1,14,874.28	72,382.58
Assets classified as held for sale	14	-	129.68
Total current assets		1,14,874.28	72,512.26
TOTAL ASSETS		2,00,469.83	1,49,791.62
B EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	15	3,977.00	3,977.00
(b) Other equity	16	1,54,240.06	1,05,432.24
Total equity		1,58,217.06	1,09,409.24
LIABILITIES			
Non-current liabilities:			
(a) Financial liabilities			
(i) Borrowings	17	462.91	786.36
(ia) Lease liabilities	19	664.33	794.28
(ii) Other financial liabilities	21	116.19	174.28
(b) Provisions	22	27.30	141.86
(c) Deferred tax liabilities (net)	24	7,195.67	8,100.62
Total non-current liabilities		8,466.40	9,997.40
Current Liabilities:			
(a) Financial liabilities			
(i) Borrowings	18	4,219.05	4,140.43
(ia) Lease liabilities	19	141.74	137.63
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	20	2,168.51	2,557.21
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	17,476.47	13,710.30
(iii) Other financial liabilities	21	3,621.90	3,561.24
(b) Provisions	22	3,728.15	3,586.97
(c) Other current liabilities	23	1,997.45	2,619.03
(d) Current tax liabilities (net)	13	433.10	72.17
Total current liabilities		33,786.37	30,384.98
Total liabilities		42,252.77	40,382.38
TOTAL EQUITY AND LIABILITIES		2,00,469.83	1,49,791.62
Corporate information & significant accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

As per our report of even date

For M S K A & Associates

Chartered Accountants

(F.R.N. 105047W)

Amit Kumar Agarwal

Partner

Membership No:214198

Saurabh Bangur

Joint Managing Director

(DIN: 00236894)

Rajesh Bothra

Chief Financial Officer

For Andhra Paper Limited**S. K. Bangur**

Chairman & Managing Director

(DIN: 00053237)

Mukesh Jain

Director (Commercial)

(DIN: 09380039)

Bijay Kumar Sanku

Company Secretary

Membership No: 15449

Place: Hyderabad
Date : May 08, 2023Place: Rajahmundry
Date : May 08, 2023

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
1 Income:			
(a) Revenue from operations	25	2,09,765.60	1,38,023.38
(b) Other income	26	5,201.57	4,488.37
Total income		2,14,967.17	1,42,511.75
2 Expenses:			
(a) Cost of materials consumed		82,118.22	64,627.19
(b) Changes in inventories of finished goods and work-in-progress	27	175.64	1,813.55
(c) Consumption of stores and spares		4,843.55	4,656.42
(d) Power, fuel and water		17,951.12	12,646.32
(e) Employee benefits expense	28	16,475.91	15,707.32
(f) Finance costs	29	717.11	544.61
(g) Depreciation and amortisation expense	30	6,319.78	7,200.91
(h) Other expenses	31	14,729.19	16,479.79
Total expenses		1,43,330.52	1,23,676.11
3 Profit before exceptional items and tax (1-2)		71,636.65	18,835.64
4 Exceptional item	48	(1,538.37)	-
5 Profit before tax (3 + 4)		70,098.28	18,835.64
6 Tax expense:			
(a) Current tax	32	18,643.71	5,603.18
(b) Deferred tax	32	(791.69)	(740.74)
		17,852.02	4,862.44
7 Net profit after tax (5-6)		52,246.26	13,973.20
8 Other comprehensive income			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurement loss on the defined benefit plans		(108.08)	(159.46)
(b) Equity instruments through other comprehensive income		(488.06)	29.00
		(596.14)	(130.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurement loss on the defined benefit plans		272.0	40.13
(b) Equity instruments through other comprehensive income		113.25	(6.64)
		140.45	33.49
Total other comprehensive loss for the year		(455.69)	(96.97)
9 Total comprehensive income (7 + 8)		51,790.57	13,876.23
Earnings per share (Face value of ₹ 10 each) Basic & Diluted-₹	38	131.37	35.14
Corporate information & significant accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

As per our report of even date

For M S K A & Associates
Chartered Accountants
(F.R.N. 105047W)

Amit Kumar Agarwal
Partner
Membership No:214198

Saurabh Bangur
Joint Managing Director
(DIN: 00236894)

Rajesh Bothra
Chief Financial Officer

Place: Hyderabad
Date : May 08, 2023

Place: Rajahmundry
Date : May 08, 2023

For Andhra Paper Limited

S. K. Bangur
Chairman & Managing Director
(DIN: 00053237)

Mukesh Jain
Director (Commercial)
(DIN: 09380039)

Bijay Kumar Sanku
Company Secretary
Membership No: 15449

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(a) Equity share capital

(₹ in lakhs)

Particulars	Number of shares	Amount
Balance as at April 1, 2021	3,97,70,039	3,977.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	3,97,70,039	3,977.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	3,97,70,039	3,977.00

(b) Other equity

(₹ in lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Security premium	Capital redemption reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 1, 2021	18,211.13	598.00	74,444.36	291.02	93,544.51
Profit for the year	-	-	13,973.20	-	13,973.20
Remeasurements of the defined benefit plans (net of tax)	-	-	(119.33)	-	(119.33)
Dividend on equity shares	-	-	(1,988.50)	-	(1,988.50)
Changes in fair value (net of tax)	-	-	-	22.36	22.36
Balance as at March 31, 2022	18,211.13	598.00	86,309.73	313.38	1,05,432.24
Profit for the year	-	-	52,246.26	-	52,246.26
Remeasurements of the defined benefit plans (net of tax)	-	-	(80.88)	-	(80.88)
Dividend on equity shares	-	-	(2,982.75)	-	(2,982.75)
Changes in fair value (net of tax)	-	-	-	(374.81)	(374.81)
Balance as at March 31, 2023	18,211.13	598.00	1,35,492.36	(61.43)	1,54,240.06

See accompanying notes forming part of the financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

(F.R.N. 105047W)

For Andhra Paper Limited**S. K. Bangur**Chairman & Managing Director
(DIN: 00053237)**Amit Kumar Agarwal**

Partner

Membership No:214198

Saurabh Bangur

Joint Managing Director

(DIN: 00236894)

Mukesh Jain

Director (Commercial)

(DIN: 09380039)

Rajesh Bothra

Chief Financial Officer

Bijay Kumar Sanku

Company Secretary

Membership No: 15449

Place: Hyderabad

Date : May 08, 2023

Place: Rajahmundry

Date : May 08, 2023

CASH FLOW STATEMENT

for the period ended March 31, 2023

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax after exceptional items	70,098.28	18,835.64
Adjustments for:		
Depreciation and amortisation expense	6,319.78	7,200.91
Loss on sale / scrap of property, plant and equipment's (net) (includes exceptional items)	1,885.66	306.72
Profit on sale of current investments	(205.62)	(124.00)
Net gain on financial assets designated on FVTPL	(464.62)	(253.88)
Finance costs	717.11	544.61
Unwinding of discount on deferred payment liabilities	(58.09)	(58.09)
Interest income	(3,553.83)	(2,277.20)
Provision/write off for doubtful trade receivables and advances	-	20.02
Liabilities / provisions no longer required written back	(459.22)	(1,436.15)
Gain on termination of lease	-	(56.42)
Net unrealised foreign exchange loss /(gain)	(93.59)	14.92
Operating profit before working capital changes	74,185.86	22,717.08
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(2,857.20)	1,922.13
Trade receivables	(4,483.40)	(2,725.83)
Loans	732	48.22
Other assets	1,736.54	(1,278.48)
Other financial assets	(24.65)	10.53
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	3,824.02	4,442.49
Other financial liabilities	152.22	459.68
Other liabilities	(621.58)	61.36
Provisions	(81.46)	70.28
Cash generated from operations	71,837.67	25,727.46
Income tax paid (net of refunds)	(18,255.58)	(5,492.67)
Net cash flow from operating activities (A)	53,582.09	20,234.79
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, Intangible assets under development, Capital advances, Capital creditors and intangible assets)	(11,488.18)	(3,944.97)
Purchase of current investments	(2,44,840.02)	(64,843.20)
Purchase of non-current investments	(21,232.51)	(15,643.11)
Proceeds from sale/redemption of current investments	2,08,906.30	55,215.02
Proceeds from sale of non-current investments	5,482.38	9,256.25
Proceeds from sale of property, plant and equipment (including assets held for sale)	138.51	3992
Inter-corporate deposits given	(2,585.00)	(10,135.00)
Inter-corporate deposits matured	11,380.00	6,244.00
Term / margin money deposits placed during the year	(1,992.10)	(2,721.22)
Term / margin money deposits matured during the year	2,587.00	6,327.00
Interest received	3,781.81	2,074.24
Net cash used in investing activities (B)	(49,861.81)	(18,131.07)

CASH FLOW STATEMENT

for the period ended March 31, 2023 (Contd.)

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C. Cash flow from financing activities		
Proceeds from short-term borrowings	15,000.00	13,000.00
Repayment of long-term borrowings (including current maturities)	(307.74)	-
Repayment of short-term borrowings	(15,000.00)	(11,200.00)
Dividend paid	(2,982.75)	(1,988.50)
Finance costs	(643.89)	(378.40)
Repayment of lease liability	(198.98)	(606.91)
Net cash used in financing activities (C)	(4,133.36)	(1,173.81)
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	(413.08)	929.91
Cash and cash equivalents at the beginning of the year	2,453.92	1,529.43
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	91.42	(5.42)
Cash and cash equivalents at the end of the year (Refer Note 11)	2,132.26	2,453.92

Reconciliation of Financial Liabilities - Borrowings and lease liabilities:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	5,858.70	4,362.10
Add: Lease liabilities recognised during the year	13.59	505.74
Add: Proceeds from borrowings	15,000.00	13,000.00
Less: (Repayments) of borrowings	(15,307.74)	(11,200.00)
Less: (Extinguishment) of lease liabilities	-	(383.55)
Less: (Repayments) of lease liabilities	(198.98)	(606.91)
Less: Fair value changes	30.76	181.32
Closing balance	5,396.33	5,858.70

See accompanying notes forming part of the financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

(F.R.N. 105047W)

Amit Kumar Agarwal

Partner

Membership No:214198

Place: Hyderabad

Date : May 08, 2023

Saurabh Bangur

Joint Managing Director

(DIN: 00236894)

Rajesh Bothra

Chief Financial Officer

Place: Rajahmundry

Date : May 08, 2023

For Andhra Paper Limited

S. K. Bangur

Chairman & Managing Director

(DIN: 00053237)

Mukesh Jain

Director (Commercial)

(DIN: 09380039)

Bijay Kumar Sanku

Company Secretary

Membership No: 15449

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General information

Andhra Paper Limited (“APL”/“the Company”) is an integrated paper and pulp manufacturer. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. APL was incorporated on June 29, 1964.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. APL owns and operates two manufacturing units located in the State of Andhra Pradesh, India, one at Rajamahendravaram and the other at Kadiyam in East Godavari District.

2. Significant accounting policies

A. Statement of compliance

The financial statements which comprise the Balance sheet, the Statement of Profit and Loss, the Cash flow statement and the Statement of changes in Equity (“Financial Statements”) have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all periods.

B. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and on the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-

based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

C. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Company’s accounting policies that have the most significant effect on the amounts recognised in the financial statements.

a) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company’s

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

b) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

c) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

d) Defined benefit obligations

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

e) Claims, provisions and contingent liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is disclosed in notes to the financial statements.

f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

D. Classification of Assets and Liabilities as Current and Non-Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

twelve months for the purpose of current and non-current classification of assets and liabilities.

E. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determining cost of various categories of inventories is as follows:

Raw materials (including packing materials)	Weighted average cost
Stores and spares	Weighted average cost
Work-in-progress and finished goods (manufactured)	Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
Stock-in-trade	Weighted average cost

F. Property, plant and equipment and Capital work in progress

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure in making the asset ready for its intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

An item of Property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain/loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Depreciation

Depreciation on buildings is provided on the straight-line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Depreciation on plant and equipment is provided on straight-line method over 10-25 years, based on the useful life assessed as per technical assessment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance report etc.

