Andhra Paper Limited

Serving you with pride..

ANNUAL REPORT
2025-26

REBUILDING THE CORE. REDEFINING THE FUTURE.

SIX YEAR HIGHLIGHTS

	UOM	FY26	FY25	FY24	FY23	FY22	FY21
PAPER PRODUCTION	MT	2,59,266	2,32,861	2,35,749	2,50,292	2,35,155	1,64,408
PAPER SALES	MT	2,60,438	2,26,288	2,33,480	2,50,238	2,40,479	1,75,659
OPERATING RESULTS							
Turnover	₹/Lakhs	1,69,298	1,52,227	1,78,326	2,08,306	1,36,692	87,949
EBITDA	₹/Lakhs	15,089	22,329	52,593	78,674	26,581	7,611
EBITDA Margin	% on Total Income	8%	14%	28%	37%	19%	8%
Finance Costs	₹/Lakhs	1,822	1,789	441	718	544	451
Gross Profit (PBDT)	₹/Lakhs	13,267	20,540	52,152	77,956	26,037	7,160
Depreciation & Amortisation	₹/Lakhs	10,731	8,832	6,587	6,320	7,201	7,338
Exceptional items	₹/Lakhs	-	-	-	(1,538)	-	(441)
Taxation	₹/Lakhs	811	2,457	11,079	18,644	5,603	549
Deferred Tax	₹/Lakhs	(137)	359	511	(792)	(741)	(709)
Net Profit/(Loss)	₹/Lakhs	1,862	8,891	33,974	52,246	13,973	(460)
FINANCIAL POSITION							
Gross Block	₹/Lakhs	1,95,929	1,63,681	1,41,177	1,04,676	97,510	94,291
Depreciation	₹/Lakhs	68,735	58,726	50,842	44,733	39,082	32,804
Net Block	₹/Lakhs	1,27,195	1,04,956	90,335	59,943	58,428	61,487
Paid up Capital	₹/Lakhs	3,977	3,977	3,977	3,977	3,977	3,977
Reserves & Surplus	₹/Lakhs	1,89,958	1,90,106	1,85,343	1,54,240	1,05,432	93,545
Net Worth	₹/Lakhs	1,93,935	1,94,083	1,89,320	1,58,217	1,09,409	97,522
Borrowings*	₹/Lakhs	22,379	27,776	10,864	4,856	5,159	3,349
Capital Employed	₹/Lakhs	2,16,314	2,21,859	2,00,184	1,63,073	1,14,568	1,00,870
OTHER KEY PARAMETERS							
Earnings per share (FV ₹2)	₹	0.94	4.47	17.09	26.27	7.03	(0.23)
Book Value per Share	₹	97.53	97.60	95.21	79.57	55.02	49.04
Dividend	%	25	50	100	125	75	50
Dividend	₹/Lakhs	994	1,989	3,977	4,971	2,983	1,989
Debt-Equity Ratio		0.12	0.14	0.06	0.03	0.05	0.03

Note:

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

CONTENTS

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

For the past few years, we have been rebuilding what matters most—

The Core.

Modernising *mills.*
Strengthening processes.
Enhancing *efficiency.*
Improving reliability.

Investing to create a stronger operational foundation for the future.

Today, that foundation is beginning to do what it was built for—

Create New Possibilities.

As our upgraded manufacturing ecosystem delivers higher quality, greater consistency and stronger competitiveness, we are taking our first decisive step into the growing tissue paper segment— *positioning ourselves at the intersection of changing consumer behaviour and long-term market opportunity.*

One phase *strengthened*
the business we are in.

The next step is *shaping*
the business we can become.

With the foundation rebuilt,

We are preparing not just for the next year, But for the next decade.

Statement from **the Chairman's Desk**

"INVESTING IN CAPABILITY. **CREATING ENDURING VALUE.**"

Dear Shareholders,

The long-term competitiveness of every manufacturing enterprise depends on continuously renewing its core manufacturing capabilities. Guided by this principle, Andhra Paper has undertaken one of the most significant modernisation programmes in its recent history.

Over the past four years, we have invested approximately ₹915 Crores to modernise and optimise our manufacturing facilities across both operating units, strengthening operational reliability, resource efficiency, fibre security, cost competitiveness and product capabilities.

These investments were undertaken during one of the most challenging periods for the paper industry characterised by elevated fibre costs, pricing pressures, increasing imports and changing customer expectations. Rather than postponing investment until market conditions improved, your Board chose to invest through the cycle, recognising that enduring competitive advantage is created by building capability ahead of demand.

FY26 marks an important milestone as these investments are beginning to translate into tangible operational benefits through higher production, improved asset reliability, better capacity utilisation and stronger operational efficiency. Our focus now shifts from building capability to generating superior returns from these investments.

The Industry We Operate In

The Indian paper industry continues to evolve towards packaging, speciality and hygiene grades, supported by rising consumption, e-commerce, urbanisation and increasing preference for sustainable paper-based alternatives. Although digitalisation continues to influence traditional writing and printing segments globally, India's favourable demographics, improving literacy and low per-capita paper consumption continue to provide attractive long-term growth opportunities.

FY26: Transition from Investment to Execution

FY26 marked the transition from investment to execution. During the year, Andhra Paper recorded its highest-ever production of 2,59,266 MT and sales of 2,60,438 MT. Revenue from operations increased by over 10% to ₹1,701 Crores, while the fourth quarter delivered the highest quarterly revenue in the Company's history. These achievements demonstrate the operational benefits beginning to emerge from our multi-year investment programme despite continued industry-wide pricing and fibre cost pressures.

Reshaping Our Operating Platform

Investments at Rajahmundry have enhanced pulp mill reliability, productivity and energy efficiency, while upgrades at Kadiam have strengthened recycled fibre utilisation, raw material flexibility and cost competitiveness. Together with continued expansion of value-added and speciality grades, these initiatives have created a more agile, efficient and resilient operating platform capable of responding to changing customer requirements and market conditions.

Entry into Tissue & Hygiene: A Strategic Milestone

Our entry into the tissue and hygiene segment represents an important strategic milestone. Rising hygiene awareness, urbanisation, organised retail, hospitality and healthcare continue to support strong long-term demand, while India's low per-capita tissue consumption presents a compelling growth opportunity. The upcoming tissue facility at Rajahmundry will diversify our product portfolio, reduce dependence on traditional paper grades and strengthen our presence in one of the industry's fastest-growing segments.

Sustainability: The Strategy Behind the Standard

Sustainability has long been embedded in Andhra Paper's business model. Our farm forestry programme remains central to our fibre security strategy while creating meaningful socio-economic benefits for rural communities.

- Spanning over 9,574 hectares and engaging approximately 5,000 farming families, the programme generates more than 47.87 Lakhs person-days of rural employment and stands as our most critical raw material security initiative.
- In CY26, we have set a firm target to expand plantation coverage to 12,000 hectares, further strengthening our raw material security.
- Through collaboration with premier research institutions including the Institute of Forest Genetics and Tree Breeding (IFGTB) and Institute of Forest Biodiversity (IFB), we are transitioning to high-yield clonal varieties that offer structurally superior wood productivity per hectare.

Across our manufacturing operations, we continue to invest in improving energy efficiency, reducing resource consumption, strengthening environmental infrastructure and adopting cleaner manufacturing practices. These initiatives are not driven solely by regulatory expectations. They reflect our belief that responsible manufacturing is fundamental to long-term competitiveness and an essential element of creating lasting value for all stakeholders.

Maintaining Financial Discipline

Alongside investing for growth, we remained disciplined in capital allocation and balance sheet management. During the year, borrowings were further reduced, reinforcing our financial flexibility as we enter the next phase of value creation. Reflecting our confidence in the Company's long-term prospects, your Board has recommended a final dividend of ₹0.50 per equity share.

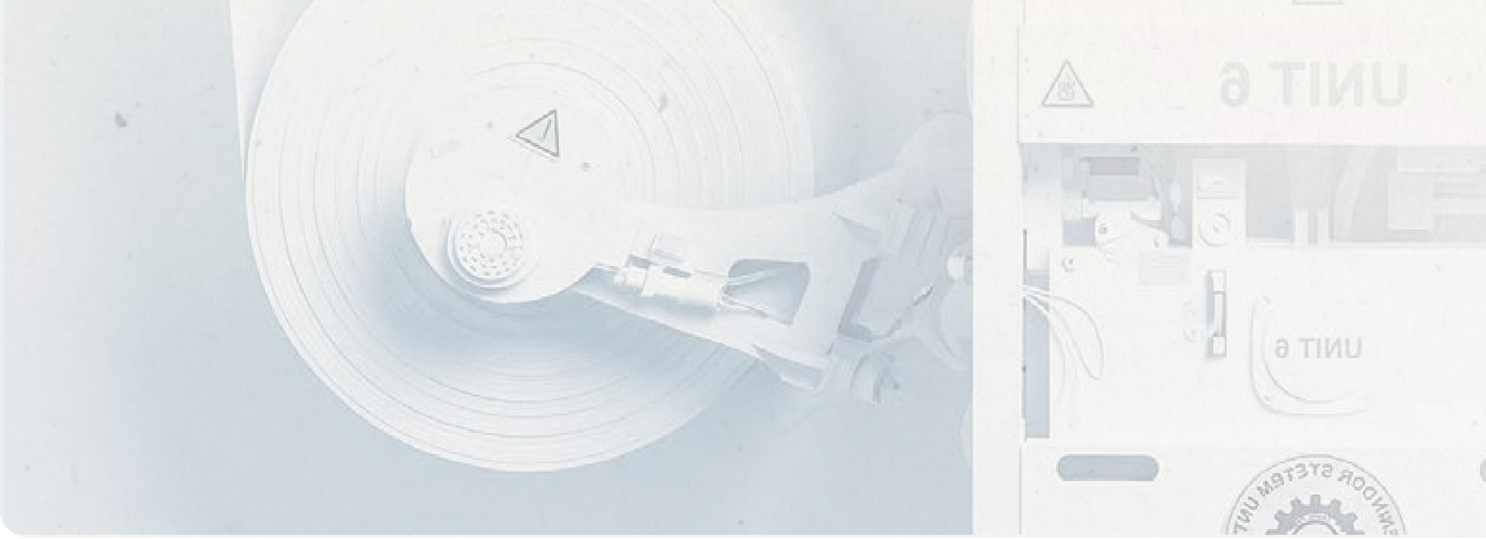
Looking Forward

With the investment cycle substantially complete, our strategic priorities are now centred on maximising returns from the capabilities we have created.

Our priorities for the coming years remain clear:

- Improving asset utilisation and operational efficiency across both manufacturing units.
- Expanding our presence in higher-value product segments where sustainable growth will be increasingly concentrated.
- Strengthening customer relationships and deepening our market position in key segments.
- Maintaining operational discipline and cost competitiveness in an increasingly dynamic market environment.
- Continuing to invest in innovation, sustainability, and responsible growth, which we believe are integral to creating enduring value for all stakeholders.

We believe the investments undertaken over the past four years have fundamentally strengthened Andhra Paper's competitive position. While industry cycles will continue, we are entering the next phase with a stronger manufacturing base, greater operating flexibility, enhanced fibre security and a broader product portfolio. Our focus is now firmly on translating these capabilities into sustained growth, improved profitability and superior shareholder returns.



In Appreciation

The progress achieved by the Company during this transformative year reflects the collective resilience and commitment of all our stakeholders.

I extend my sincere appreciation to our employees and workmen, whose dedication and professionalism enabled the successful execution of one of the most significant transformation programmes in our history.

My sincere thanks to Mr. Saurabh Bangur, the management team, our customers, farming communities, business partners, lenders, regulators and fellow Directors for their unwavering support and guidance.

The past four years have been about investing in capability. The years ahead will be about translating those investments into stronger returns, sustainable growth and enduring shareholder value. With a modern manufacturing platform, disciplined financial management, an expanding portfolio of value-added products and a committed team, Andhra Paper is well positioned to capture the opportunities that lie ahead.

I thank you for your continued confidence and support and look forward to creating enduring value together.

Warm regards,

Shree Kumar Bangur
Chairman & Non-Executive Director

During the year, Andhra Paper recorded its highest-ever production of 2,59,266 MT and sales of 2,60,438 MT.

Our entry into the tissue and hygiene segment represents an important strategic milestone.

About **the Company**

PAPER THAT POWERS PROGRESS

For over six decades, Andhra Paper Limited has been enabling education, communication, and enterprise through quality paper solutions.

With a strong foundation in manufacturing excellence, sustainability and innovation, the Company continues to deliver reliable products that support evolving consumer and industrial needs.

AT 62, THE COMPANY CONTINUES TO EVOLVE, EXPAND & STRENGTHEN ITS RELEVANCE ACROSS MARKETS

Founded in 1964 and rooted in Rajahmundry, Andhra Paper Limited is one of India's largest integrated paper and pulp manufacturers and one of the country's most enduring industrial enterprises. Trusted by customers across 25 states and 9 countries, the Company has built a legacy of quality, reliability and manufacturing excellence spanning more than six decades.

We produce 2,97,500 TPA of paper and 2,27,500 TPA of virgin pulp across two advanced mills in Rajahmundry and Kadiyam. We are the only paper mill in Andhra Pradesh to use virgin pulp exclusively. Our product range spans writing, printing and copier papers, as well as speciality grades for photo printing, packaging and beyond.

A NAME RECLAIMED THROUGH TRANSFORMATION

The Company has changed hands over the years, transitioning from the L.N. Bangur Group to International Paper in 2011, and subsequently to West Coast Paper Mills Limited of the S.K. Bangur Group in 2019. It was renamed Andhra Paper Limited in January 2020.

OUR PEOPLE, MILLS AND COMMUNITIES

We employ a workforce of over 6,300 people. We invest in the safety, growth and well-being of our people, recognising that long-term business sustainability begins with responsible care for the workforce. With zero fatalities recorded and safety training delivered, we measure progress not just in tonnes and revenue but in lives protected and communities strengthened.

VISION

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

VALUES

We fulfil our commitments with the highest ethical standards.

We are focused on superior results to create value for our shareholders.

We are responsible towards our environment and our community.

Our **Certifications**

STANDARDS THAT HOLD US ACCOUNTABLE

The Company's operations are governed by internationally recognised standards:

- ISO 9001 - Quality Management System
- ISO 14001 - Environmental Management System
- ISO 45001 - Occupational Health and Safety Management System
- ISO 50001:2018 (Energy Management System)

FSC® Controlled Wood Procurement Policy

BIS Standards

Performance **Highlights**

AT A GLANCE

What follows is Andhra Paper Limited's FY26 performance across the full breadth of what we measure, manage and stand for.

FINANCIAL PERFORMANCE

The returns we delivered to those who believed in us.

2,60,438 MT
Sales Volume

₹1,701 Crores
Revenue from Operations

₹151 Crores
EBITDA

₹1,939 Crores
Net Worth

₹19 Crores
Net Profit

OPERATIONAL FOOTPRINT

The scale at which we operate, and the consistency with which we deliver.

2
Manufacturing Plants

19
States Served

9
Countries Served

71%
Purchase from Trading House Partners

96.6%
OTIF Delivery Rate

OUR PEOPLE

The workforce that keeps every promise we make to our customers.

6,366
Total Workforce

80%
Safety Training Delivered (Employees)

0
Fatalities

0.76
LTIFR (Employees)

100%
Health Insurance Coverage

ENVIRONMENT

Every tonne we produce is made with less.

20.5 KL/MT

Water Intensity

15,406 KL

Water Recycled Per Day

22,56,118.62 GJ

Total Energy Consumed

1,39,015.00 Kg

Particulate Matter Emissions

1,60,571.28 Tonnes

Recycled Waste

SUSTAINABILITY & FARM FORESTRY

Securing our raw material future while investing in the communities that grow it.

9,574 Hectares

Plantation Area Covered

100%

Inputs Sustainably Sourced

~5,000

Farmers Engaged

901 Lakhs

Clones & Seedlings Distributed

GOVERNANCE

The structures and standards that keep us honest, transparent and accountable.

8

Board Members

12.50%

Women on Board

27

Policies in Place

6

International Certifications

COMMUNITY IMPACT

Because the communities around our mills are our responsibility.

34

CSR Projects Undertaken

~81,372+

Total Beneficiaries

Our **Journey**

A MANUSCRIPT **IN WRITING**

01
ROOTS

THE FOUNDING YEARS

1921-1964

FROM CARNATIC PAPER MILLS TO THE ANDHRA PRADESH PAPER MILLS LIMITED.

1921
Carnatic Paper Mills Limited was founded in Rajahmundry, Andhra Pradesh.

1929
Its assets were acquired, and the Company was reconstituted as The Andhra Paper Mills Co. Limited.

1953
The Andhra Pradesh State Government took ownership of the Company.

1964
A joint venture was formed, giving birth to The Andhra Pradesh Paper Mills Limited, incorporated under the Companies Act.

This is the entity from which Andhra Paper Limited, in its present form, traces its origin.

02
GROWTH

THE BUILDING YEARS

1964-2010

CAPACITY BUILT. CAPABILITIES EXPANDED. FOOTPRINT WIDENED.

Over the four decades that followed incorporation, the Company expanded its manufacturing capabilities and market reach through a series of deliberate operational and strategic steps.

1989
The Farm Forestry initiative was launched — a programme that would grow into one of the Company's most significant long-term investments in raw material security.

1990
The SN Palem Conversion Centre was established.

2000
Coastal Papers Limited was acquired, adding to the Company's manufacturing base.

2006
A Pulp Machine was integrated into operations, advancing the Company's position as an integrated pulp and paper manufacturer.

2010
The PMG Paper Machine was commissioned, further expanding production capacity.

03

GLOBAL OWNERSHIP

THE INTERNATIONAL PAPER YEARS

2011-2019

FOREIGN ACQUISITION. PORTFOLIO DEEPENED. STANDARDS RAISED.

2011

International Paper, a global pulp and paper company incorporated in 1898, acquired a 75% stake in the Company, marking a significant change in ownership and management. The Company was re-branded as International Paper APPM Limited. Under this ownership, the product portfolio was expanded to include enhanced Copier, Maplitho, and Industrial-grade paper lines.

2013

The Company was officially renamed International Paper APPM Limited.

2014

The rebrand was formalised across all operations.

2019

West Coast Paper Mills Limited, part of the S.K. Bangur Group, acquired the controlling stake in the Company.

04

THE RESET

THE HOMECOMING

2020-2026

IDENTITY RESTORED. INFRASTRUCTURE REBUILT. NEW SEGMENT ENTERED.

2020

In January 2020, the Company was renamed Andhra Paper Limited.

Between 2022 and 2026, the Company undertook a capital expenditure programme of approximately ₹915 Crores to modernise and optimise its Rajahmundry and Kadiyam manufacturing facilities, the most significant investment in three decades.