Depreciation on other tangible fixed assets viz. furniture and fixtures, office equipment and vehicles is provided on written down value method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold improvements are amortised over the lower of estimated useful life and lease term.

Assets individually costing ₹ 5,000 and below are fully depreciated in the period of acquisition.

G. Intangible Assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortised on the straight line method over their estimated useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

H. Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in the Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of asset ("the cash generating unit").

I. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

J. Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

K. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense, as applicable. When the grant relates to an asset, it is recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

L. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

M. Employee benefits

a) Defined contribution plans

Employee benefits in the form of provident fund, superannuation, employees' state insurance fund and labour welfare fund are considered as defined contribution plans and the contributions are charged to the profit and loss during the year when the contributions to the respective funds are due and as and when services are rendered by employees.

Provident fund

Eligible employees receive benefits from a provident fund. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Rajahmundry unit of the Company makes the contributions to 'The Employee's Provident Fund of The Andhra Pradesh Paper Mills Limited' trust maintained by the Company, and for other locations the contributions are made to Regional Provident Fund Commissioner. The rate at which the annual interest is payable to the beneficiaries by the trust is determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company has no further obligations.

Superannuation

Certain employees of the Company are participants in the superannuation plan ('the Plan') which is a defined contribution plan. The Company contributes to the superannuation fund maintained with an Insurer.

b) Defined benefit plans

Gratuity

In accordance with the Payment of Gratuity Act, 1972, as amended, the Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death,

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund maintained with the Insurer.

Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

c) Short-term and other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company fully contributes

all ascertained liabilities to the fund maintained with the Insurer. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur.

N. Revenue recognition

a) Sale of goods

Revenue is recognised upon transfer of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a goods or services (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

b) Export benefits

Export benefits are recognised on an accrual basis and when there is a reasonable certainty of realisation of such benefits / incentives.

c) Other income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- d) Insurance and other claims/refunds are accounted for as and when admitted by appropriate authorities.

O. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of the Profit and Loss. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: Non-derivative financial assets comprising amortised cost, investments in subsidiaries, equity instruments at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) and non-derivative financial liabilities at amortised cost. Management determines the classification of its financial instruments at initial recognition.

The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms / arrangements.

a) Non - derivative financial assets

i. Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value

plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, loans / Inter-Corporate deposits given / placed and eligible current and non-current assets.

Cash comprises cash on hand, cash at bank, cheques on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

ii. Investments in subsidiaries

On initial recognition, these instruments are recognised at fair value plus any directly attributable transaction costs. Subsequently they are measured at cost.

iii. Investments in Equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income (OCI) pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the "equity instruments through other comprehensive income". The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- It is a derivative that is not designated and effective as a hedge instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Company's right to receive the dividends is established and the amount of dividend can be measured reliably.

iv. Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. A financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

De-recognition of financial assets

The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset (except as mentioned above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received and receivable is recognised in the Statement of Profit and Loss.

b) Non-derivative financial liabilities

i. Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising

on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

ii. Financial liability subsequently measured at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognises financial liabilities, when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

P. Leases

The Company's lease asset classes primarily consist of leases for building, plant & machinery and vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Q. Taxation

Income tax expense represent the sum of the current tax and deferred tax.

i. Current tax

Current tax is determined as the amount of tax payable in respect of the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income-tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

R. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

S. Cash flow statements and Cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of presentation in the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

T. Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares

outstanding for the effects of all dilutive potential equity shares.

U. Exceptional item

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

V. Standards (including amendments) issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from April 01, 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements:

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors:

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

- (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes:

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities

at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

- (iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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3. Property, plant and equipment and capital work-in-progress

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Freehold land	295.92	295.92
Buildings	7,184.54	7,428.00
Plant and equipment	49,043.69	49,303.72
Furniture and fixtures	45.67	38.23
Vehicles	53.10	76.87
Office equipment	138.24	192.79
Lease hold improvements	4.90	6.32
TOTAL - Property, plant and equipment	56,766.06	57,341.85
Capital work-in-progress (CWIP)	2,938.18	767.65
TOTAL - CWIP	2,938.18	767.65

(₹ in lakhs)

Cost or deemed cost	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at March 31, 2021	295.92	10,251.31	80,262.39	229.82	256.17	1,094.47	183.30	92,573.38
Additions	-	100.15	3,575.71	15.35	45.62	11.78	1.04	3,749.65
Disposals / adjustments*	-	(0.80)	(590.79)	(1.49)	-	(4.85)	(169.94)	(767.87)
Balance as at March 31, 2022	295.92	10,350.66	83,247.31	243.68	301.79	1,101.40	14.40	95,555.16
Additions	-	286.97	5,530.95	23.71	-	13.30	-	5,854.93
Disposals / adjustments*	-	(58.86)	(685.15)	(51.99)	(5.96)	(57.58)	-	(859.54)
Balance as at March 31, 2023	295.92	10,578.77	88,093.11	215.40	295.83	1,057.12	14.40	1,00,550.55

* Adjustments includes transfers inter-se

(₹ in lakhs)

Accumulated depreciation	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at March 31, 2021	-	2,450.22	28,287.09	186.29	202.76	794.93	100.15	32,021.44
Depreciation expense	-	472.60	5,997.91	20.58	22.16	117.71	20.26	6,651.22
Eliminated on disposal of assets	-	(0.16)	(341.41)	(1.42)	-	(4.03)	(112.33)	(459.35)
Balance as at March 31, 2022	-	2,922.66	33,943.59	205.45	224.92	908.61	8.08	38,213.31
Depreciation expense	-	486.76	5,486.52	13.21	23.34	63.30	1.42	6,074.55
Eliminated on disposal of assets	-	(15.19)	(380.69)	(48.93)	(5.53)	(53.03)	-	(503.37)
Balance as at March 31, 2023	-	3,394.23	39,049.42	169.73	242.73	918.88	9.50	43,784.49

Capital work-in-progress ageing as at March 31, 2023:

CWIP ageing schedule*:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,804.35	133.83	-	-	2,938.18
Projects temporarily suspended	-	-	-	-	-
Total	2,804.35	133.83	-	-	2,938.18

Capital work-in-progress ageing as at March 31, 2022:

CWIP ageing schedule*:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	764.45	-	-	3.20	767.65
Projects temporarily suspended	-	-	-	-	-
Total	764.45	-	-	3.20	767.65

*Project execution plans are reviewed periodically on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per periodic plan.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Right-of-use assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of right-of-use assets:		
Buildings	679.22	839.32
Vehicles	8.79	2.03
Plant and equipment	-	-
TOTAL - Right-of-use assets	688.01	841.35

(₹ in lakhs)

Cost	Buildings	Vehicles	Plant and equipment	Total
Balance as at March 31, 2021	1,445.28	23.75	1,080.00	2,549.03
Additions	511.14	-	-	511.14
Deletion	(911.91)	-	(1,080.00)	(1,991.91)
Balance as at March 31, 2022	1,044.51	23.75	-	1,068.26
Additions	-	13.59	-	13.59
Deletion	(1.08)	(15.60)	-	(16.68)
Balance as at March 31, 2023	1,043.43	21.74	-	1,065.17

(₹ in lakhs)

Accumulated amortisation	Buildings	Vehicles	Plant and equipment	Total
Balance as at March 31, 2021	503.48	13.65	900.00	1,417.13
Amortisation expenses	275.90	8.07	180.00	463.97
Deletion	(574.19)	-	(1,080.00)	(1,654.19)
Balance as at March 31, 2022	205.19	21.72	-	226.91
Amortisation expenses	159.02	6.83	-	165.85
Deletion	-	(15.60)	-	(15.60)
Balance as at March 31, 2023	364.21	12.95	-	377.16

4a. Intangible assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Computer softwares	238.84	318.22
TOTAL - Intangible assets	238.84	318.22

(₹ in lakhs)

Cost or deemed cost	Computer softwares	Total
Balance as at March 31, 2021	962.57	962.57
Additions	224.36	224.36
Disposals	-	-
Balance as at March 31, 2022	1,186.93	1,186.93
Additions	-	-
Disposals	-	-
Balance as at March 31, 2023	1,186.93	1,186.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4a. Intangible assets (Contd.)

(₹ in lakhs)

Accumulated amortisation	Computer softwares	Total
Balance as at March 31, 2021	782.99	782.99
Amortisation expenses	85.72	85.72
Disposals	-	-
Balance as at March 31, 2022	868.71	868.71
Amortisation expenses	79.38	79.38
Disposals	-	-
Balance as at March 31, 2023	948.09	948.09

5. Investments

(₹ in lakhs)

Particulars	Face Value ₹	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Non-current					
Trade					
Unquoted Investments (all fully paid)					
(A) Investment in equity shares of subsidiary at cost					
Andhra Paper Foundation	10	50,000	5.00	50,000	5.00
Total (A)			5.00		5.00
(B) Investments carried at amortised cost:					
Investments in bonds					
Bank Of Baroda, 9.73%, 17 Dec 2023	10,00,000	-	-	30	323.45
Bank Of India, 9.80%, 30 Sep 2023	10,00,000	-	-	30	342.58
Cholamandalam MS General Insurance Co. Limited, 8.75%, 25 May 27	10,00,000	-	-	90	937.40
L&T Finance Limited, 9.25%, 13 Mar 2024	1,000	-	-	1,40,000	1,484.92
National Bank for Agriculture and Rural Development, 5.27%, 23 July 2024	10,00,000	50	504.78	-	-
National Bank for Agriculture and Rural Development, 7.4%, 30 Jan 2026	10,00,000	100	1,012.33	-	-
Power Finance Corporation Limited, 8.19%, 14 Jun 2023	10,00,000	-	-	7	76.55
Power Finance Corporation Ltd, 8.65%, 28 Dec 24	10,00,000	50	519.44	-	-
Rural Electrification Corporation Limited, 8.82%, 12 Apr 2023	10,00,000	-	-	4	44.65
State Bank of India, SR - I, 7.74% 08 Sep 2025	10,00,000	50	529.32	50	532.05
State Bank of India Series II, 8.50%, 22 Nov 2024	10,00,000	155	1,610.59	5	53.52
State Bank of India Series - III, 9.45%, 22 Mar 2024	10,00,000	-	-	5	52.26
Power Grid Corporation Ltd, 9.25%, 26 Dec 2024	12,50,000	40	524.67	-	-
Power Finance Corporation Ltd, 9.37%, 19 Aug 24	10,00,000	18	193.41	-	-
Total (B)			4,894.54		3,847.38
(C) Investments in Non-Convertible Debentures at amortised cost					
Aditya Birla Finance Limited, 7.9%, 19 Sep 25	10,00,000	100	1,036.54	-	-
Aditya Birla Finance Limited, 7.6%, 6 Jun 2025	10,00,000	100	1,061.63	-	-
Bajaj Finance Limited, 5.75%, 16 Feb 2024	10,00,000	-	-	250	2,515.05
Housing Development Finance Corporation Limited, 5.90%, 25 Feb 2025	10,00,000	100	983.83	-	-
HDFC Credila Financial Services Ltd, 8.62%, 17 Jun 2024	10,00,000	32	350.04	-	-
Housing Development Finance Corporation Limited, 7.40%, 02 Jul 2025	10,00,000	100	1,058.33	-	-
Housing Development Finance Corporation Limited, 7.99%, 11 July 24	10,00,000	50	529.55	-	-
Housing Development Finance Corporation Limited, 8.40%, 23 Jan 25	5,00,000	200	1,023.02	-	-
IIFL Finance Limited, 8.25%, 14 Oct 2023	1,000	-	-	50,000	532.32
IIFL Home Finance Limited, 8.93%, 14 Apr 2023	10,00,000	-	-	50	536.76
Kotak Mahindra Prime Limited, 5.00%, 20 Dec 23	10,00,000	-	-	100	1,003.54
Kotak Mahindra Investments Limited, 0%, 29 Apr 24	10,00,000	100	922.80	-	-
Kotak Mahindra Prime Limited, 7.90%, 23 Dec 24	10,00,000	100	1,021.76	-	-
Kotak Mahindra Prime Limited, 7.88%, 17 Feb 25	10,00,000	100	1,008.35	-	-
L & T Finance Limited, 6.45%, 10 May 2024	10,00,000	150	1,509.25	-	-
LIC Housing Finance Limited, 9.19%, 06 Jun 2023	10,00,000	-	-	10	107.50
LIC Housing Finance, 8.33%, 31 May 2024	10,00,000	50	541.84	-	-
Muthoot Finance Limited, 7.40%, 05 Jan 24	1,000	-	-	25,994	271.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in lakhs)