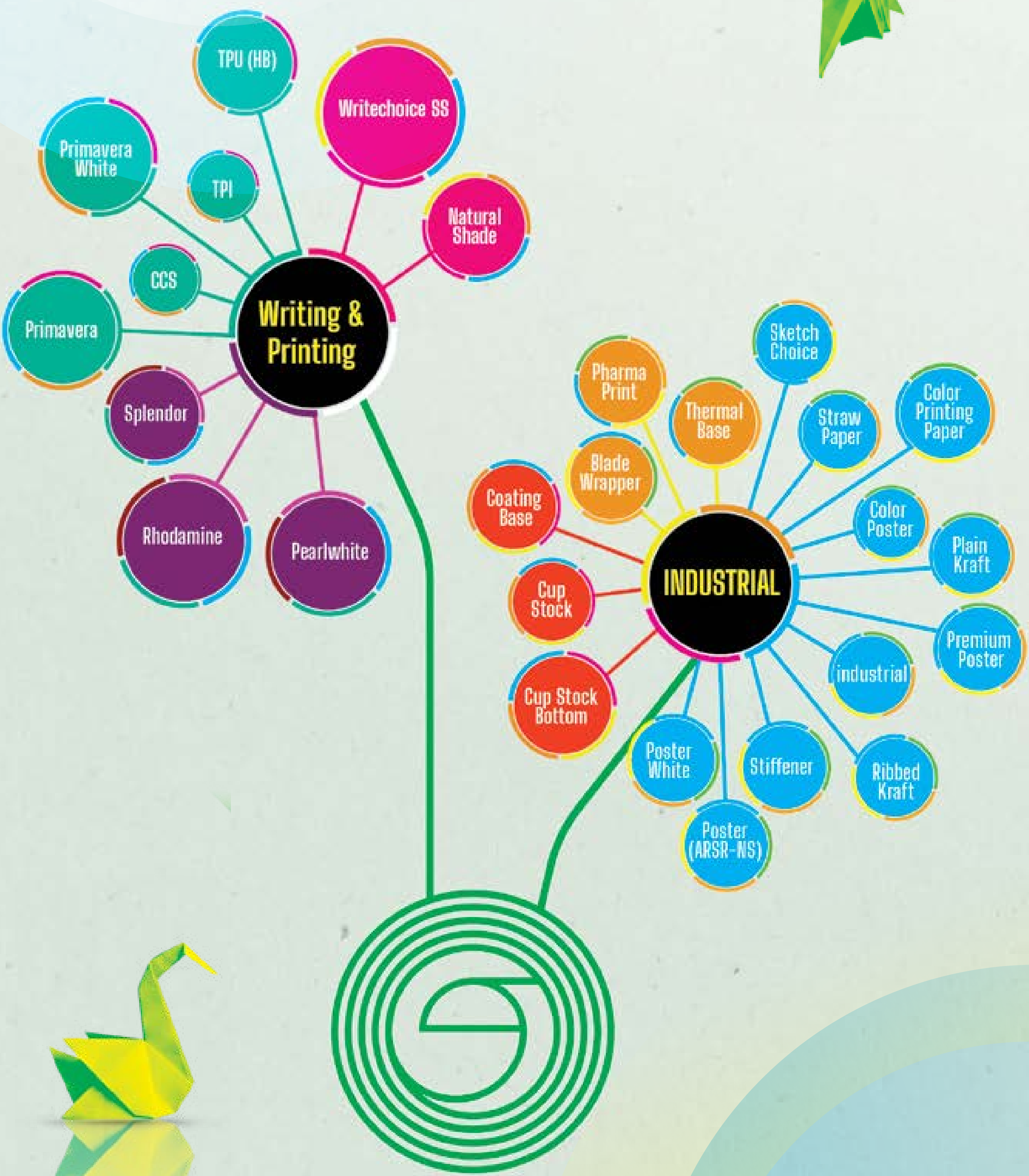
2024

Plant upgrades and de-bottlenecking totalling ₹520 Crores were completed between 2022 and 2026. RJ-3 Machine upgrade of ₹178 Crores is in progress with target completion of March 2027. Tissue Paper project of ₹270 Crores awaiting approval from State Pollution Control Board for commencement. In addition, Company invested approx ₹150 Crores in core manufacturing and process equipment across its pulp, paper and finishing operations, chemical recovery systems and ₹67 Crores in electrical and process control systems, warehousing & logistics infrastructure, utilities, buildings, environmental systems, IT and safety systems.

2026

The cumulative investment across the four year modernisation programme reached approximately ₹915 Crores.

PRODUCT PORTFOLIO



Reflection®
Multipurpose Copier Paper

COPIER

BRANDS

Reflection 65 GSM, 70 GSM, 70 GSM -White, 75 GSM, 80 GSM, 100 GSM

APPLICATIONS

High-Speed Copying, Printing and Office Documentation

WRITING AND PRINTING GRADES

BRANDS

Andhra Truprint Ultra (HB), Andhra Primavera, Andhra Primavera White, Andhra Truprint Ivory, Andhra CCS, Andhra Natural Shade, Andhra Writechoice (SS), Andhra Rhodamine, Andhra Splendor, Andhra Pearlwhite

APPLICATIONS

Book, Notebook, Notepad, Diary, Calendar, Journals, Annual Report, Envelopes, Commercial Printing

INDUSTRIAL GRADES

BRANDS

Andhra Cup Stock, Andhra Cup Stock Bottom, Andhra Straw Paper, Andhra Pharma Print, Andhra Thermal Base, Andhra Hi-Brite Blade Wrapper, Andhra Sketch Choice, Andhra Kraft (Ribbed & Plain), Andhra Stiffener, Andhra Color Printing and Poster, Andhra Coating Base

APPLICATIONS

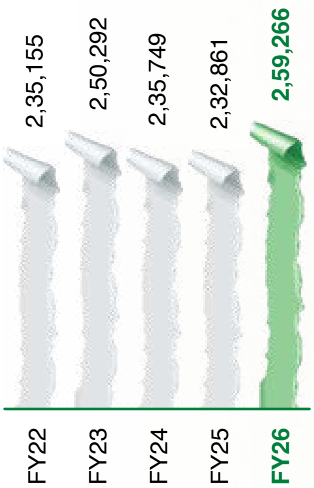
Paper Cups, Straw, Pharma Leaflet, POS Rolls, Outer Cover of Blade, Drawing and Cartridge, Pouches, Envelopes, Soap Inner Layer, Bill Book, File Covers, Chart Papers, Wedding Cards

Key Performance **Indicators**

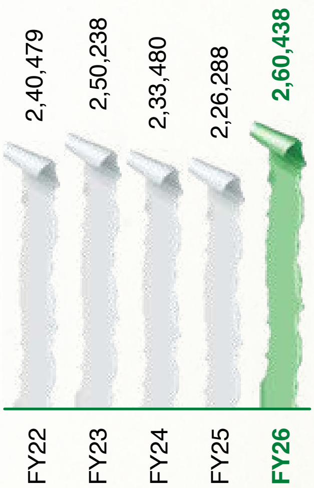
FLIPPING THROUGH THE NUMBERS

SCALE

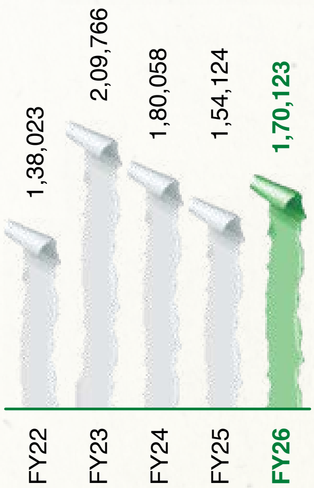
The size of what we do — measured in volume and value.



Production Volume (MT)



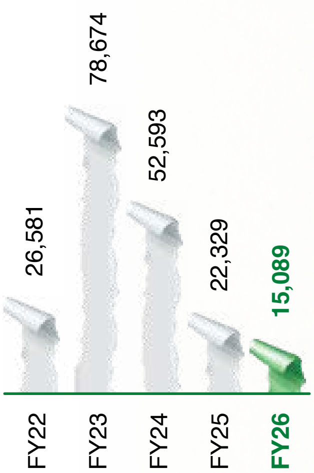
Sales Volume (MT)



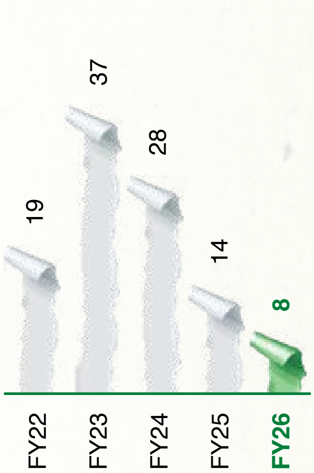
Revenue from Operations (₹ Lakhs)

EARNINGS

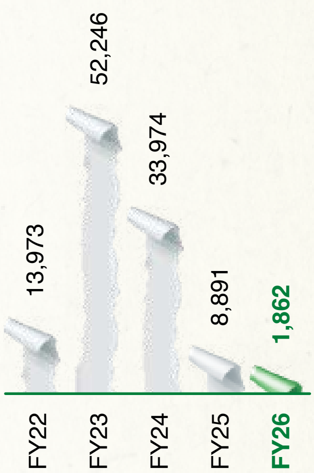
The financial return generated from our scale, before and after the cost of running the business.



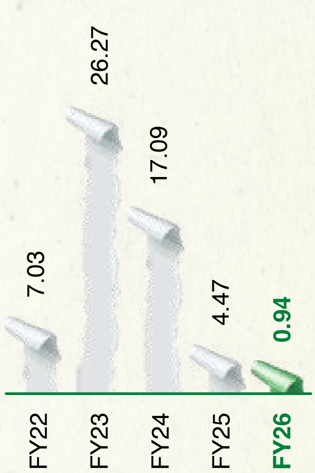
EBITDA (₹ Lakhs)



EBITDA Margin (%)



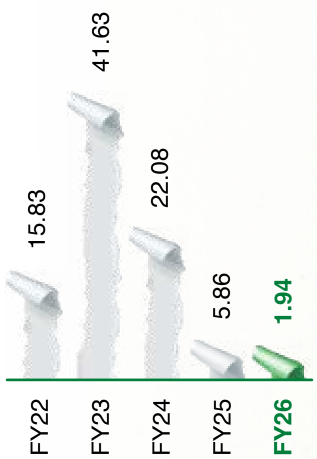
Profit After Tax (₹ Lakhs)



Earnings Per Share (₹)

EFFICIENCY

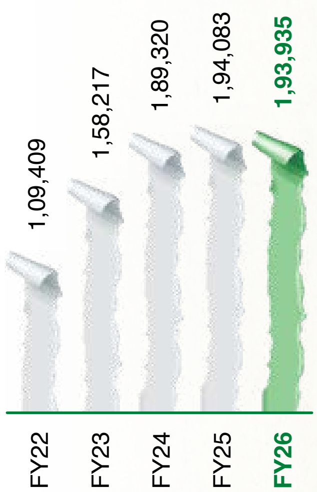
How effectively we deploy capital and consume resources — the operational quality of our earnings.



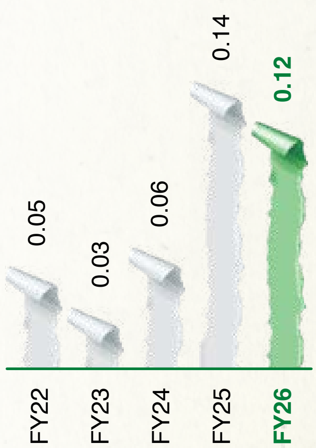
Return on Capital Employed (%)

RESILIENCE

The strength of the balance sheet — and our capacity to absorb investment while remaining financially stable.



Net Worth (₹ Lakhs)



Debt-Equity Ratio (in times)

Environment

WE CARE FOR THE ROOTS WE BUILT ON

As an integrated pulp and paper manufacturer, we have a substantial environmental footprint. So too is our responsibility to manage it with rigour, transparency and measurable year-on-year improvement.

The paper industry is inherently resource-intensive. Our commitment is clear: maximise the efficiency of every resource we consume, recover what remains rather than discard it, and set environmental targets we can be held accountable to.