Particulars	Face Value ₹	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Mahindra & Mahindra Financial Services Ltd, 8.90%, 27 Oct 2025	10,00,000	10	106.57	-	-
Shriram City Union Finance Limited, 7.50%, 22 May 2023	10,00,000	-	-	100	1,008.02
Tata Capital Financial Services Limited, 6.1%, 29 Mar 24	10,00,000	-	-	50	501.86
Tata Capital Housing Finance Limited, 0%, 24 Jan 2024	10,00,000	-	-	50	539.86
Tata Capital Housing Finance Limited, 5.86%, 23 Feb 2024	10,00,000	-	-	100	1,007.25
Total (C)			11,153.51		8,023.54
(D) Investments in Equity Instruments at FVTOCI:					
- Andhra Pradesh Gas Power Corporation Limited, equity shares of ₹ 10 each	10	13,40,000	1,538.37	13,40,000	1,947.00
Less: Impairment allowance on APGPCL Investments		-	(1,538.37)	-	-
Total (D)			-		1,947.00
Quoted Investments					
Investments in Equity Instruments at FVTOCI:					
- Coal India Limited	10	58,944	125.93	-	-
- HDFC Bank Limited	1	14,580	234.67	-	-
- ITC Limited	1	63,500	243.52	-	-
- Life Insurance Corporation of India	10	44,339	236.93	-	-
- NMDC Limited	10	1,01,700	113.45	-	-
- Power Finance Corporation Limited	10	1,01,000	153.27	-	-
- REC Limited	10	1,76,000	203.19	-	-
- State Bank of India	10	22,000	115.23	-	-
Total (E)			1,426.19		-
Total non-current investments (F) = (A) + (B) + (C) + (D) + (E)			17,479.24		13,822.92

(₹ in lakhs)

Particulars	Face Value ₹	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Current					
Unquoted investments carried at amortised cost					
Investments in Bonds					
Bank Of Baroda, 9.73%, 17 Dec 2023	10,00,000	30	314.83	-	-
Bank Of India, 9.80%, 30 Sep 2023	10,00,000	30	334.04	-	-
Gujarat State Investments Limited, 9.45%, 01 Oct 22	10,00,000	-	-	12	123.79
Gujarat State Investments Limited, 9.45%, 28 Sep 2022	10,00,000	-	-	205	2,119.60
ICICI Bank Limited Perpetual, 9.15%, 20 June 2023	10,00,000	100	1,075.38	-	-
India Infrastructure Finance Company Limited, 8.82%, 19 Dec 2022	10,00,000	-	-	1	10.36
Indian Oil Corporation Limited, 6.44%, 14 Apr 2023	10,00,000	100	1,013.39	-	-
Indian Railway Finance Corporation Limited, 6.19%, 28 Apr 2023	10,00,000	100	1,058.63	-	-
Indian Renewable Energy Development Agency Limited, 8.44%, 10 May 2023	10,00,000	17	183.16	-	-
Indian Renewable Energy Development Agency Limited, 9.49%, 04 Jun 2022	1,50,000	-	-	20	216.57
L&T Finance Limited, 8.9%, 15 Apr 2022	1,000	-	-	20,000	217.26
L&T Finance Limited, 9.25%, 13 Mar 2024	1,000	1,40,000	1,445.85	-	-
LIC Housing Finance Limited, 6.90%, 16 Nov 2023	10,00,000	50	511.43	-	-
National Bank for Agriculture and Rural Development, 5.14%, 31 Jan 2024	10,00,000	50	495.14	-	-
National Bank for Agriculture and Rural Development, 5.44%, 05 Feb 24	10,00,000	200	1,982.31	-	-
Piramal Capital & Housing Finance Limited, 9.5%, 15 Apr 2022	8,00,000	-	-	63	506.66
Power Finance Corporation Limited, 8.19%, 14 Jun 2023	10,00,000	7	74.90	-	-
Power Finance Corporation Limited, 6.72%, 09 June 2023	10,00,000	50	525.82	-	-
Power Finance Corporation Ltd 2023, 5.47%, 19 Aug 2023	10,00,000	100	1,026.44	-	-
Rural Electrification Corporation Limited, 5.79%, 20 Mar 24	10,00,000	100	984.98	-	-
Rural Electrification Corporation Limited, 8.82%, 12 Apr 2023	10,00,000	4	43.45	-	-
Rural Electrification Corporation Limited, 9.02%, 19 Nov 2022	10,00,000	-	-	5	52.94
SBI Cards And Payment Services, 8.30%, 17 May 2023	10,00,000	100	1,059.48	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in lakhs)

Particulars	Face Value ₹	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
State Bank of India Series - II, 9.37%, 21 Dec 2023	10,00,000	50	518.64	-	-
State Bank of India Series - III, 9.45%, 22 Mar 2024	10,00,000	5	51.22	-	-
TVS Motors Company Limited, 7.5%, 15 May 2023	10,00,000	50	533.26	-	-
Total (A)			13,232.35		3,247.18
Investments in Non-Convertible Debentures					
Aditya Birla Finance Limited, 10.50%, 20 May 2022	10,00,000	-	-	20	219.42
Aditya Birla Finance Ltd, 6.15%, 30 May 2023	10,00,000	100	2,009.10	-	-
Bajaj Finance Limited, 5.75%, 16 Feb 2024	10,00,000	250	2,515.79	-	-
Cholamandalam Investment and Fin Co Ltd, 6.26%, 18 Apr 2023	10,00,000	150	1,588.76	-	-
Hinduja Leyland Finance Limited, 11.1%, 08 Apr 2022	10,00,000	-	-	200	2,171.97
Housing Development Finance Corporation Limited, 7.28%, 01 Mar 2024	10,00,000	100	1,003.76	-	-
Housing Development Finance Corporation Limited, 9.05%, 20 Nov 2023	10,00,000	50	522.84	-	-
IIFL Finance Limited, 12.15%, 30 Aug 2022	10,00,000	-	-	50	542.27
IIFL Finance Limited, 8.25%, 14 Oct 2023	1,000	50,000	523.81	-	-
IIFL Home Finance Limited, 8.93%, 14 Apr 2023	10,00,000	50	530.69	-	-
India Infradebt Limited, 9.10%, 20 Jun 2022	10,00,000	-	-	3	30.23
JM Financial Credit Solutions Limited, 10.00%, 13 Jul 22	1,000	-	-	5,660	58.57
JM Financial Products Limited, 10.20%, 11 Nov 22	1,000	-	-	1,50,000	1,611.15
Kotak Mahindra Prime Limited, 5.00%, 20 Dec 23	10,00,000	100	1,009.25	-	-
Kotak Mahindra Prime Limited, 5.80%, 20 Feb 2024	10,00,000	100	991.67	-	-
Kotak Mahindra Prime Limited, 6%, 15 Mar 2024	10,00,000	250	2,475.56	-	-
L&T Finance Limited, 6.15%, 17 May 2023	10,00,000	50	500.46	-	-
L&T Finance Limited, 8.55%, 29 Nov 2022	10,00,000	-	-	30	311.88
LIC Housing Finance Limited, 9.19%, 06 Jun 2023	10,00,000	160	1,666.67	-	-
Mahindra & Mahindra Financial services Ltd, 5.9%, 31 July 23	10,00,000	100	1,033.17	-	-
Muthoot Finance Limited, 6.60%, 20 June 2023	1,000	1,00,000	1,060.70	-	-
Muthoot Finance Limited, 7.40%, 05 Jan 24	1,000	25,994	269.34	-	-
Reliance Industries Limited, 8.00%, 09 Apr 2023	10,00,000	200	2,156.36	-	-
Shriram Finance Limited, 7.50%, 22 May 2023	10,00,000	100	1,007.89	-	-
Shriram Finance Ltd 2023, 9.10%, 28 Apr 2023	10,00,000	100	1,039.24	-	-
Shriram Housing Finance Limited, 10.60%, 09 May 2022	1,00,000	-	-	300	302.77
State Bank of India Series -I, 9.56%, 04 Dec 2023	10,00,000	80	834.16	-	-
Tata Capital Limited, 6.49%, 16 Feb 24	10,00,000	200	2,010.36	-	-
Tata Capital Financial Services Limited, 6.1%, 29 Mar 24	10,00,000	50	500.99	-	-
Tata Capital Housing Finance Limited, 0%, 24 Jan 2024	10,00,000	50	573.24	-	-
Tata Capital Housing Finance Limited, 5.86%, 23 Feb 2024	10,00,000	200	2,009.87	-	-
Total (B)			27,833.68		5,248.26
Investments in Commercial Papers					
ARKA Fincap Limited, 02 Dec 2022	5,00,000	-	-	200	955.32
ARKA Fincap Limited, 12 Dec 2022	5,00,000	-	-	200	953.51
ICICI Securities Limited, 14 Nov 2023		200	953.75	-	-
ICICI Securities Limited, 16 May 2023		200	990.86	-	-
Piramal Enterprises Limited, 06 May 22	5,00,000	-	-	200	993.18
Piramal Enterprises Limited, 08 Apr 22	5,00,000	-	-	400	1,997.56
Standard Chartered Capital Limited, 16 May 23		400	1,981.61	-	-
ICICI Securities Limited, 19 June 2023		300	1,474.53	-	-
Standard Chartered Capital Limited, 19 Jun 23		400	1,965.41	-	-
Piramal Enterprises Limited, 19 Jun 23		200	981.34	-	-
Total (C)			8,347.50		4,899.57
Unquoted instruments at FVTPL					
Investments in Mutual funds					
Abakkaus Diversified Alpha Fund		10,086	100.10	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in lakhs)

Particulars	Face Value ₹	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Aditya Birla Sunlife Crisil IBX Gilt Apr 2029 Index fund - Direct Growth		29,41,619	307.44	-	-
Aditya Birla Sunlife NIFTY SDL Sep 2025 Index fund - Direct Growth		49,99,750	519.27	-	-
Aditya Birla Sunlife NIFTY SDL Sep 2027 Index fund - Direct Growth		9,99,950	101.42	-	-
Aditya Birla Sunlife Fixed Term plan - Series UB (1224days) - Direct Growth		49,99,750	508.92	-	-
Aditya Birla Sunlife Fixed Term plan - Series UJ (1110 days) - Direct Growth		89,99,550	901.94	-	-
Aditya Birla India Equity Services Fund - Class C1		41,860	38.15	-	-
Aditya Birla Sunlife Money Manager Fund - Growth - Direct		63,249	19,999	3,01,443	901.04
Aditya Birla Sun life Liquid Fund - Growth-Direct		-	-	4,10,325	1,40,793
Axis Liquid Fund - Direct Growth		-	-	46,759	1,10,543
Axis Money Market Fund - Direct Growth		-	-	1,21,775	1,40,259
DSP Liquidity Fund - Direct plan - Growth		-	-	6,584	200.38
DSP Ultra Short Fund- Direct plan - Growth		9,684	302.86	-	-
Nuvama Crossover Opportunities Fund Series III		19,01,567	235.24	19,04,725	243.55
Emkay Emerging Star Fund - V -		4,01,055	393.11	-	-
HDFC Nifty G-Sec APR 2029 Index Direct Growth		40,04,691	405.82	-	-
ICICI Prudential Banking & Financial Services Fund-Direct Plan-Growth		2,32,636	221.26	2,20,448	195.10
ICICI Prudential Large & Midcap Fund - Direct Plan - Growth		53,138	330.56	51,293	296.71
ICICI Prudential Money Market Fund - Direct plan-Growth		1,85,551	601.76	-	-
ICICI Prudential Fixed Maturity Plan - Series 88 - PLAN U -Direct Plan-Growth		49,99,750	500.89	-	-
IDFC CRISIL IBX GLIT April 2028 Index Fund Direct Plan -Growth		92,61,369	1,014.06	-	-
Kotak Emerging Equity Fund - Direct plan- Growth		6,39,957	536.64	6,26,338	498.67
Kotak Flexicap Fund - Direct Growth		8,56,572	501.51	8,37,178	476.06
Kotak Liquid Fund Direct Plan Growth		-	-	4,699	202.21
Mirae Asset Cash Management Fund - Direct Plan Growth		-	-	13,446	302.14
Mirae Asset Large Cap Fund - Direct Plan - Growth		5,85,257	494.39	5,72,232	483.18
Mirae Asset Fixed Maturity Plan-Series V-91 Days-Direct Plan-Growth		79,99,600	807.46	-	-
Mirae Asset Fixed Maturity -Series V- Plan 2- 91 Days Direct Plan-Growth		49,99,750	502.13	-	-
Mirae Asset Nifty SDL Jun 2027 Index Fund Direct Plan - Growth		1,21,02,055	1,253.29	49,99,750	500.33
Nippon India ETF Nifty BeEs		50,000	94.97	50,000	94.47
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option		-	-	5,969	19,999
Nippon India Money Market-Direct Growth Plan Growth Option		5,637	19,999	-	-
Nippon India Quarterly Interval Fund-Series III-Direct Growth Plan - Growth Option		27,38,396	503.18	-	-
Nippon India Ultra Short Duration Fund-Direct Growth Plan		21,542	806.16	-	-
Northern Arc Money Market Alpha Trust Cat. 3 Class A2		14,99,925	1,513.03	-	-
SBI ETF Nifty and Open ended		1,00,000	179.59	1,00,000	178.68
SBI Fixed Maturity Plan (FMP)- Series 66 (1361 days) Direct Growth		89,99,550	944.48	-	-
TATA Crisil IBX Gilt Index- Apr 2026 Index fund-Direct Plan -Growth		4,09,95,670	4,255.92	-	-
TATA Digital India Fund Direct Plan Growth		15,70,728	557.05	15,42,462	6,579.3
TATA Liquid Fund Direct Plan - Growth		9,167	325.55	14,982	503.45
TATA Ultra Short Term Fund-Direct Plan-Growth		48,03,345	604.89	-	-
TATA Money Market Fund Direct Plan Growth		24,851	1,005.99	31,402	1,201.22
Total (D)			21,769.03		11,051.04
Total current investments (F) = (A)+(B)+(C)+(D)			71,182.56		24,446.05
Aggregate book value of:					
Quoted investments			1,426.19		-
Unquoted investments			87,235.61		38,268.97
Aggregate market value of:					
Quoted investments			1,426.19		-
Aggregate amount of impairment in value of Investments			1538.37		-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. Loans

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loans		
Considered good - Unsecured		
Loans to employees	137.02	144.34
Inter-corporate deposits (Refer Note below)	1,500.00	10,295.00
TOTAL	1,637.02	10,439.34

Note:

Inter-Corporate Deposit (ICD) are placed by the Company with Non-Banking Financial Companies as fixed deposits and with different corporates as term loans. Maximum amount outstanding during the year was ₹ 10,295.00 lakhs (2021-22: ₹ 14,398.00 lakhs) and amount outstanding as at March 31, 2023 is ₹ 1,500.00 lakhs (March 31, 2022: ₹ 10,295.00 lakhs) at the interest rate ranging between 5.25% to 15.00% per annum (2021-22: 5.25% to 15.00% per annum), which are going to mature on different dates.

7. Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits		
- Unsecured, considered good	424.08	426.27
TOTAL	424.08	426.27
Current		
a) Security deposits		
- Unsecured, considered good	93.55	63.80
b) Advances to employees	4.54	5.04
c) Receivable from related parties (Refer note - 36)	-	2.41
d) Interest accrued on deposits, ICD's and others	181.91	410.81
TOTAL	280.00	482.06

8. Other assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
a) Capital advances	3,715.78	365.54
b) Prepaid expenses	25.02	34.19
c) Balances with statutory / government authorities	3,320.34	3,361.37
TOTAL	7,061.14	3,761.10
Current		
a) Advances recoverable in cash or in kind		
Considered good	3,713.22	4,462.53
Considered credit impaired	18.03	18.03
	3,731.25	4,480.56
Less: Provision for credit impaired loans and advances	18.03	18.03
	3,713.22	4,462.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Other assets (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
b) Prepaid expenses	343.24	367.31
c) Balances with statutory / government authorities	661.89	1,560.01
d) Others		
- Export benefits receivable	175.75	380.30
- Carry forward excess spend CSR (Refer note 50)	24.71	-
TOTAL	4,918.81	6,770.15

9. Inventories

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(at lower of cost and net realisable value)		
(a) Raw materials	7,034.91	5,601.52
(b) Work-in-progress	1,082.13	1,302.44
(c) Finished goods	123.75	79.08
(d) Stores and spares (includes fuel)	8,293.67	7,297.08
Add : Goods in transit	831.49	228.63
TOTAL	17,365.95	14,508.75

Notes:

- The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss.
- There are no inventories expected to be recovered after more than twelve months.

10. Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
(a) Secured - Considered good	2,574.83	5,875.06
(b) Unsecured - Considered good	12,178.58	4,380.11
(c) Which have significant increase in Credit risk and	-	-
(d) Credit impaired	89.65	100.62
Less: Impairment loss on credit impaired trade receivables	89.65	100.62
TOTAL	14,753.41	10,255.17

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	14,632.39	117.34	0.05	2.28	1.35	-	14,753.41
Undisputed trade receivables – credit impaired	-	0.06	5.62	2.72	0.50	-	8.89
Disputed trade receivables – credit impaired	-	-	-	-	-	80.76	80.76
TOTAL	14,632.39	117.40	5.67	5.00	1.85	80.76	14,843.06
Less: Impairment loss on credit impaired trade receivables							(89.65)
							14,753.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. Trade receivables (Contd.)

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	10,169.33	76.41	8.00	1.43	-	-	10,255.17
Undisputed trade receivables – credit impaired	-	6.12	13.24	-	0.50	-	19.86
Disputed trade receivables – credit impaired	-	-	-	-	-	80.76	80.76
TOTAL	10,169.33	82.53	21.24	1.43	0.50	80.76	10,355.79
Less: Impairment loss on credit impaired trade receivables							(100.62)
							10,255.17

Notes:

- The average credit period on sale is 20 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 15% per annum on the outstanding balance.
- Before accepting any new customer, the Company has a credit evaluating system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Of the trade receivables balance, ₹ 1,934.98 lakhs (as at March 31, 2022: ₹ 1,407.71 lakhs) is due from customers who represent more than 5% of the total balance of trade receivables.
- The Company maintains an allowance of credit impaired accounts based on financial condition of the customer, ageing of customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision towards credit impaired trade receivables after recovering the underlying collaterals. Besides, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a historical loss rate method. The historical loss rate takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the average loss rate of the collections against the receivables.

Movement in the Impairment loss on credit impaired trade receivables

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of the year	100.62	89.39
Movement in the Impairment loss on credit impaired trade receivables (Net)	(10.97)	11.23
Balance at end of the year	89.65	100.62

The Concentration of credit risk is limited to the fact that the customer base is large and unrelated.

11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash on hand	0.88	0.61
b) Balances with Banks		
-in Current accounts	422.33	434.12
-in EEFC accounts	9.05	620.19
-in demand deposit accounts with original maturity of less than 3 months	1,700.00	1,399.00
TOTAL	2,132.26	2,453.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. Bank balances other than Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
In other deposit accounts		
- Term deposits with original maturity of more than 3 months *	2,000.00	2,587.00
In earmarked accounts:		
- Unclaimed / unpaid dividend account	12.05	5.02
- Unspent CSR account (Refer Note 50)	165.00	-
- Balances held as margin money or security against guarantees and other commitments	427.22	435.12
TOTAL	2,604.27	3,027.14

* Includes term deposits ₹ Nil (March 31, 2022: ₹ 1,791.00 lakhs) of original maturity of more than 12 months.

13. Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax assets		
Advance tax (including TDS receivable)	41,266.93	22,798.94
Tax liabilities		
Provision for income tax	41,700.03	22,871.11
TOTAL	433.10	72.17

14. Assets classified as held for sale

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed assets held for sale	-	129.68
TOTAL	-	129.68

15. Equity share capital

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Share Capital	3,977.00	3,977.00
	3,977.00	3,977.00
Authorised Share capital :		
4,00,00,000 fully paid up equity shares of ₹ 10 each	4,000.00	4,000.00
5,00,000 Redeemable cumulative preference shares of ₹ 100 each	500.00	500.00
Issued and subscribed capital comprises:		
3,97,70,039 fully paid up equity shares of ₹ 10 each (as at March 31, 2022: 3,97,70,039)	3,977.00	3,977.00
TOTAL	3,977.00	3,977.00

15.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Number of shares	Share capital (Amount)
Balance at April 01, 2021	3,97,70,039	3,977.00
Changes during the year	-	-
Balance at March 31, 2022	3,97,70,039	3,977.00
Changes during the year	-	-
Balance at March 31, 2023	3,97,70,039	3,977.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Equity share capital (Contd.)

15.2 Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and fully paid up equity shares having a face value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The dividend (other than interim dividend) proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

15.3 Equity shares held by the holding company

Name of the Shareholder	As at March 31, 2023	As at March 31, 2022
West Coast Paper Mills Limited	2,87,28,400	2,87,13,400

15.4 Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding of equity shares	Number of shares	% holding of equity shares
West Coast Paper Mills Limited	2,87,28,400	72.24	2,87,13,400	72.20

15.5 Details of shareholding of Promoters

Promoter name	As at March 31, 2023		% Change during the year
	Number of shares	% of total shares	
West Coast Paper Mills Limited	2,87,28,400	72.24	0.04%

Promoter name	As at March 31, 2022		% Change during the year
	Number of shares	% of total shares	
West Coast Paper Mills Limited	2,87,13,400	72.20	-

16. Other equity

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	18,211.13	18,211.13
Reserve for equity instruments through other comprehensive income	(61.43)	313.38
Retained earnings	1,35,492.36	86,309.73
Capital redemption reserve	598.00	598.00
TOTAL	1,54,240.06	1,05,432.24

Notes:

16.1 Securities premium

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of year	18,211.13	18,211.13
Movements during the year	-	-
Balance at end of year	18,211.13	18,211.13

Security premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the security premium reserve is governed by the Section 52 of the Companies Act, 2013 ("Act").

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Other equity (Contd.)

16.2 Reserve for equity instruments through other comprehensive income

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of year	313.38	291.02
Net fair value gain on investments in equity instruments at FVTOCI	(488.06)	29.00
Income tax on net fair value gain on investments in equity instruments at FVTOCI	113.25	(6.64)
Balance at end of year	(61.43)	313.38

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

16.3 Retained earnings

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of year	86,309.73	74,444.36
Profit for the year	52,246.26	13,973.20
Remeasurement of defined benefit plan	(108.08)	(159.46)
Related income tax	27.20	40.13
Dividend on equity shares	(2,982.75)	(1,988.50)
Balance at end of year	1,35,492.36	86,309.73

Retained earnings represent the Company's undistributed earnings after taxes.

In respect of the year ended March 31, 2023, the directors in their meeting held on May 8, 2023 have proposed a dividend of ₹ 12.50 per equity share of face value of ₹ 10 each. The proposed equity dividend is subject to approval by the shareholders at the Annual General Meeting (AGM) and has not been included as a liability in these financial statements. The total estimated amount to be paid with respect to dividend is ₹ 4,971.25 lakhs.

In respect of the year ended March 31, 2022, the directors proposed a final dividend of ₹ 7.5 per equity share of face value of ₹ 10 each, which was approved by the shareholders in the AGM held on August 12, 2022. The total amount of such dividend paid is ₹ 2,982.75 Lakhs during the current year.