ENERGY – POWERING OUR MILLS RESPONSIBLY

APL's energy strategy is built on a single principle: generate as much as possible from within, and substitute fossil fuels wherever feasible.

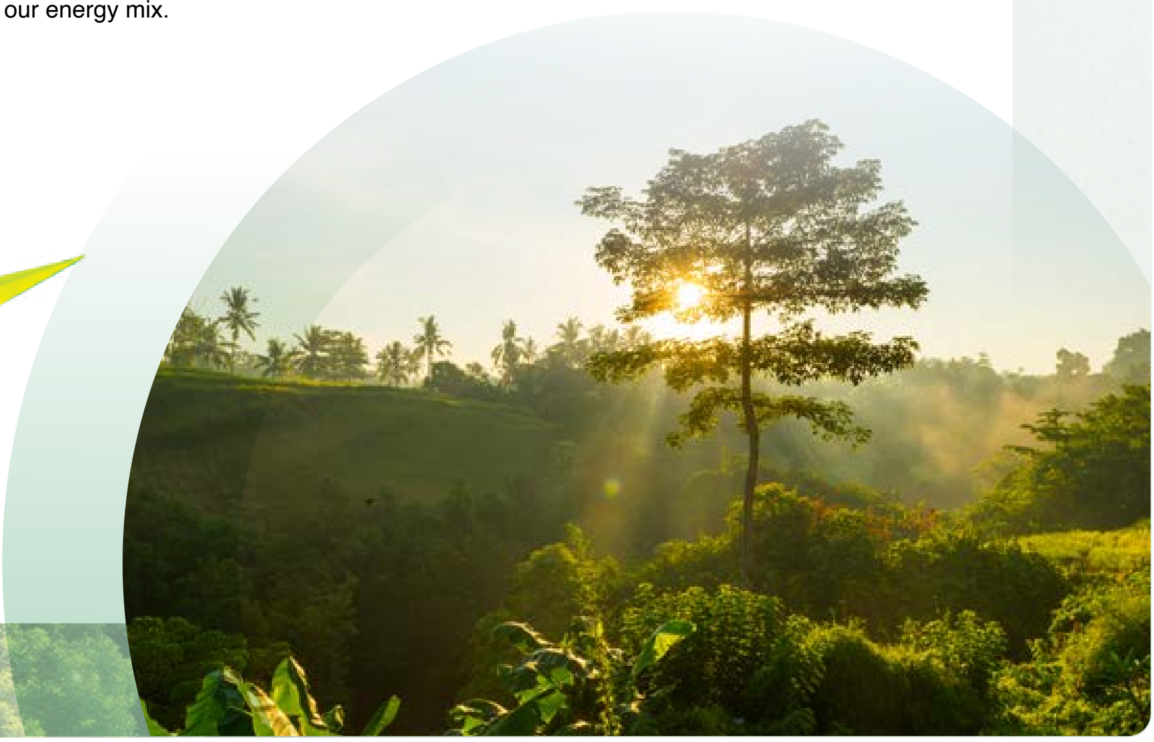
Total energy consumed (FY26)	Energy from renewables
22,56,118.62 GJ	6,39,452.61 GJ
Recovery Boiler Power Contribution	**Grid power dependence**
74.5%	↓ 42.8% Reduced

Our Recovery Boiler runs exclusively on black liquor, a renewable fuel derived from the pulp mill process. It meets 74.5% of the steam and power requirements at our Rajahmundry unit. This single operational reality reduces our dependence on grid power, lowers fossil fuel consumption, and contributes directly to Scope 2 emission reduction.

Beyond black liquor, we substitute coal in our boilers with a range of biofuels: ETP sludge, wood bark, chip dust and knots. Each substitution lowers fossil fuel consumption per unit of output and strengthens the overall share of renewables in our energy mix.

In FY26, approximately 28.3% of total energy consumption was sourced from renewable energy. Energy intensity per tonne of physical output improved to 8.70 GJ/MT, from 11.22 GJ/MT in FY25.

Both our Rajahmundry and Kadiyam facilities operate under the Government of India's Perform, Achieve and Trade (PAT) scheme, the regulatory framework for industrial energy efficiency. We are currently in PAT Cycle VII, with monitoring and verification audits underway.



WATER – RESPONSIBLE USE AND BETTER RECOVERY

Water is central to pulp and paper manufacturing and managing it responsibly is one of our most critical environmental obligations.

Specific Water Consumption (M^3/Tonne)

43.0

FY26

YoY Improvement: ↓**10.4%** vs **FY25**

Water Recycled Per Day

15,406 KL

FY26

YoY Change: ↑ **11.60%** vs **FY25**

Total Water Withdrawal (FY26)

1,29,07,960 KL

Surface Water Sources Primarily

YoY Change: ↑ **2%** vs **FY25**

Total Water Discharged (FY26)

1,00,76,278 KL

100% Treated Before Discharge

Untreated Discharge: **0%**

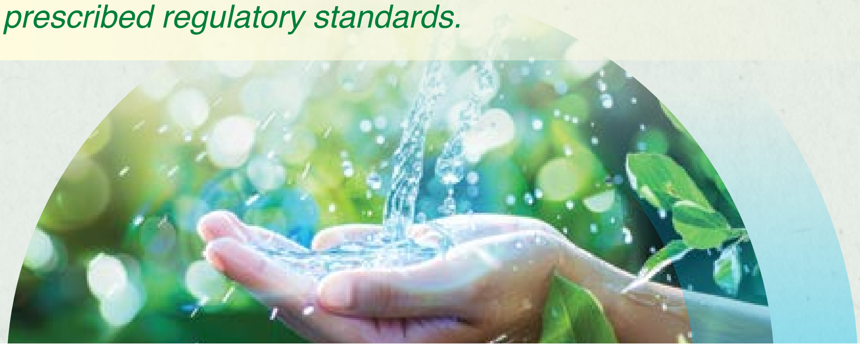
This improvement in specific water consumption reflects a sustained and systematic conservation programme: re-routing paper machine cooling water to vacuum systems, recycling backwater and secondary condensate within machines, upgrading paper machine showers and filtration systems, and transitioning from fresh to hot water in shower applications.

Every litre recovered is a litre that would otherwise be drawn fresh from surface or groundwater sources. Total water withdrawal in FY26 stood at 1,29,07,960 KL, drawn primarily from surface water.

Responsible discharge is integral to our water stewardship. At our Kadiyam unit, treated wastewater is made available for irrigation by neighbouring farmers. At Rajahmundry, township sewage is treated and discharged to the public sewer system. Every drop of wastewater is treated before release.

The State Pollution Control Board monitors our discharge quality online, around the clock. Internal laboratory testing supplements this with regular verification across all discharge points. The combination of external surveillance and internal rigour ensures that compliance is continuous, verifiable and transparent.

Process wastewater undergoes comprehensive treatment before discharge. The State Pollution Control Board continuously monitors treated wastewater quality through a 24x7 online monitoring system. This is supplemented by regular internal laboratory testing across all designated discharge points. The treated wastewater consistently meets the prescribed regulatory standards.



EMISSIONS – MEASURED, MONITORED, REDUCED

Our greenhouse gas emissions across Scope 1 and Scope 2 categories are systematically tracked and managed. We continue to reduce our carbon footprint through fuel substitution, process innovation and carbon capture initiatives.

Direct Emissions	Indirect Emissions
Scope 1 emissions	Scope 2 emissions
8,88,912.47 MT CO_2e	33,588.00 MT CO_2e
From direct operations at our facilities—fuel combustion, chemical reactions, and manufacturing processes.	From purchased electricity. Reduced through increased reliance on captive biofuel-based power generation over grid electricity.

Intensity: 3.56 MT CO_2e/MT output

Our most distinctive carbon management initiative is the capture and conversion of CO_2 from our Rotary Lime Kiln stack. At approximately 19,000 TPA, this CO_2 — which would otherwise be released into the atmosphere — is converted into Precipitated Calcium Carbonate (PCC), a filler material used directly in our papermaking process. The initiative delivers a dual benefit: it reduces atmospheric emissions while eliminating the need to procure PCC externally. One investment, two outcomes — one environmental, one commercial.

During the year, we installed a fourth ambient air quality monitoring station and enhanced our pollution control equipment, including an Ash Leaching System on the Recovery Boiler. The leaching system specifically reduces the release of chlorides and potassium into the environment, addressing stack emissions at source rather than downstream.

Real-time emission data from all stacks is connected to the SPCB/CPCB monitoring portal. Third-party testing by NABL and MoEFCC-approved laboratories is conducted monthly. Together, these provide a continuous, independently validated emissions assurance framework.

Most distinctive carbon management initiative

CO_2 Capture & Conversion to PCC

approximately 19,000 TPA

CO_2 captured annually (would otherwise be released to atmosphere)

Dual Benefit

Environmental reduction + Commercial cost savings (no external PCC procurement)

WASTE – RECOVERY, REUSE AND RESPONSIBLE DISPOSAL

Andhra Paper's waste management philosophy is straightforward: what leaves our process as waste should re-enter a value chain, ours or someone else's. Landfill is the last resort, not the default.

Total Waste Generated (MT)

2,11,938.35

Total Recycled (MT)

1,60,571.28

Total Reused (MT)

51,361.64

Sent to Landfill (MT)

5.43

Waste Recovery Rate

100%

Recycled + Reused across all waste streams

Our waste management framework is designed to maximise resource recovery and minimise waste generation by identifying value recovery opportunities across each waste stream. Wherever technically and environmentally feasible, hazardous waste, including ETP sludge, waste lime cake and spent chemicals, is utilised through approved recovery and energy recovery processes. The balance is transferred only to State Pollution Control Board (SPCB)-authorised recyclers, co-processors or treatment, storage and disposal facilities for environmentally sound management. Every hazardous waste stream is managed through a defined recovery or disposal pathway, ensuring regulatory compliance and eliminating ad hoc handling practices.

On plastics, we are registered with the Central Pollution Control Board under the Extended Producer Responsibility framework. In FY26, we collected and recycled 3,674.36 tonnes of plastic packaging, fully meeting our EPR targets across all three categories. E-waste of 4.38 MT was disposed of through SPCB/CPCB-authorised dismantlers.

Non-hazardous waste streams, including wood bark, chip dust, coal ash and paper cuttings, are systematically recovered for energy use, material reuse or authorised external processing. These streams represent operational by-products that re-enter the value chain rather than leave it.