16.4 Capital redemption reserve

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning of year	598.00	598.00
Movements during the year	-	-
Balance at end of year	598.00	598.00

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of preference shares. The Company has redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

17. Non-current borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured – at amortised cost		
Deferred payment liabilities (Refer note below)	462.91	786.36
TOTAL	462.91	786.36

Note:

Deferred payment liabilities: It represent sales tax deferral loan availed by the Company, from the Government of Andhra Pradesh and is repayable after a period of 14 years from the end of the financial year of its availment. These are interest free loans. An amount of ₹ 219.05 lakhs (March 31, 2022 – ₹ 140.43 lakhs) is due within next twelve months and is included under the head 'Current maturities of long-term debts' disclosed under Note 18.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. Current borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured – at amortised cost		
a) Loans repayable on demand		
- from banks - Refer note below	4,000.00	4,000.00
b) Current maturities of long-term debt	219.05	140.43
TOTAL	4,219.05	4,140.43

Note:

For the financial year 2022-23, unsecured Export packing credit loan is availed from Standard Chartered Bank which carry an interest rate of 5.35% p.a. and repayable on demand. For the financial year 2021-22, unsecured Export packing credit loan is availed from Axis Bank which carry an interest rate of 2.25% p.a. and repayable on demand.

19. Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities	664.33	794.28
TOTAL	664.33	794.28
Current		
Lease liabilities	141.74	137.63
TOTAL	141.74	137.63

20. Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 40)	2,168.51	2,557.21
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17,476.47	13,710.30
TOTAL	19,644.98	16,267.51

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for the following periods from the due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables							
(i) MSME	-	1,441.75	679.33	32.12	2.54	12.77	2,168.51
(ii) Others	11,583.42	5,112.34	673.06	49.57	16.37	41.71	17,476.47
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	11,583.42	6,554.09	1,352.39	81.69	18.91	54.48	19,644.98

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for the following periods from the due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables							
(i) MSME	-	1,577.34	944.10	19.19	11.13	5.45	2,557.21
(ii) Others	8,939.97	4,142.85	559.22	20.31	13.92	34.03	13,710.30
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	8,939.97	5,720.19	1,503.32	39.50	25.05	39.48	16,267.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
- Deferred Government Grant	116.19	174.28
TOTAL	116.19	174.28
Current		
a) Current maturities of deferred government grant	58.09	58.09
b) Interest accrued	34.21	23.90
c) Others :		
(i) Trade / security deposits received	3,230.93	3,020.90
(ii) Payables on purchase of property, plant and equipment	257.11	369.59
(iii) Contractually reimbursable expenses	29.51	55.87
d) Payable to related parties (Refer note 36)	-	27.87
e) Unpaid dividend	12.05	5.02
TOTAL	3,621.90	3,561.24

22. Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Employee benefits: (Refer note 34)		
- Compensated absences	27.30	141.86
TOTAL	27.30	141.86
Current		
Employee benefits: (Refer note 34)		
- Gratuity	280.07	138.88
Provisions:		
For contingencies (Refer note 41)	1,090.66	1,090.66
For others (Disputed dues) (Refer note 47)	2,357.43	2,357.43
TOTAL	3,728.15	3,586.97

23. Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Advances from customers	199.99	287.46
b) Other Payables		
- Statutory remittances	318.48	294.33
- Others*	1,478.98	2,037.24
TOTAL	1,997.45	2,619.03

* Others include liabilities created on account of demands received in respect of excise, property tax, water cess etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (net)	7,195.67	8,100.62
Deferred tax liabilities (net)	7,195.67	8,100.62

(₹ in lakhs)

2022-23	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) /assets in relation to:				
Property, plant and equipment	(8,434.04)	546.37	-	(7,887.67)
Disallowances under Income Tax Act, 1961, allowed on payment basis	414.60	(4.25)	-	410.35
Long-term capital loss carried forward	22.75	-	-	22.75
Financial assets at FVTOCI	(95.08)	-	113.25	18.17
Provision for credit impaired balances	29.87	(7.29)	-	22.58
Others	(38.72)	256.87	-	218.15
TOTAL	(8,100.62)	791.69	113.25	(7,195.67)

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) /assets in relation to:				
Property, plant and equipment	(9,200.07)	766.03	-	(8,434.04)
Disallowances under Income Tax Act, 1961, allowed on payment basis	349.56	65.04	-	414.60
Long-term capital loss carried forward	22.75	-	-	22.75
Financial assets at FVTOCI	(88.44)	-	(6.64)	(95.08)
Provision for credit impaired balances	31.84	(1.97)	-	29.87
Others	49.64	(88.36)	-	(38.72)
TOTAL	(8,834.72)	740.74	(6.64)	(8,100.62)

25. Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products - (Refer note (i) below)	2,08,305.62	1,36,692.07
(b) Other operating revenues - (Refer note (ii) below)	1,459.98	1,331.31
TOTAL	2,09,765.60	1,38,023.38
Notes:		
(i) Sale of products comprise of sale of paper and paperboard		-
(ii) Other operating revenues comprises:		
Export incentives	405.64	484.76
Sale of scrap	1,054.34	846.55
TOTAL	1,459.98	1,331.31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest income earned on financial assets that are not designated as fair value through profit or loss	0.92	4.50
b) Interest income	3,552.91	2,272.70
c) Unwinding of discount on deferred payment liabilities	58.09	58.09
d) Profit on sale of current investments	205.62	124.00
e) Net gain on financial assets designated on FVTPL	464.62	253.88
f) Insurance and other claims	-	14.50
g) Liabilities / provisions no longer required written back	459.22	1,436.15
h) Net gain on foreign currency transactions and translations	83.35	220.24
i) Gain on termination of lease	-	56.42
j) Miscellaneous Income	376.84	47.89
TOTAL	5,201.57	4,488.37

27. Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
- Work-in-progress	1,302.44	1,046.76
- Finished goods	79.08	2,148.31
	1,381.52	3,195.07
Inventories at the end of the year		
- Work-in-progress	1,082.13	1,302.44
- Finished goods	123.75	79.08
	1,205.88	1,381.52
Changes in inventories	175.64	1,813.55
TOTAL	175.64	1,813.55

28. Employee benefits expense

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	14,425.08	13,604.22
Provident and family pension funds	664.79	655.02
Employee state insurance	16.49	7.78
Gratuity fund	237.74	209.87
Superannuation fund	12.92	15.76
Employee group insurance	259.80	206.47
Leave encashment	33.94	90.86
Staff welfare expense	793.15	885.34
Cost of deputed personnel	32.00	32.00
TOTAL	16,475.91	15,707.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. Finance costs

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on bank overdrafts and loans	128.14	47.59
Interest on income tax	212.42	97.70
Other interest expense	206.51	169.64
Interest on lease liabilities	59.56	112.67
Interest cost on deferred payment liabilities	62.91	68.65
Bank and finance charges	47.57	48.36
TOTAL	717.11	544.61

30. Depreciation and amortisation expense

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 3)	6,074.55	6,651.22
Amortisation of right-of-use assets (Refer note 4)	165.85	463.97
Amortisation of intangible assets (Refer note 4a)	79.38	85.72
TOTAL	6,319.78	7,200.91

31. Other expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance		
- Buildings	1,183.59	958.85
- Plant and machinery	2,930.30	2,964.62
- Others	424.22	474.39
Operating service expenses	4,281.98	4,813.99
Conversion / processing charges	324.68	339.98
Forwarding, transportation and other sales expenses	1,436.78	2,966.24
Rates and taxes	254.60	312.17
Royalty	70.24	42.92
Rent	194.67	280.19
Insurance	561.53	564.08
Research and development	74.71	62.10
Legal and professional charges	587.53	660.18
Cost auditor's remuneration and expenses	4.13	7.00
Provision for credit impaired trade receivables and advances	-	20.02
Directors' sitting fees	22.50	48.33
Payment to auditors (Refer note 39)	38.84	70.58
Travelling and conveyance	146.79	106.27
Corporate social responsibility expenses (Refer note 50)	279.50	367.00
Loss on sale / scrap of property, plant and equipment's (net)	347.29	306.72
Miscellaneous expenses	1,565.32	1,114.17
TOTAL	14,729.19	16,479.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Tax expense

A. Amounts recognised in statement of profit or loss

i) Income tax recognised in the Statement of profit or loss

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	18,643.71	5,603.18
Deferred tax	(791.69)	(740.74)
Total income tax expense recognised	17,852.02	4,862.44

ii) Income tax recognised in other comprehensive income

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Tax related to items recognised in OCI		
Deferred tax expenses on fair value gain on investments in equity instruments through OCI	113.25	(6.64)
Current tax expenses / benefit on remeasurements of defined benefit plans	27.20	40.13
Income tax recognised in OCI	140.45	33.49

B. The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax (A)	70,098.28	18,835.64
Enacted tax rate (B)	25.17%	25.17%
Expected Tax Expenses (C) = (A * B)	17,642.34	4,740.55
Adjustments		
Prior year taxation	-	43.47
Effect of expenses that are not deductible in determining taxable profit	213.80	117.92
Tax effects of other adjustments	(4.12)	(39.50)
Total Adjustments - (D)	209.68	121.89
Tax expense recognised in profit or loss (E) = (C+D)	17,852.02	4,862.44

33. Contingent Liabilities and Commitments

A. Contingent Liabilities (to the extent not provided for):

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debt:		
- Matters under litigation		
a. Income tax matters	51.86	640.67
b. Excise duty claims disputed by the Company relating to issues of applicability, classification and valuation	4,684.36	3,911.51
c. Sales tax claims disputed by the Company relating to issues of applicability, royalty and discounts	796.08	796.08
d. Electricity duty towards consumption of energy generated by captive power unit (Refer Note 47)	1,571.62	1,571.62
e. Other matters (third party claims, interest on royalty, ex-employees claims etc.,)	2,387.97	3,551.31

The amounts disclosed above represent best estimates and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Contingent Liabilities and Commitments (Contd.)

B. Commitments:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	22,735.03	5,246.01

34. Employee Benefits

A. Defined contribution plans:

Provident fund:

The Company contributed ₹ 491.88 lakhs (Previous year: ₹ 495.96 lakhs) to the Provident Fund Trust maintained by the Company and ₹ 132.45 lakhs (Previous year: ₹ 125.45 lakhs) to Regional Provident Fund Commissioner, which was recognized as an expense in Statement of Profit and Loss during the year.

Superannuation:

The Company recognized ₹ 12.92 lakhs (Previous year: ₹ 15.76 lakhs) as an expense towards contribution as superannuation in the Statement of Profit and Loss during the year.

B. Defined benefit plans

Amounts recognised in statement of profit and loss in respect of these defined benefit i.e. Gratuity plans are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	238.30	225.51
Net interest expense	4.40	(15.64)
Past service cost	(4.96)	-
Components of defined benefit costs recognised in statement of profit and loss	237.74	209.87
Re-measurement on the net defined benefit liability:		
- Return on plan assets (greater)/less than discount rate	75.19	(103.20)
- Actuarial (gains) / losses arising from experience adjustments	196.77	165.23
- Actuarial (gains) / losses arising from changes in financial assumptions	(163.88)	110.55
- Adjustments to recognise the effect of asset ceiling	-	(13.12)
Components of defined benefit costs recognised in other comprehensive income	108.08	159.46
TOTAL	(345.82)	(369.33)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. Employee Benefits (Contd.)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	3,103.83	3,341.66
Fair value of plan assets	2,823.76	3,202.78
Net liability arising from defined benefit obligation	(280.07)	(138.88)

Movements in the present value of the defined benefit obligation are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	3,341.66	3,195.98
Current service cost	238.30	225.51
Interest cost	206.08	181.75
Past service cost	(4.97)	-
Actuarial (gains) / losses arising from experience adjustments	196.77	165.23
Actuarial (gains) / losses arising from changes in financial assumptions	(163.89)	110.55
Benefits paid	(710.12)	(537.36)
Closing defined benefit obligation	3,103.83	3,341.66

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening fair value of plan assets	3,202.78	3,429.59
Interest income	201.66	197.38
Contributions from the employer	204.63	997
Return on plan assets (greater)/less than discount rate	(75.19)	103.20
Benefits paid	(710.12)	(537.36)
	2,823.76	3,202.78

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer managed funds	100.00%	100.00%
	100.00%	100.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. Employee Benefits (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(₹ in lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Age	Rate p.a	Age	Rate p.a
Discount rate	7.55%		6.90%	
Estimated rate of return on plan assets	7.00%		7.00%	
Salary escalation rate	7.00%		7.00%	
Mortality rate	Indian Assured Lives Mortality (IALM) (2012-14) Ult. Modified			
Attrition rate	Age	Rate p.a	Age	Rate p.a
	21-30	5%	21-30	5%
	31-40	3%	31-40	3%
	41 & Above	2%	41 & Above	2%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in lakhs)

Particulars	Gratuity plan	Gratuity plan
	March 31, 2023	March 31, 2022
Sensitivity Analysis – DBO at the end of the year		
Discount rate + 100 basis points	(224.56)	(234.73)
Discount rate – 100 basis points	258.72	271.46
Salary rate + 1%	257.57	268.48
Salary rate – 1%	(227.62)	(263.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

(₹ in lakhs)

Particulars	Gratuity plan	Gratuity plan
	March 31, 2023	March 31, 2022
Weighted average duration of DBO	8 years	8 years
Expected cash flows		
1. Expected employer contribution in the next year	150.00	150.00
2. Expected benefit payments		
Year 1	582.99	710.01
Year 2	263.88	318.70
Year 3	249.10	294.19
Year 4	244.12	290.05
Year 5	281.97	272.84
Beyond 5 years	1,481.77	1,455.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. Segment reporting

Operating Segments

The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources for manufacture and sale of pulp, paper and paperboard. Accordingly, manufacturing and sale of pulp, paper and paperboard is considered as the single operating segment of the Company.