All waste handling operates under Standard Operating Procedures approved by the State Pollution Control Board. Transport Emergency Cards (TREM Cards) are maintained for all applicable materials. Annual returns are submitted to the SPCB as required.

FARM FORESTRY – OUR LONGEST INVESTMENT

APL's Farm Forestry Programme is the oldest and most consequential environmental initiative in our operating history which began in 1989 and expanded continuously since.

Seedlings & Clones Distributed (FY26)

901 Lakhs+

Across all varieties

Farmer Beneficiaries

~5,000

Within 150 km radius

Casuarina clones	Eucalyptus clones	Casuarina seedlings	Subabul (Leucaena) seedlings
354 Lakhs	62 Lakhs	308 Lakhs	177 Lakhs
Fast-growing, hardy, pulp-grade fibre	High yield, disease resistance	Reliable establishment, cost-effective	Nitrogen-fixing agroforestry partner

The Farm Forestry programme serves two purposes simultaneously. For APL, it is a fibre security investment reducing dependence on spot wood markets and providing a stable, sustainable supply of raw material grown to our quality and certification standards.

Collaboration with IFGTB Coimbatore and IFB Hyderabad is advancing our transition to high-yield clonal varieties, which deliver higher wood productivity per hectare and greater resistance to climate variability. Ten active R&D trial plots support ongoing research into genetic enhancement, improved silvicultural methods, and agroforestry innovations.

All wood procured through the programme is sourced under our FSC® Controlled Wood Policy. 100% of our wood inputs are sustainably sourced.

MANUFACTURING PROCESS – CLEAN BY DESIGN

Every step in our manufacturing process is engineered to minimise environmental impact without compromising product quality.

RECYCLED WHITE LIQUOR

96.5%

SULPHURIC ACID REDUCTION (TWIN ROLL PRESS)

18.6%

Per tonne of bleached pulp

Black Liquor — Renewable Energy Recovered

Not waste

Spent pulping liquor is our primary renewable fuel

74.5%

Of energy needs met at Rajahmundry

Rich in lignin and dissolved organic compounds, black liquor is concentrated and combusted in the Recovery Boiler to generate steam and captive power while simultaneously recovering pulping chemicals. This integrated process maximises resource efficiency, reduces dependence on fossil fuels and supports near-zero liquid discharge.

Our pulping operations use the Elemental Chlorine Free (ECF) process, substituting chlorine with oxygen, hydrogen peroxide and chlorine dioxide. Chemical recovery efficiency at our Rajahmundry mill ensures that nearly all chemicals used in the pulping process are recovered and recycled back into the system rather than discharged.

The same philosophy of recovery extends across our material streams. Lime sludge from the chemical recovery cycle is processed in a Rotary Lime Kiln and reused. At our Kadiyam unit, discarded paper is transformed into premium printing and writing paper, reducing dependence on virgin materials. Fly ash from coal boilers is re-purposed for brick production. Organic and inorganic sludge contribute to egg tray manufacturing.

Both our Rajahmundry and Kadiyam facilities are certified under ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). Operations are fully compliant with the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, and the Environment (Protection) Act and all rules thereunder.

Responsible Environmental Stewardship Through Continuous Improvement

Social

PEOPLE AT THE CENTRE

Social performance is ultimately reflected in human experience in the workplace, within communities, and across the ecosystems a company influences.

At Andhra Paper, our social commitments extend beyond policy frameworks and are embedded into everyday operations and relationships. We focus on four core responsibilities: supporting our workforce, upholding human rights, creating long-term stakeholder value, and contributing meaningfully to the communities in which we operate.

OUR WORKFORCE

Our Workforce Profile

Category	Total	Male	Female
Permanent Employees	823	806	17
Other than Permanent Employees	21	21	0
Permanent Workers	1,105	1,102	3
Other than Permanent Workers	4,417	4,270	147
Total Workforce	**6,366**	**6,199**	**167**

Permanent Employees

98% Male
2% Female
Total 823

Permanent Workers

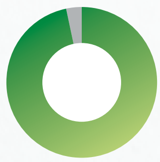
99.73% Male
0.27% Female
Total 1,105

Other than Permanent Employees

100% Male
0% Female
Total 21

Other than Permanent Workers

96.67% Male
3.3% Female
Total 4,417



Total Workforce

97.4% Male
2.6% Female
Total 6,366

Our Commitment to Employee Well-being

Every permanent employee and worker at Andhra Paper is covered by health insurance and accident insurance. Maternity benefits are extended to all female permanent employees and workers. Paternity benefits cover all male permanent employees and workers. Day care facilities are available to all permanent employees and workers. Provident Fund contributions are made for 100% of permanent employees and workers, deducted and deposited with the relevant authority without exception.

The return to work rate and retention rate for permanent employees and workers who took parental leave during the year was 100% across both male and female categories.

Benefit	Permanent Employees	Permanent Workers
Health Insurance	100%	100%
Accident Insurance	100%	100%

Investing in People Development

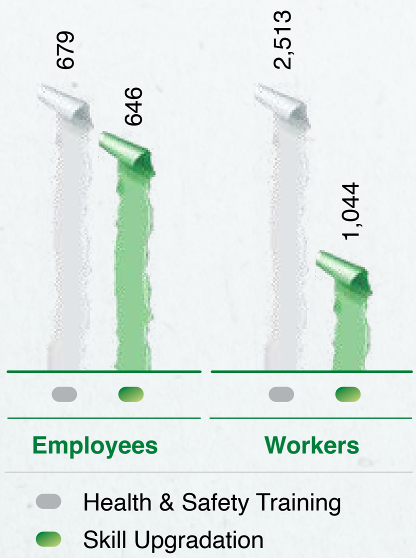
In FY26, the Company conducted training programmes across all workforce categories covering health and safety, skill upgradation, environment awareness, behavioural and managerial development, technical competence, systems training, ISO awareness, and prevention of sexual harassment.

Performance and career development reviews were conducted for 98.34% of all employees in FY26. Workers operate under a Negotiated Long Term Wage Agreement, under which remuneration and benefits are defined for the term; formal performance appraisal is therefore not applicable to the worker category.

All permanent workers are members of recognised trade unions or associations. No permanent employees are members of any union or association.

Employee turnover among permanent employees stood at 19.33% in FY26 (15.13% male, 23.53% female). Worker turnover among permanent workers stood at 1.48%, significantly lower than prior years, reflecting improved retention and stability in our permanent workforce.

Off-site training programme conducted for senior staff



Investing in Safer Operations

Safety at Andhra Paper is not a compliance function. It is a management priority embedded in the operating rhythm of both mills through our flagship programme LIFE (Life Changing Injury and Fatality Elimination), a PDCA-based framework encompassing 15 core safety standards, reviewed and updated annually.

Our occupational health and safety management system is certified under ISO 45001:2018. Hazard identification and risk assessment (HIRA) is conducted for all routine activities across both mills. A Permit to Work (PTW) system regulates all high-risk tasks. HAZOP studies are conducted on critical chemical processes. A Mill-Wide Cross Functional Audit Programme and both internal and external safety audits are conducted annually.

Employees have multiple channels to report hazards, a Near Miss Reporting Programme, an Unsafe Act/ Unsafe Condition Identification Process, a SAP-based Safety Notification System, and a Safe Work Observation Programme. All third-party vendors are required to meet our safety standards and are advised to obtain insurance for workers entering our premises.

In FY26, a total of 21,774 hours of safety and health training was delivered across our workforce.

Safety Metric (Employees)	FY25	FY26
LTIFR	0.13	0.76
Total Recordable Injuries	0	1
Fatalities	0	0
High Consequence Injuries	0	0
Plants Assessed — Health & Safety	**100%**	**100%**

Ensuring Responsive Workforce Governance

The Company's Grievance Redressal Policy provides all employees and workers, permanent and contract with a structured, confidential mechanism to raise concerns without fear of retaliation. The Grievance Redressal Committee, chaired by senior management and comprising the Executive Director, Head of Operations, Head of Human Resources, Head of IR, and Head of Legal & Compliance, reviews all grievances and ensures timely corrective action. Employees may also submit grievances directly via email to grievance@andhrapaper.com, monitored by the Executive Director. No grievances related to working conditions or health and safety were reported during FY26.

The Company provides transition assistance programmes to support employees facing career endings through retirement or termination, facilitating continued employability.

HUMAN RIGHTS

Andhra Paper's human rights framework is anchored in a formal Human Rights Policy, complemented by a suite of related policies covering non-discrimination, freedom of association, prevention of child and forced labour, grievance redressal, and gender equality. All policies are translated into procedures and extend to value chain partners through our Supplier Code of Conduct.

Training

In FY26, human rights training was provided to 391 permanent employees (47.51% of permanent employee headcount) and 1,810 workers (31.81% of total worker headcount). Training for contract workers covered 1,287 individuals (29.18%).

Assessments

100% of our plants and offices were assessed during the year for child labour, forced and involuntary labour, sexual harassment, discrimination at workplace, and wages through internal evaluations conducted by our HR and IR departments, supplemented by compliance reviews by our Internal Auditor and ISO Auditor.

100% of value chain partners including farmers in the farm forestry programme and contract workers, were assessed for sexual harassment, discrimination, child labour, forced labour, and wages. No significant risks or concerns were identified.

Human rights requirements are embedded in all contracts established with suppliers and buyers prior to engaging in business transactions.

Wages

100% of permanent employees and permanent workers are paid above the statutory minimum wage. Among other than permanent workers, 63.53% are paid above minimum wage and 28.70% at minimum wage. No individual in our workforce is paid below the minimum wage.

Complaints

Zero complaints were filed in FY26 across any of the following categories: sexual harassment, discrimination at workplace, child labour, forced or involuntary labour, wages, or other human rights related issues. Zero complaints were upheld or pending resolution at year end.

The Company maintains a zero-tolerance approach to sexual harassment and has a duly constituted Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During FY26, no complaints were received under the Act.

STAKEHOLDER ENGAGEMENT

Andhra Paper identifies and engages with seven key stakeholder groups: Farmers, Distributors and Traders, Shareholders, Employees, Local Communities, Government Bodies & Regulators, and Industry Bodies. Of these, Farmers are identified as a vulnerable and marginalised group, given their dependence on the Company's plantation programme for livelihood support.

Stakeholder Group	Channel	Frequency	Key Topics
Farmers	Community meetings	Frequent	Agricultural practices, plantation management, health & safety
Distributors & Traders	Email, SMS, community meetings, website	As required	Product updates, supply chain cooperation
Shareholders	Email, website	Quarterly	Financial performance, strategy
Employees	Notices, meetings	Continuous	Appraisals, safety culture, on-the-job training
Local Communities	Interactions, meetings	Before and after CSR initiatives	Community needs, ESG interventions
Government Bodies & Regulators	Meetings	As required	Compliance, new project initiatives
Industry Bodies	Conferences, seminars	As required	Paper industry issues and advocacy

Stakeholder feedback is systematically incorporated into the design of CSR programmes, policy development, and strategic planning. The Board of Directors is routinely updated on key stakeholder matters through committee reviews, which guide the Company's social responsibility commitments and sustainability direction.

COMMUNITY INVESTMENT – CSR

CSR Applicable	Yes — Section 135, Companies Act 2013
Total CSR Projects	34
Total Beneficiaries	81,372+
Focus Areas	Education, Healthcare, Water & Sanitation, Skill Development, Women Empowerment, Community Infrastructure

Education

Education remains central to our CSR philosophy, with initiatives focused on creating inclusive, safe and enabling learning environments. During the year, we strengthened educational infrastructure through the construction and refurbishment of school facilities, improved student mobility by providing school buses, and recognised academic excellence through merit scholarships. Ongoing investments in classrooms and school infrastructure continue to enhance access to quality education while fostering an environment that supports learning and long-term development.

Infra support (Construction of Boundary wall, Dining Hall and Toilets) to 5 MPP Schools in Kadiam Mandal.

Provided two new school buses to APPM School for daily transport facilities for school children

Merit scholarship ₹7,500 each to 1st & 2nd rankers in class 10th Board exam across all schools in Rajahmundry division

Training Support (Diet support, equipment and Physio support) to Ms. Nasreen for participating in Olympic sports – under Boxing Category.

Training Support (Diet support, equipment and Physio support) to Ms. Shanmukhi for Olympic sports preparation in Archery.

Provided new School bus (transportation) & Auto (food supply) to Paluku School, Dhavaleswaram.

On-Going Projects

Construction of new classrooms for City Municipal Corporation High School, Morumpudi.

Construction of roofshed to main building at SKVT High School, Danvaipeta, Rajahmundry

Community

Our community development initiatives are designed to improve the quality of life by strengthening local infrastructure and addressing essential civic needs. During the year, we supported the construction and renovation of community assets, developed facilities for senior citizens and vulnerable groups, enhanced sanitation and water infrastructure, improved drainage systems, promoted effective waste management, and implemented measures to support sustainable agriculture. These interventions reflect our commitment to creating resilient communities and improving everyday living conditions.

Constructed old-age home and skill development centre facilities at Kadiyam

Main hall rest rooms for Old age people

Dining Hall

Constructed a community hall on the first floor at Phule Bhavan near Godavari bund, Rajahmundry, for general Public

Inside View

Constructed small dam to block excess waterlogging in paddy fields during rainy season

Renovation of Community hall at R&B Vambay House, Seethammapeta, Rajahmundry for underprivileged people

Provided bore well facility, pipeline for bathing facilities at Cemetery at MR Palem, Kadiam Mandal

Provided Vehicle for solid waste management in Srikrishnaptnam, Rajanagaram Mandal

Construction of 500 meters of drainage adjacent to houses to prevent waste water accumulation at underprivileged communities in Kadiyapusavaram

Replaced the 20-year-old pipeline with 550 metres of HDPE pipes at various underprivileged places in Kadiyam

Health

We remain committed to improving healthcare access and promoting overall well-being across the communities we serve. During the year, our initiatives focused on strengthening healthcare infrastructure through the provision of medical and diagnostic equipment, upgrading facilities at community health centres, organising eye care camps for underserved populations, and supporting sports talent through specialised nutrition, equipment and physiotherapy assistance. Together, these efforts contribute to better healthcare outcomes while encouraging wellness and human potential.

Construction of roof sheds to prevent leakages at Community Health Centre, Kadiyam.
Constructed Entrance Shed at Community Health Centre.

Parking Entrance Shed

Roof shed

Provided ultra sound machine & digital radiography (X-Ray Machine) for diagnostics of animals for govt veterinary hospital, Rajahmundry.

Conducted free eye camps in Rajahmundry urban and rural areas.

Provided Medical Equipment to ESI Hospital, Rajahmundry which serves around 250,000 beneficiaries

On going Projects of FY 24-25 completed in FY 25-26

Provided infrastructure facilities (Compound wall, school gate) to MPP Schools, Mandapeta Mandalam.

Constructed a conference-cum-seminar/training hall and 4 classrooms at DIET College, Bommuru, Rajahmundry.

Supplied vehicle to Kadiyapusavaram for waste management

Provided infra facilities at the Sub-Collector's Office, Rajahmundry.

Waiting hall for the public

Infra facilities at APPM School, Rajahmundry

Science lab

Infra facilities for boys and girls hostel in Rajahmundry

Inside hostel flooring

Dining shed

Outside flooring

Constructed sump cum pump house and main water line at kotilingalapeta, RJY to prevent flooding in rainy season.

Governance

INTEGRITY GUIDED BY RESPONSIBILITY

At Andhra Paper Limited, governance is the fibre that holds the organisation woven together into every decision, every disclosure, and every relationship the Company maintains with its stakeholders.

In a year that tested operational resilience, the Company's governance structures held firm. Policies were reviewed, compliance was maintained, and accountability remained non-negotiable.

A POLICY FRAMEWORK BUILT ON PRINCIPLE

The Company's conduct is governed by a comprehensive set of 27 policies, spanning ethics, environment, human rights, supplier conduct, and information security. Each of the nine National Guidelines on Responsible Business Conduct is covered. All policies have been approved by the Board of Directors and extended to value chain partners, ensuring that the Company's standards do not end at its own gates. An independent evaluation of the operationalisation and effectiveness of these policies was conducted by Dhir & Dhir Associates in FY24, reaffirming the Company's commitment to transparent governance.

BOARD OVERSIGHT WITH PURPOSE

Sustainability and Business Responsibility are integrated into the Company's governance framework, with oversight exercised by the Board of Directors. Mr. Mukesh Jain, Executive Director, coordinates the implementation of the Company's Business Responsibility and Sustainability policies under the strategic guidance of Mr. Saurabh Bangur, Managing Director. Key ESG, regulatory and governance matters are reviewed at the executive level and placed before the Board, where appropriate, for oversight and strategic direction.

The Board and its committees exercise strategic oversight over the Company's policies and receive comprehensive updates at quarterly meetings on business performance, market developments, enterprise risk management, governance and compliance, regulatory changes, internal controls, audit observations and management responses, policy amendments, and other significant matters affecting the Company. This structured reporting framework supports informed oversight, timely decision-making and effective governance.

TRANSPARENCY IN DISCLOSURE

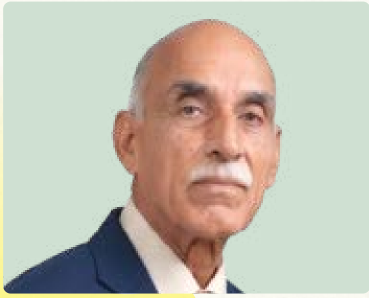
The Company has established grievance mechanisms for communities, investors, employees, customers and value chain partners to facilitate the timely receipt, assessment and resolution of concerns in accordance with applicable policies and procedures. During FY26, the Company received 38 customer complaints, all of which were resolved. No complaints were received through the Company's formal grievance mechanisms relating to sexual harassment, discrimination, child labour or forced labour. No instances of bribery, corruption or conflict of interest were reported or identified during the year.

ETHICS ACROSS THE VALUE CHAIN

The Company's Supplier Code of Conduct, Controlled Wood Policy and Whistle Blower Mechanism extend its ethical and responsible business practices across the value chain. All wood suppliers are covered under FSC® audits. The Company's agreements with relevant value chain partners, including dealers and distributors, embed the Company's key policies and expectations relating to ethical business conduct and compliance with applicable laws. The Company will progressively enhance its due diligence and assessment framework for value chain partners based on the nature of engagement and associated risk.

Purchases from trading houses now constitute 71% of total procurement, with 646 active trading relationships. Sales remain concentrated through 56 dealers and distributors, with no related party transactions in purchases, sales, loans or investments.

BOARD OF DIRECTORS



Mr. Shree Kumar Bangur
Chairman & Non-Executive Director

Mr. Virendraa Bangur
Vice Chairman

Mr. Saurabh Bangur
Managing Director

Mr. Virendra Sinha
Independent Director

Mr. Ramesh Kumar Aggarwal
Independent Director

Mr. Deepak Jalan
Independent Director

Mrs. Papia Sengupta
Independent Director

Mr. Mukesh Jain
Executive Director

LEADERSHIP TEAM

Mr. Mukesh Jain
Executive Director

Mr. Rajesh Bothra
Chief Financial Officer

Mr. Sura Reddy Mallidi
Senior Vice President

(Mill Operations)

Mr. Sandeep Rao Thallapalli
Vice President (Sales & Marketing)

Mr. Bijay Kumar Sanku
Company Secretary

CORPORATE INFORMATION

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Kadiyam Mandalam,
East Godavari District, Andhra Pradesh, India
Phone: +91 883 245 4651

STATUTORY AUDITORS
MSKA & Associates LLP,
Chartered Accountants,
Hyderabad

COST AUDITORS
Narasimha Murthy & Co.,
Cost Accountants,
Hyderabad

INTERNAL AUDITORS
Batliboi & Purohit
Chartered Accountants,
Mumbai

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy delivered a resilient performance in CY25, expanding at an estimated 3.3%. Steady headline growth masked divergent forces beneath the surface. Headwinds from shifting trade policies, tariff tensions, and elevated policy uncertainty were offset by fiscal and monetary support, broadly accommodative financial conditions, and strong private-sector adaptability in recalibrating operations and capital allocation.

Geopolitical tensions led to negative supply shocks during the year, disrupting global shipping routes and supply chains and driving up freight costs and commodity prices. Global trade nonetheless remained relatively robust, though momentum was uneven. Manufacturing activity faced sustained input cost pressures, as reflected in purchasing managers' indices across major economies.