Geographical Information

The Company operates in India and makes certain sales to customers situated outside India. The revenue from external customers by location of customers is detailed below. All the non-current assets of the Company are situated within India.

Revenue - Sale of Products

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
India	1,90,633.18	1,15,236.62
Outside India	17,672.44	21,455.45
TOTAL	2,08,305.62	1,36,692.07

36. Related party disclosures

a. List of related parties and relationships

(i) Holding Company

West Coast Paper Mills Limited

(ii) Subsidiary Company

Andhra Paper Foundation

(iii) Fellow Subsidiaries

West Coast Opticable Limited

(iv) Entity where the KMP is in a position to exercise control

Veer Enterprises Limited

Jayshree Chemicals Limited

(v) Entity where the Company is in a position to exercise control

The Employees Provident Fund of the Andhra Pradesh Paper Mills Limited

(vi) Key Management Personnel

- Mr. S.K.Bangur – Chairman & Managing Director
- Mr. Virendraa Bangur – Vice Chairman
- Mr. Saurabh Bangur – Joint Managing Director
- Mr. Mukesh Jain – Director Commercial (From 10.11.2021 to 04.05.2022 and w.e.f. 02.02.2023)
- Mr. Mukesh Jain – Director Commercial & Chief Financial Officer (w.e.f. 05.05.2022 till 01.02.2023)
- Mr. Rajesh Bothra – Chief Financial Officer (w.e.f. 02.02.2023)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. Related party disclosures (Contd.)

b. Transactions during the year

(₹ in lakhs)

Particulars	Name of the related party	Year ended March 31, 2023	Year ended March 31, 2022
Sale of pulp	West Coast Paper Mills Limited	84.29	-
Contribution towards provident fund	The Employees Provident Fund of The Andhra Pradesh Paper Mills Limited	491.88	495.96
Rental Income	West Coast Paper Mills Limited	8.89	8.37
Sale of Property Plant and Equipment	West Coast Paper Mills Limited	-	1.36
Sale of Bielomatik cutter Knives	West Coast Paper Mills Limited	-	6.27
Professional charges - Management contracts	West Coast Paper Mills Limited	76.08	66.64
Professional charges - Management contracts	Veer Enterprises Limited	17.12	16.21
Purchase of Wooden Clogs	West Coast Paper Mills Limited	-	0.32
Purchase of Property Plant and Equipment	West Coast Paper Mills Limited	-	0.10
Purchase of Property Plant and Equipment	Jayshree Chemicals Ltd	0.28	-
Managerial remuneration	Key Managerial Personnel (Refer note below)	1,139.98	223.25

Note: Represents remuneration paid to Joint Managing Director (including Commission) and Director-Commercial & CFO.

c. Amounts due from / due to related parties

(₹ in lakhs)

Particulars	Name of the related party	As at March 31, 2023	As at March 31, 2022
Due to related parties			
Trade payables	West Coast Paper Mills Limited	-	27.87
Due from related parties			
Other Receivables	West Coast Paper Mills Limited	-	2.41

37. Ind AS 116

i) The following is the breakup of current & non-current lease liabilities as at March,31 2023 and March, 31 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current lease liabilities	141.74	137.63
Non-current lease liabilities	664.33	794.28
Total	806.07	931.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37. Ind AS 116 (Contd.)

ii) The following is the movement in lease liabilities during the year ended:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	931.91	1,303.96
Add: Lease liabilities recognised during the year	13.59	505.74
Less: Extinguishment of lease liabilities	-	(383.55)
Add: Interest cost accrued during the year	59.56	112.67
Less: Payment of lease liabilities including interest	(198.98)	(606.91)
Balance at the end	806.07	931.91

iii) Maturity analysis of lease liabilities on an undiscounted basis:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Not later than one Year	190.82	201.02
Later than 1 year and not later than five years	510.50	647.10
Later Than five Years	352.92	407.15
Total lease liabilities	1,054.24	1,255.27

38. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particulars	(₹)	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (Loss) for the year (In ₹ Lakhs)	52,246.26	13,973.20
Weighted average number of equity shares outstanding during the year (Nos.) - Basic and Diluted	39,770,039	39,770,039
Earnings per share (Face value ₹ 10 per share) Basic and Diluted (₹)	131.37	35.14

39. Payments to Auditors

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Statutory audit fees	27.00	52.00
Limited Review fees	7.00	9.00
Tax audit fees	1.50	6.00
Certification fees	-	1.50
Out of pocket expenses and others	3.34	2.08
TOTAL	38.84	70.58

The above excludes ₹ Nil (Previous year - ₹ 3.60 lakhs) paid to the affiliate firm of auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 40.** Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to supplier at the end of the year	2,168.51	2,557.21
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	24.24	23.90
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	6.69	23.20
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	24.24	23.90

41. Provision for contingencies

The Company carries a general provision for contingencies towards various disputed matters / claims made against the Company based on the Management's assessment. Also, refer Note 22. The movement of this provision account is as under:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	1,090.66	1,090.66
Provision made during the year	-	-
Amounts utilized / reversed during the year	-	-
Closing balance	1,090.66	1,090.66

42. Category-wise classification of Financial Instruments

The carrying value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

Particulars	Fair value hierarchy	(₹ in lakhs)	
		As at March 31, 2023	As at March 31, 2022
Carrying Value #			
FINANCIAL ASSETS			
Measured at amortised cost			
(i) Cash and cash equivalents	Level 2	2,132.26	2,453.92
(ii) Other bank balances	Level 2	2,604.27	3,027.14
(iii) Trade receivables	Level 2	14,753.41	10,255.17
(iv) Loans *	Level 2	1,637.02	10,439.34
(v) Investments	Level 2	65,466.58	25,270.93
(vi) Other financial assets**	Level 2	704.08	908.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Category-wise classification of Financial Instruments (Contd.)

(₹ in lakhs)

Particulars	Fair value hierarchy	Carrying Value #	
		As at March 31, 2023	As at March 31, 2022
Measured at FVTOCI			
Investments in equity instruments-Quoted	Level 1	1,426.19	-
Investments in equity instruments-Unquoted	Level 3	-	1,947.00
Measured at FVTPL			
Investments in mutual funds	Level 1	21,769.03	11,051.04
TOTAL FINANCIAL ASSETS		110,492.84	65,352.87
FINANCIAL LIABILITIES			
Measured at Amortised cost			
(i) Borrowings (including current maturities of long-term debt)	Level 2	4,681.96	4,926.79
(ii) Lease liabilities	Level 2	806.07	931.91
(iii) Trade payables	Level 2	19,644.98	16,267.51
(iv) Other financial liabilities ***	Level 2	3,738.09	3,735.52
TOTAL FINANCIAL LIABILITIES		28,871.10	25,861.73

Also represents fair value

* Loans include loans given to employees

** Other financial assets include Security deposits with the vendors, advances given to employees, Receivable from related parties, interest accrued on fixed deposits, ICDs and margin money deposits.

*** Other financial liabilities include interest accrued, security deposits received from customers and payables on purchase of property plant and equipment.

43. Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2022 except unquoted equity investment.

Financial assets and liabilities measured at fair value as at Balance Sheet date.

The fair values of investments in unquoted equity investments has been estimated using a NAV method under cost approach.

44. Fair value hierarchy:

The fair value of financial instruments as referred to in Note 42 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 — Quoted prices for identified instruments in an active market.

Level 2 — Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 — Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Fair value hierarchy (Contd.)

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at the fair value at the end of each reporting period (Refer note 48)

Notes:

- i. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.
- ii. Reconciliation of Level 3 fair value measurements:

	(₹ in lakhs)	
Investments in unquoted equity instruments at FVTOCI	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	1,947.00	1,918.00
Total gain or (losses) in other comprehensive income	(408.63)	29.00
Impairment allowance of APGPCL Investment	(1,538.37)	-
Closing balance	-	1,947.00

45. Financial Risk Management and Capital Management

The Company's business activities are exposed to a variety of financial risks, namely Interest rate risk, credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are overseen by the Board of Directors of the Company.

A. Interest rate risk

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

Profit for the year ended March 31, 2023 would decrease/increase by ₹ 20.00 lakhs (for the year ended March 31, 2022: decrease/increase by ₹ 15.64 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

B. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Financial Risk Management and Capital Management (Contd.)

financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. Considering the historical experience of collecting trade receivables, the Company evaluates the concentration of risk with respective trade receivables as low.

The credit risk on cash and bank balances and deposits with financial institutions is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

C. Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has un-utilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023 and March 31, 2022:

Particulars	(₹ in lakhs)				
	Total Amount	Less than 1 year	More than 1 and less than 2 years	More than 2 and less than 3 years	More than 3 years
March 31, 2023					
Trade payables	19,644.98	19,644.98	-	-	-
Payables for purchase of property, plant and equipment	257.11	257.11	-	-	-
Borrowings	4,681.96	4,219.05	254.19	301.23	-
Lease liabilities	806.07	141.74	144.27	116.25	403.81
Other financial liabilities*	3,480.98	3,364.80	58.09	58.09	-
March 31, 2022					
Trade payables	16,267.51	16,267.51	-	-	-
Payables for purchase of property, plant and equipment	369.59	369.59	-	-	-
Borrowings	4,926.79	4,140.43	189.39	219.05	377.92
Lease liabilities	931.91	137.63	134.68	141.56	518.04
Other financial liabilities*	3,365.93	3,191.66	58.09	58.09	58.09

* Other financial liabilities include deposits received from customers amounting to ₹ 3,230.93 lakhs (March 31, 2022: ₹ 3,020.90 lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount can differ based on the date on which these deposits are settled to customers.

D. Financing facilities

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Financial Risk Management and Capital Management (Contd.)