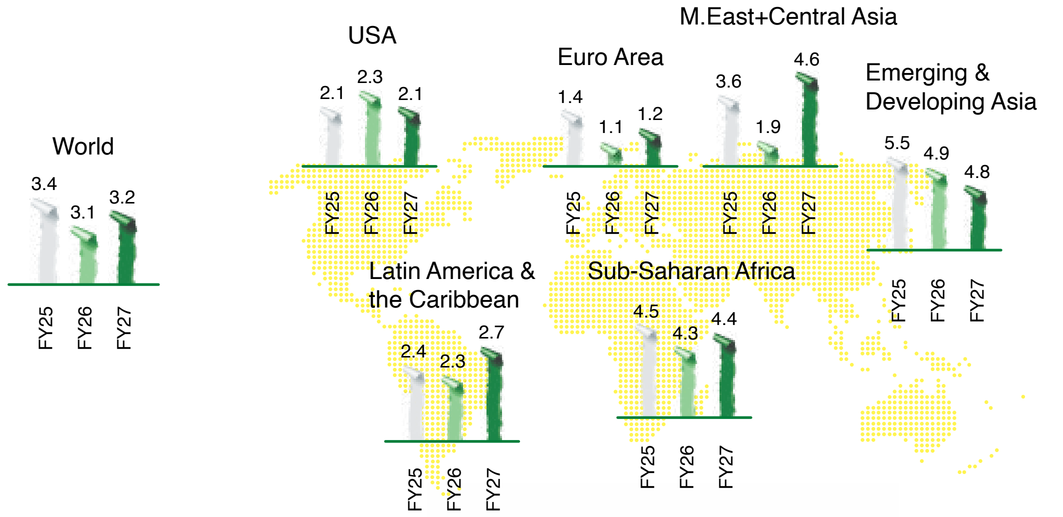
Global headline inflation held largely steady at an estimated 4.1% in CY25, and overall, it represented a year of measured equilibrium. Stability was achieved through policy support and investment cycles, even as geopolitical uncertainty, lingering tariff tensions, and a narrow base of growth drivers left the global economy more vulnerable than headline figures suggested.

Outlook for CY26 and Beyond

The global outlook has shifted materially, with geopolitical tensions, trade-policy uncertainty and commodity-price volatility emerging as key risks shaping the trajectory for CY26. Global growth is projected to moderate to 3.1% in 2026 and edge up to 3.2% in 2027. Headline inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027, as conflict-driven commodity price pressures and elevated inflation expectations partially interrupt the disinflation trend of recent years.

WORLD ECONOMIC OUTLOOK APRIL, 2026

GROWTH PROJECTIONS BY REGION



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INDIAN ECONOMY

India's economy delivered resilient, broad-based growth in FY26, with real GDP expanding 7.4% and GVA growing 7.3%, sustaining its position as the fastest-growing major economy for the fourth consecutive year. Growth was anchored in strong domestic demand - Private Final Consumption Expenditure grew 7.0%, reaching 61.5% of GDP, the highest since 2012 - supported by a sharp recovery in rural consumption, driven by record agricultural output, and by steady urban demand, aided by tax rationalisation and improving real purchasing power.

Manufacturing emerged as a standout performer during the year. Manufacturing GVA expanded, reflecting stronger factory output, improved capacity utilisation, and broad-based sectoral momentum. The IIP rose 7.8% in December 2025 - the strongest expansion in over two years - with the manufacturing component registering 8.1% growth within this. The manufacturing PMI remained firmly in expansionary territory through the year, underscoring sustained industrial activity across sectors.

A defining feature of FY26 was the sharp moderation in inflation. Headline CPI averaged just 1.7% for April-December 2025 - the lowest since the CPI series began - driven by favourable food prices and a good monsoon. This created space for the RBI to undertake its most aggressive easing cycle since 2019, cutting the repo rate four times during the year by a cumulative 125 basis points, from 6.50% to 5.25%. For debt-carrying companies, this easing cycle translated into meaningfully lower borrowing costs as lending rates transmitted downward across the banking system.

The RBI cut the Cash Reserve Ratio by a cumulative 100 basis points to 3%, injecting approximately ₹2.5 Lakhs Crores of additional liquidity into the banking system to accelerate rate transmission. The banking sector itself strengthened in parallel, with gross NPAs of scheduled commercial banks declining to 2.2% in September 2025 - a multi-decadal low - while credit growth accelerated to 14.5% year-on-year as of December 2025, reflecting improved lender confidence and borrower access.

Overall, FY26 marked a year of macroeconomic consolidation, supported by strong domestic demand, robust manufacturing performance, record-low inflation and a significantly accommodative monetary environment. These factors reinforced India's growth trajectory against a challenging global backdrop.

Outlook for FY27 and Beyond

India's growth momentum is expected to remain broadly intact in FY27, with real GDP projected at 6.8-7.2% by the Economic Survey - anchored by the country's estimated potential growth rate of approximately 7%. Domestic demand is expected to remain the primary driver, supported by continued recovery in rural consumption, strengthening private investment, and a favourable demographic profile. The RBI has projected FY27 GDP growth at 6.9%, reinforcing confidence in the durability of India's macroeconomic fundamentals.

For the manufacturing sector, the outlook remains constructive. PLI schemes across 14 sectors - having already attracted over ₹2.0 Lakhs Crores in investment and generating incremental production exceeding ₹18.7 Lakhs Crores — are expected to sustain industrial momentum into FY27. Continued policy support for domestic manufacturing, improving capacity utilisation, and a stable business environment are likely to keep industrial activity broadly firm.

On the monetary and credit front, the RBI has maintained the repo rate at 5.25% - its lowest since July 2022 - adopting a neutral stance to balance growth support against emerging inflation risks. FY27 inflation is projected at 4.6%, firming from the historic lows of FY26, primarily due to global commodity price pressures linked to geopolitical developments. For debt-carrying companies, the interest rate environment in FY27 is likely to remain stable at current levels, with limited room for further cuts given the global inflation trajectory. However, the significant rate transmission from FY26's 125-basis-point easing cycle is expected to continue to flow through to borrowing costs.

The farm forestry and agricultural outlook for FY27 is expected to remain supportive, underpinned by policy continuity, assured MSP support, and income transfer programmes such as PM-KISAN that sustain rural cash flows. This directly supports farmers' participation in pulpwood cultivation - a critical input in the paper and pulp industry.

Key risks to the outlook include global commodity price volatility, elevated geopolitical uncertainty, and the potential for inflation to firm beyond projections - all of which could influence input costs and credit conditions. Nonetheless, India's strong macroeconomic buffers, low fiscal deficit trajectory, and resilient domestic demand position the economy well to navigate external headwinds.

Source: PIB Economic Survey 2025-26
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219907&reg=3&lang=2

PAPER & PULP-GLOBAL PERFORMANCE

The global pulp and paper industry entered a phase of measured recovery in CY25, marked by shifting demand patterns and gradual stabilisation across key markets. The market size is estimated at USD 350-360 billion, reflecting moderate expansion led by packaging, paperboard, tissue, hygiene and specialty products. Global paper demand is estimated to have recorded moderate growth of approximately 1-3% during CY25 despite a challenging macroeconomic environment and is expected to remain resilient in CY26, with growth projected at 1-2%.

While digitalisation continues to exert structural pressure on traditional segments such as writing & printing paper and newsprint, the global paper industry is expected to maintain a steady growth trajectory, registering a CAGR of approximately 1-3% during CY23-CY26. The long-term outlook remains positive, supported by expanding end-use sectors such as FMCG, pharmaceuticals, healthcare, food service and e-commerce.

Global demand for writing and printing (W&P) paper remained broadly stable during CY25. However, long-term growth prospects continue to be constrained by increasing digital adoption, higher penetration of smartphones, growing use of digital learning platforms, lower corporate spending on office stationery and rising popularity of e-books, particularly in developed markets. Nevertheless, demand from developing economies, supported by educational requirements and relatively lower digital penetration, is expected to provide some stability to the segment.

Paperboard continues to be the principal growth driver for the global paper industry, with demand estimated to have increased by 2-4% CAGR during CY25, supported by sustained growth in e-commerce, FMCG, pharmaceuticals and consumer goods sectors. Global paperboard demand is expected to continue its growth momentum in CY26, with increasing preference for sustainable packaging solutions and regulatory restrictions on single-use plastics supporting long-term demand growth.

Specialty paper also continues to emerge as a key growth segment, driven by rising demand from packaging, hygiene, healthcare, food service and industrial applications. In contrast, the newsprint segment continues to face structural decline owing to increasing digital media consumption and growing e-readership.

Global Demand Environment

The global demand environment remained subdued during CY25 owing to weak economic conditions and trade-related uncertainties. Demand in China weakened during the first half of CY25 following tariff announcements by the United States. Given China's significant role in global paper and pulp trade, lower demand from China and other Southeast Asian economies adversely impacted global market sentiment.

Additionally, demand in the United States and Europe, which together account for a substantial share of global paper consumption, remained soft amid subdued economic activity. Consequently, global demand growth remained moderate despite healthy consumption trends in packaging-related segments.

Global pulp prices declined during CY25 owing to weak global demand, elevated inventory levels, additional downstream capacity and softer demand from China and Southeast Asia. Prices of softwood and hardwood pulp declined by approximately 8% and 17%, respectively, to around USD 720 per tonne and USD 600 per tonne.

However, supply-side disruptions, maintenance shutdowns and lower inventory levels have resulted in tightening pulp availability at the beginning of CY26, leading to firming prices. Similarly, wastepaper prices, which declined by approximately 12% during CY25 to around USD 210 per tonne, are expected to remain elevated in CY26 due to raw material scarcity, lower collection rates, higher energy costs and improving packaging demand.

Consequently, fibre security, raw material sourcing efficiency and cost optimisation will remain key determinants of competitiveness across the global paper industry.

Outlook of CY26 & Beyond

The outlook for CY26 and beyond points to steady, structurally driven growth. Packaging grades are expected to remain the primary growth engine, supported by global trade flows, deeper e-commerce penetration and the shift towards recyclable and biodegradable materials. Separately, the global pulp and paper market is estimated to expand at a 3-4% CAGR over the medium term, surpassing USD 400 billion by the end of the decade (Source: Fortune Business Insights, see below).

Source : Crisil Intelligence, Estimated CAGR outlook for key paper segments

The global pulp and paper industry is expected to maintain a stable growth trajectory over the medium term, supported primarily by sustained demand for packaging, paperboard, tissue, hygiene and specialty grades. Increasing adoption of recyclable and biodegradable packaging solutions, expanding e-commerce penetration and rising consumer preference for sustainable products are expected to remain key growth drivers.