The Company has access to financing facilities (Fund and non-fund based) of which ₹ 11,297.55 Lakhs (March 31, 2022 : ₹ 13,527.27 Lakhs) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

E. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at March 31, 2023:

Particulars	As at March 31, 2023 (All figures in lakhs)				
	GBP	USD	Euro	JPY	₹
Assets					
Trade Receivables	-	14.49	-	-	1,190.20
Cash and cash equivalents	-	0.11	-	-	9.05
Liabilities					
Trade payables	0.034	8.76	0.42	-	765.60

As at March 31, 2022:

Particulars	As at March 31, 2022 (All figures in lakhs)				
	GBP	USD	Euro	JPY	₹
Assets					
Trade Receivables	-	17.56	-	-	1,330.50
Cash and cash equivalents	-	8.18	-	-	620.19
Liabilities					
Trade payables	-	0.32	1.88	-	183.17

Foreign currency sensitivity analysis

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

₹ 1 strengthening of INR against US Dollar, to which the Company is majorly exposed would have led to approximately ₹ 5.28 lakhs loss in the Statement of Profit and Loss (Year ended March 31, 2022 - ₹ 25.42 lakhs loss). A ₹ 1 weakening of the INR against US Dollar would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines that amount of capital on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of Capital management, capital includes equity capital, securities premium and all other

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Financial Risk Management and Capital Management (Contd.)

reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the net debt to equity ratio of the Company:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Long term borrowings and current maturities of long-term debt	681.96	926.79
Short-term borrowings	4,000.00	4,000.00
Cash and cash equivalents (including other bank balances)	(4,736.53)	(5,481.06)
Inter-corporate deposit	(1500.00)	(10,295.00)
Net Surplus Cash - (A)	(1,554.57)	(10,849.27)
Equity - (B)	1,58,217.06	1,09,409.24
Net Surplus to equity ratio - (A)/(B)	(0.98)	(9.92)

46. The Company's wholly owned subsidiary, Andhra Paper Foundation, carries out Corporate Social Responsibility activities. The same is not considered for the purpose of consolidation, as the objective of control over this entity is not to obtain economic benefits from its activities.

47. In the year ended March 31, 2017, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The Company (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which the Company had paid ₹ 1,502.05 lakhs under protest in the year ended March 31, 2017. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017 towards the potential liability in the event of an un-favourable verdict in this matter. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as a contingent liability. On the basis of the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

48. Exceptional item

During the year, on temporary closure of Andhra Pradesh Gas Power Corporation Limited (APGPCL), a provision has been created for the value of our investment of ₹ 1,538.37 lakhs, which was valued as on March 31, 2022 at ₹ 1,947.02 lakhs. An amount of ₹ 408.05 lakhs has been debited through Other Comprehensive Income (OCI) and the cost of investment is shown as an exceptional item in statement of profit and loss.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

50.As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The focus areas of Company's CSR activities are Education, Health & Wellness and Community Engagement. The CSR activities of the Company are in line with the Schedule VII of the Companies Act, 2013. A CSR committee has been formed by the company as per the Act.

(₹ in lakhs)

S. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Gross amount required to be spent by the company during the year.	279.50	367.00
2	Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	304.21	202.00
3	Surplus / (Shortfall) at the end of the year	24.71#	(165.00) *
4	Total of previous years shortfall (net of incurred during the year)	-	-
5	Reason for shortfall	Not Applicable	Pertains to ongoing projects
6	Nature of CSR activities	Education, Health & Wellness and Community engagement	
7	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	Not Applicable	Not Applicable

#The Company will set off the excess CSR amount of ₹ 24.71 lakhs spent during the year 2022-23 against CSR obligation of 2023-24.

*The Company has transferred the unspent amount to a separate bank account on April 28, 2022 for the year ended March 31, 2022 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

During the year, the Company spent ₹ 165.00 lakhs towards ongoing projects of 2021-22 and ₹ 304.21 lakhs towards CSR Obligation of 2022-23.

51. Investments and Loans & Advances:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

52. Ratios

S. No	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reasons
1	Current Ratio (in times)	Current assets	Current liabilities	340	2.39	42%	Increase in current investments
2	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.03	0.05	-34%	Increase in net profit subsequent to growth in revenue
3	Debt Coverage Ratio	Earnings available for debt service ¹	Debt Service ²	4.88	2.18	124%	Increase in net profit subsequent to growth in revenue
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Average Shareholder's Equity	39.04%	13.51%	189%	Increase in net profit subsequent to growth in revenue
5	Inventory Turnover Ratio (in times)	Sales	Average Inventory	13.16	8.92	48%	Increase in net sales revenue on account of volume and price growth
6	Trade Receivables turnover ratio (in times)	Revenue	Average Trade Receivable	16.78	15.50	8%	No major change
7	Trade payables turnover ratio (in times)	Purchases of goods & Services and other expenses	Average Trade Payables	12.72	12.68	0%	No major change
8	Net capital turnover ratio (in times)	Revenue	Working Capital	2.59	3.28	-21%	No major change
9	Net profit ratio (in %)	Net Profits after taxes	Revenue	24.91%	10.12%	14.6%	Increase in net profit subsequent to growth in revenue
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed ³	41.63%	15.83%	163%	Increase in net profit subsequent to growth in revenue
11	Return on investment (in %)	Income generated from investments	Average invested funds in treasury investments	5.87%	6.18%	-5%	No major change

¹Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

²Interest and Lease Payments + Principal Repayments

³Net worth + Deferred tax liability + Lease liability + Total Debt

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

53. Other Statutory Information:

- a) The Company does not have any Benami property, where any proceedings have been initiated or pending against the Company for holding any Benami property.
- b) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- c) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provision of the Income Tax Act, 1961).
- d) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.
- e) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- f) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- g) The Company does not have any transactions with companies struck off.

54. For better presentation of Financial Statements and also to be in line with industry practice, 'Consumption of Chemicals' which was earlier included in 'Consumption of stores spares and chemicals' has been regrouped in 'Cost of material Consumed'. Hence, the Cost of materials consumed include consumption of chemicals aggregating to ₹ 23,517.29 lakhs for year ended March 31, 2023 and ₹ 17,857.46 lakhs for the year ended March 31, 2022.

55. Previous year's figures have been regrouped / reclassified wherever necessary, to Conform current year's classification.

56. The financial statements are approved for issue by the Board of Directors on May 08, 2023.

As per our report of even date

For M S K A & Associates
Chartered Accountants
(F.R.N. 105047W)

For Andhra Paper Limited

S. K. Bangur
Chairman & Managing Director
(DIN: 00053237)

Amit Kumar Agarwal
Partner
Membership No:214198

Saurabh Bangur
Joint Managing Director
(DIN: 00236894)

Mukesh Jain
Director (Commercial)
(DIN: 09380039)

Rajesh Bothra
Chief Financial Officer

Bijay Kumar Sanku
Company Secretary
Membership No: 15449

Place: Hyderabad
Date : May 08, 2023

Place: Rajahmundry
Date : May 08, 2023



ANDHRA PAPER LIMITED

(CIN: L21010AP1964PLC001008)

Regd. Office: Rajahmundry – 533 105, East Godavari District, Andhra Pradesh, India

Notice of Annual General Meeting

NOTICE is hereby given that the 59th Annual General Meeting of the Members of Andhra Paper Limited (“The Company”) will be held on **August 11, 2023 at 11.30 A.M. through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”)** to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of Board of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 12.50 per equity share of face value of ₹ 10/- each, of the Company for the financial year ended March 31, 2023.
3. To appoint a Director in place of Mr. Saurabh Bangur (DIN: 00236894) who retires by rotation and being eligible offers, himself for re-appointment.

SPECIAL BUSINESS

4. Re-Appointment of Mr. Saurabh Bangur (DIN: 00236894) as Joint Managing Director

To consider and, if thought fit, to pass with or without modifications(s), the following Resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and enabling provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded for re-appointment of Mr. Saurabh Bangur (DIN: 00236894) as the Joint Managing Director of the Company for a further period of 3 years and 4 months from June 01, 2023 to September 30, 2026, liable to retire by rotation, on the terms and conditions, remuneration as set out in the statement annexed to the notice convening this Meeting with authority to the Board of Directors (hereinafter referred to as “the Board”, which term shall include any Committee thereof)

to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Saurabh Bangur.

RESOLVED FURTHER THAT pursuant to Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, consent be and is hereby also given for payment of the above remuneration to Mr. Saurabh Bangur, Joint Managing Director, in the event his annual remuneration exceeds the limits prescribed under the aforesaid Regulation, in any financial year during his tenure of appointment.”

5. Ratification of remuneration of Cost Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force] the remuneration of ₹ 4.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, to be paid to M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, Cost Auditors (Firm Registration No. 000042) to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2024 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board
For **Andhra Paper Limited**

Sd/-
Bijay Kumar Sanku
Company Secretary

Registered Office:

Rajahmundry - 533 105
East Godavari District, Andhra Pradesh, India
May 8, 2023

Notes

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“**The Act**”) in respect of Item No. 5 and for item No. 4 as per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**The SEBI LODR Regulations**”), setting out the details relating to Special and Ordinary business is annexed hereto. Further, disclosures as required under the SEBI LODR Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (‘SS-2’) with respect to details of appointee Director are provided in Annexure-1 to this Notice.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 10/2022 dated December 28, 2022 read with the General Circulars dated May 5, 2022, January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as “**MCA Circulars**”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Act, the SEBI LODR Regulations and MCA circulars, the AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, Notice of the 59th AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 shall also be available on the Company’s website: <https://www.andhraper.com>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively, and on the website of KFin Technologies Limited at <https://www.evoting.kfintech.com>.

However, the Company shall send a hard copy of the Notice of 59th AGM along with Annual Report 2022-23 to those Shareholders who request for the same. Shareholders who require a hard copy of the 59th AGM Notice and Annual Report may send their requests to the E-mail ID: aplinvestorrelations@andhraper.com.
4. M/s. KFin Technologies Limited (“KFinTech”) will be providing facilities for voting through remote e-voting, for participation in the 59th AGM through VC/OAVM and e-voting during the AGM (“Insta Poll”).
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative(s) to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to dhr300@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format 'APL_EVEN No. 7380.'
7. Electronic copy of all the documents referred to in the Notice of the 59th AGM or the Explanatory Statement thereto, shall be made available for inspection to Members upon login at KFinTech’s e-voting platform at <https://www.evoting.kfintech.com> during the remote e-voting period and up to the date of the 59th AGM.
8. Electronic copy of the ‘Register of Directors and Key Managerial Personnel and their Shareholding’ maintained under Section 170 of the Act and the ‘Register of Contract or Arrangements’ in which Directors of the Company are interested under Section 189 of the Act, shall be accessible to Members during 59th AGM, on the e-AGM platform.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares, Members are advised to dematerialise the shares held by them in physical form. The ISIN in respect of equity shares is INE435A01028.
11. Securities and Exchange Board of India (SEBI) standardized Common and Simplified Norms for processing Investors’ service request by RTAs and norms for furnishing PAN, KYC details and Nomination vide circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/ 2021/ 655 dated November 3, 2021, *inter alia* mandated:

Notice

- a. Furnishing of PAN, email address, mobile number, bank account details and nomination by shareholders holding shares in physical form;
- b. Any service request shall be entertained only upon registration of the PAN, Bank details and the nomination;
- c. to ensure that Shareholder's PAN is linked to his/her Aadhaar by March 31, 2022 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of your folio.

Members holding shares in physical form are requested to notify any change in their address, updation of bank particulars / NECS mandate, Mobile Number, Registration of Nomination and change in signature immediately to the Registrar and Transfer Agents, KFin Technologies Limited, Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 ("RTA") in the formats as given below:

Sl. No.	Particulars	Form No.
1	PAN	
2	Address	
3	E-mail address	
4	Mobile Number	ISR-1
5	Demat account details	
6	Bank account details	
7	Updation/Registration of Signature	ISR-2
8	Nomination details *	SH-13
9	Declaration to opt out nomination *	ISR-3

* In case you are opting out for giving nomination, please submit Form ISR-3 and Form SH-13 need not be submitted.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service request by submitting a duly filled and signed Form ISR - 4 and Form ISR-5 for transmission cases.

The above said forms can be downloaded from the website of the Company at <https://www.andhrpaper.com> and RTA at <https://www.kfintech.com>.

The same has already been intimated to the Shareholders, and the relevant formats were also forwarded, vide letter dated January 27, 2022, by the Company's RTA.

- 11a. Further, SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 extended the last date for furnishing of PAN, email address, mobile number, bank account details and nomination facility by shareholders holding shares in physical form till September 30, 2023 as against previous date of March 31, 2023.

Freezing of Folios without PAN, KYC details and Nomination:

- a) Folios, wherein any one of the said details are not available **on or after October 01, 2023**, shall be frozen and shareholders will not be eligible to lodge grievance or avail service request from the RTA.
- b) The shareholders will not be eligible for receiving dividend in physical mode effective April 01, 2024.
- c) **If the folio(s) remain(s) frozen as on December 31, 2025**, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

The shareholders who hold shares in physical form are advised to update their KYC information against their folios with the RTA on or before September 30, 2023.

12. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).
13. In terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 (Rules) notified by Ministry of Corporate Affairs, the Company had transferred equity shares in respect of which dividend had not been paid or claimed by the shareholders for a period of seven consecutive years or more to Investor and Education Protection Fund Authority (IEPF Authority). The details of the dividend and shares transferred to IEPF Authority and the procedure to claim the dividend and shares from the IEPF Authority are available on the Company's website under Investor Relations. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF- 5 available at <https://www.iepf.gov.in>.

14. Dividend payment and Tax on Dividend:

- i. The Record date for the purposes of this AGM and for determining entitlement of Members to final dividend for the financial year ended March 31, 2023, if approved at the AGM, is Friday, **August 4, 2023**.
- ii. The dividend, as recommended by the Board of Directors, if declared at the 59th AGM, will be paid within 30 days from the date of declaration as under:
 - (a) To all the Beneficial Owners as at the end of the day on Friday, August 4, 2023, as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) To all Members, in respect of shares held in physical form, whose names appear in the Register of Members as on Friday, August 4, 2023.

Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members, subject to availability of postal services and /or courier services.

- iii. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update/register their valid PAN with the Company/ RTA (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).
- iv. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link <https://ris.kfintech.com/form15>, on or before August 4, 2023. Shareholders are requested to note that in case their PAN is not updated/registered, the tax will be deducted at a higher rate of 20%.

- v. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, and any other document which may be required to avail the tax treaty benefits by uploading the documents on or before August 4, 2023 on the link <https://ris.kfintech.com/form15/>. No communication would be accepted from Members after August 4, 2023 regarding the tax withholding matters.
- vi. The Resident Non-Individual Members such as Insurance companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual Members such as Foreign Portfolio Investors may submit the relevant forms, declarations and documents through their respective custodians who are registered with NSDL for tax services, on or before the aforesaid timelines.
- vii. TDS will be deducted at prescribed higher rates for specified persons, as per the provisions of section 206AB of the Income Tax Act, 1961.

15. E-VOTING FACILITY

- i. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI LODR Regulations, the Company is offering e-voting facility to all Members of the Company. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date i.e. Friday, August 4, 2023.
- ii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Friday, August 4, 2023 shall only be entitled to avail the facility of remote e-voting/e-voting at the AGM. KFintech will be facilitating e-voting to enable the Members to cast their votes electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

- iii. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 A.M. (IST) on Tuesday, August 8, 2023,

End of remote e-voting: At 5.00 P.M. (IST) on Thursday, August 10, 2023

The remote e-voting will not be allowed/available beyond the aforesaid date and time and the remote e-voting module shall be disabled/blocked by KFinTech upon expiry of aforesaid period. Once the vote on a Resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

- iv. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their

demat account maintained with Depositories and Depository Participants. Shareholders are advised to update/register their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- v. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFinTech e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <p>I. Visit URL: https://eservices.nSDL.com.</p> <p>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”.</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p>2. User not registered for IDeAS e-Services</p> <p>I. To register click on link : https://eservices.nSDL.com.</p> <p>II. Select “Register Online for IDeAS” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in points 1.</p> <p>3. Alternatively, by directly accessing the e-Voting website of NSDL</p> <p>I. Open URL: https://www.evoting.nSDL.com/.</p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech.</p> <p>V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <p>I. Visit URL: https://web.cdslindia.com/myeasinew/home/login or URL: www.cdslindia.com</p> <p>II. Click on New System Myeasi.</p> <p>III. Login with your registered User ID and Password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>V. Click on eKFIN to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>I. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration.</p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1.</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>I. Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin.</p> <p>II. Provide your Demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID / Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll Free Number: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Step 2: Login method for e-Voting for shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), User ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://eMeetings.kfintech.com/>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 7380, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., "7380 - AGM" and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the

total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as displayed/disclosed on the screen. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat account.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the Resolution(s), you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**

(B) I. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.

- II. After receiving the e-voting instructions, please follow all steps narrated/ mentioned above to cast your vote by electronic means.

In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL : MYEPWD
<SPACE> IN12345612345678
2. Example for CDSL : MYEPWD
<SPACE> 1402345612345678
3. Example for Physical : MYEPWD
<SPACE> 1234567890

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members may call KFinTech toll free number 1-800-309-4001 for all e-voting related matters. Member may send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

16. Instructions for Members for attending the e-AGM:

- a) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the start of AGM and will be closed on expiry of 15 minutes after such scheduled time of AGM
 - b) Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 members on first come first served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
 - c) Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://eMeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the Meeting etiquettes to join the Meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in Point No. 15.
 - d) Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
 - e) Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - f) Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://eMeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from Tuesday, August 8, 2023 (9.00 A.M. IST) up to Thursday, August 10, 2023 (5.00 P.M. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes, depending on the number of speakers and available time.
- The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/ considered who are holding shares of Company as on the cut-off date i.e. August 4, 2023.
- g) Alternatively, Members holding shares as on the cut-off date may also visit <https://eMeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries/ views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. Members may post their queries from Tuesday, August 8, 2023 till Thursday, August 10, 2023.
 - h) A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/eMeetings/video/howitworks.aspx>.
 - i) Members who need technical or other assistance before or during the e-AGM can contact KFinTech by sending email at eMeetings@kfintech.com or Helpline: 1800 309 4001 (toll free).

17. Voting at e-AGM

- a. Only those members/shareholders, who will be participating in the e-AGM through VC/OAVM facility and who have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM
- b. Members who have voted through remote e-voting will also be eligible to attend the e-AGM. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013
- c. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'instapoll' page
- d. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

18. Other information:

The Board of Directors have appointed M/s. D. Hanumanta Raju & Co. Company Secretaries, B-13, F-1 & F-2, P.S. Nagar, Vijayanagar Colony, Hyderabad - 500 057 as Scrutiniser, to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairperson of the Company or any person authorized by the Chairperson and the results of voting will be announced within two working days from the conclusion of the AGM of the Company. The results declared along with the Scrutiniser's report shall be placed on the Company's website at www.andhraper.com and on the website of KFinTech viz. <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges viz. BSE Limited & National Stock Exchange of India Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.

EXPLANATORY STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS & AS PER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF ORDINARY BUSINESS.

Item No. 4

Mr. Saurabh Bangur was appointed as Joint Managing Director of the Company for a period of 3 years effective 01.06.2020 till 31.05.2023 liable to retire by rotation and the said appointment was approved by shareholders at 56th Annual General Meeting on 21.09.2020.

The Board noted that under the leadership of Mr. Saurabh Bangur, the Company has performed exceedingly well and registered a record high profitability in FY 2022-23. Overall, there is significant improvement in operations, processes, optimization in resources. The Nomination and Remuneration Committee, based on evaluation of his performance, considered and recommended his re-appointment to the Board. The Board, considering the recommendations of the Nomination and Remuneration Committee and the background, experience and contributions made by him to the Company, reappointed him as Joint Managing Director of the Company at its Meeting held on May 8, 2023 for a period of 3 years and 4 months effective June 01, 2023 up to September 30, 2026. The Board recommends to the Members for approval the appointment of Mr. Saurabh Bangur as Joint Managing Director of the Company for a further period of 3 years and 4 months from June 01, 2023 to September 30, 2026.

In accordance with the provisions of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable shall be subject to approval of shareholders by special resolution in case the remuneration exceeds the limits prescribed under the aforesaid Regulation, in any financial year during his tenure of appointment. Accordingly, approval of the Members is sought for passing Special Resolution for appointment of Mr. Saurabh Bangur as Joint Managing Director.

Mr. Saurabh Bangur satisfies all conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Saurabh Bangur, being appointee, Mr. Shree Kumar Bangur, Chairman & Managing Director and Mr. Virendraa Bangur, Vice-Chairman being relatives of appointee Director, is concerned or interested, financial or otherwise, in the Resolution as set out at Item No. 4.

The Board commends the Special Resolution as set out at Item No. 4 of the Notice for approval by the Members as it considers that his association would be of immense benefit to the Company.

Terms & Conditions:

Pursuant to the provisions of Sections 196, 197 of the Act and Schedule V under the Act and the Articles of Association of the Company, the Board, subject to the approval by the Members, appointed Mr. Saurabh Bangur as Joint Managing Director of the Company for a further period of 3 (three) years and 4 (four) months effective June 1, 2023 to September 30, 2026 on the following terms and conditions –

Remuneration including all the allowances and benefits such as Provident Fund and Gratuity etc.	a) ₹ 1.80 Crores per annum with such increases as may be approved by the Board on the recommendation of Nomination and Remuneration Committee; and b) Commission at 1.50% of net profits of the Company per annum calculated under section 198 of Companies Act, 2013.
Mediclaime, Life insurance and personal accident insurance	As applicable to senior staff of the Company
Leave	As per Rules applicable to senior staff of the Company.
Other benefits, amenities, facilities and perquisites	As per the Rules and Policies of the Company.
Clubs Fees	Fees of clubs and associations will be payable by the Company.
Other conditions	He shall not be paid any sitting fees for attending the Meetings of Board of Directors and Committees of Board.
Termination of Contract of appointment	May be terminated by either party by giving three months' notice in writing to the other part

Item 5

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors at its Meeting held on May 8, 2023, subject to the ratification of the remuneration by the Members, approved the re-appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors of the Company for the financial year ending March 31, 2024 and also payment of remuneration of ₹ 4.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses as recommended by the Audit Committee at its Meeting held on May 8, 2023.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in the Resolution as set out at Item No. 5.

The Board commends the Resolution as set out at item No. 5 of the Notice for approval by the Members.

By Order of the Board
For **Andhra Paper Limited**

Sd/-
Bijay Kumar Sanku
Company Secretary

Registered Office:

Rajahmundry - 533 105
East Godavari District, Andhra Pradesh, India
May 8, 2023

Particulars of Director seeking re-appointment (Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2)

Name of the Director	Mr. Saurabh Bangur
DIN	00236894
Date of Birth & Age	December 27, 1976 & 47 years
Qualifications	B.Com.,
Experience/Nature of expertise in specific functional areas	Industrialist & Entrepreneur, he has varied experience in operations, finance, human resource, marketing, expertise in sustainability, stakeholder engagement, change management, turnaround strategy
First date of appointment	June 01, 2020
Relationship with other Directors and Key Managerial Personnel of the Company	Related to Mr. Shree Kumar Bangur (Father) and Mr. Virendraa Bangur (Brother)
Number of shares held in the Company, including shareholding as a beneficial owner	NIL
Directorships held in other Companies including Listed companies & Listed Companies from which resigned in the past 3 years	<p>Listed:</p> <ol style="list-style-type: none"> 1. West Coast Paper Mills Limited; <p>Unlisted:</p> <ol style="list-style-type: none"> 1. Shree Satyanarayan Investments Company Limited; 2. Shree Satyanarayan Properties Private Limited; 3. West Bengal Properties Limited; and 4. The Bengal Rowing Club <p>During the last three years, he did not resign from any of the listed Companies.</p>
Chairmanship / Membership of the Committees in other Companies including Listed Companies	<p>Listed:</p> <p>West Coast Paper Mills Limited – Stakeholders Relationship Committee – Member</p>
Number of Board Meetings attended during the year 2022-23	4
Terms & Conditions and details of Remuneration sought to be paid	He is liable to retire by rotation. Remuneration is provided in explanatory statement.
Skills and capabilities required and the manner in which he/she meets the requirements	<p>Management & corporate affairs, Project Management, strategic decision making, leadership, communication, strategic management, leadership engagement</p> <p>He was the CEO of the Company from October 30, 2019 to May 31, 2020 and in view of his performance, was appointed as Joint Managing Director of the Company effective June 1, 2020. He was instrumental in optimizing the resources, improvement in overall productivity, minimizing costs and the Company registered the highest profitability.</p>
Justification for choosing the Appointee	His vision & mission and his leadership will take the Company to its next level and his association would be of immense benefit to the Company.



Andhra Paper Limited

(CIN: L21010AP1964PLC001008)

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