Emerging economies, particularly in Asia-Pacific and Latin America, are expected to account for a significant share of incremental demand owing to rising incomes, urbanisation and industrialisation.

Nevertheless, the industry continues to face challenges arising from structural decline in certain writing and printing grades, input-cost volatility, tightening environmental regulations and evolving customer preferences. In this environment, fibre security, operational efficiency, product innovation and sustainability-led investments will remain critical determinants of long-term competitiveness.

Source: Fortune Business Insights – April 06, 2026
https://www.fortunebusinessinsights.com/pulp-and-paper-market-103447

PAPER & PULP – INDIA'S PERFORMANCE

India's paper and paperboard industry continued to demonstrate resilience during FY25, with overall demand increasing by approximately 4% year-on-year to 24.1 million tonnes. Growth was driven primarily by robust demand from paperboard, packaging and specialty paper segments, supported by expansion in FMCG, pharmaceuticals, e-commerce and quick-commerce sectors.

Paperboard remained the largest segment, accounting for approximately 64% of total demand, followed by writing & printing paper at 24%, specialty paper at 7% and newsprint at 5%. CRISIL Intelligence expects domestic paper demand to grow at a healthy CAGR of 4-6% during FY25-FY27, reaching approximately 25-27 million tonnes by FY27, driven largely by sustained growth in paperboard and specialty paper segments supported by rising domestic consumption, policy support, organised manufacturing capacity and increasing substitution of imports in select grades.

The domestic paper industry witnessed significant margin pressure during FY25 owing to elevated wood prices and increased imports, particularly from ASEAN countries. Wood prices increased by approximately 20-25% during the year due to supply constraints and strong demand from other wood-based industries. Simultaneously, increased imports created oversupply conditions in the domestic market, resulting in a decline of 10-12% in domestic writing and printing paper prices. Intense competition from lower-priced imports constrained the ability of domestic manufacturers to fully pass on higher input costs, leading to compression in industry margins. Although wood prices have stabilised and margins are expected to improve gradually, import competition is likely to remain a key monitorable for the industry.

% of consumption

Consumption in MT

Approximate share of domestic paper demand in MT and percentage by segment in CY25 based on data published by CRISIL Market Intelligence & Analytics.

Paperboard and packaging remained the largest contributor to industry growth, accounting for nearly 64% of industry turnover in FY25 and growing at 9% year-on-year, with a 5–7% CAGR projected through FY25-27 as per CRISIL Research. Demand was supported by shifts in consumer behaviour, digital commerce, organised retail, FMCG activity and the increasing preference for paper-based alternatives. Capacity additions by large integrated players and improving utilisation also strengthened the competitive positioning of organised manufacturers.

On the supply side, the cost environment remained mixed. Wood pulp, waste paper and chemical prices showed some stabilisation compared with earlier volatility. However, energy and logistics costs continued to weigh on margins, particularly for smaller and mid-sized mills. These conditions sharpened the industry's focus on operational efficiency, backward integration, cost optimisation and product-mix discipline.

For integrated paper manufacturers, farm forestry remains an important link to raw materials. Improved rural cash flows and farmer participation in pulpwood cultivation can support the availability of key species such as eucalyptus, casuarina and subabul, which are critical to the domestic paper industry's fibre supply chain.

Key Demand Drivers

Several structural factors continue to support long-term growth of the Indian paper industry. India's per capita paper consumption remains significantly below the global average at approximately 14-16 kg compared with the global average of around 57 kg, indicating substantial headroom for future growth.

The writing and printing segment is expected to grow at a moderate CAGR of 2-3% through FY27, supported by increasing enrolment in educational institutions, implementation of the National Education Policy, higher government expenditure on education and rising demand for textbooks in regional languages. Industry estimates indicate that nearly 30-40% of incremental demand in recent years has been driven by NEP-related initiatives.

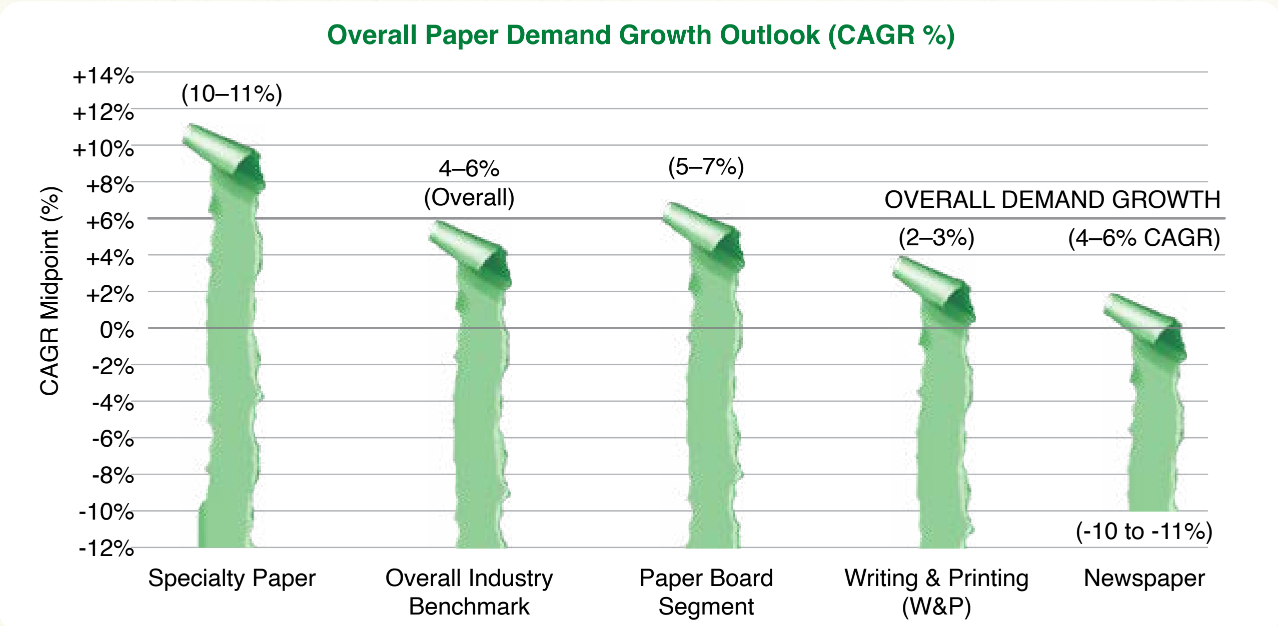
Paperboard is expected to remain the fastest-growing major segment, supported by robust demand from FMCG, pharmaceuticals, organised retail, consumer durables, e-commerce and quick-commerce sectors. Consumer packaging grades, which account for nearly 40-50% of industry volumes, are expected to register strong growth over the medium term. Specialty paper demand is expected to grow at a robust CAGR of 10-11% through FY27, driven by increasing demand for tissue, cup stock, thermal and other value-added grades. Rising hygiene awareness, urbanisation, healthcare expansion and growth in organised retail are expected to provide sustained long-term growth opportunities.

Overall, FY26 marked a year of stable expansion and gradual transformation for the Indian pulp and paper industry, with packaging-led growth, input-cost discipline, sustainability practices and organised capacity development shaping the sector's performance.

Outlook for FY26 & Beyond

Crisil Intelligence expects the overall paper demand to grow at a healthy two-year CAGR (FY25-FY27) of 4-6% to ~25-27 million tonnes by fiscal 2027 driven largely by paperboard and specialty paper demand. The newsprint segment continues to witness slow demand due to decline in English news paper circulation on account of shift towards digitised versions of newspapers with proliferation of digitisation and smartphones.

The outlook for FY27 and beyond remains positive, with structurally driven growth expected to continue, supported by domestic demand expansion, low per capita consumption, sustainability-led substitution and rising consumption from end-user sectors. As per The Pulp and Paper Times, the Indian paper market is currently valued at approximately USD 4.7 billion, and is projected to grow at a 13.4% CAGR through 2032, reaching nearly USD 11.3 billion, with packaging grades expected to remain the primary growth engine.



Domestic demand outlook of Paper Segment in CAGR for FY2025-27
Source : Crisil Intelligence

Demand from FMCG, pharmaceuticals, food processing, organised retail and e-commerce is expected to support continued growth in paperboard and packaging solutions. At the same time, increasing regulatory and consumer focus on reducing plastic usage is likely to accelerate the adoption of recyclable and paper-based alternatives.

However, the sector will continue to face structural challenges. Raw material availability, particularly wood fibre and waste paper, remains a key constraint, creating exposure to price volatility and imports in certain segments. Energy costs, environmental compliance requirements and industry fragmentation may also continue to influence margins and competitiveness.

Addressing these challenges will require sustained investments in plantation development, recycling infrastructure, technology upgrades, process efficiency and value-added product categories. Opportunities are expected to emerge in speciality papers, high-performance grades, hygiene-linked products and packaging applications where quality, sustainability and reliability are becoming increasingly important.

Taken together, these segment-level trends (summarised in the table above) reinforce the broader industry outlook of paperboard- and specialty-led growth, with writing and printing paper demand supported chiefly by continued government expenditure on education and literacy initiatives.

Source: The Pulp and Paper Times
https://thepulpandpapertimes.com/news/indian-pulp-and-paper-industry-opportunities-growth-drivers-challenges-and-outlook-2408

KEY PRODUCT DEMAND OUTLOOK

Copier Paper

- India's rapidly expanding formal office ecosystem - driven by the proliferation of startups, co-working spaces, GCCs, and a hybrid work culture - sustains consistent demand for high-quality copier paper.
- Institutional procurement from government offices, banks, educational institutions, and corporates provides a durable, non-cyclical demand base.
- Continued economic formalisation is bringing more businesses into organised office formats, thereby supporting sustained offtake.

Writing and Printing Grades

- India's large education ecosystem continues to support demand for notebooks, notepads, diaries, textbooks, reference books and publishing papers.
- Corporate, commercial and institutional activity supports demand for journals, annual reports, calendars, envelopes and commercial printing grades.
- Andhra Paper's writing and printing portfolio, including brands such as Truprint Ultra, Primavera, CCS, Writechoice and related grades, remains aligned with these application areas.

Industrial Grades

- The shift away from single-use plastics is supporting demand for paper cups, paper straws and food-service paper applications, benefiting cupstock and straw paper grades.
- India's pharmaceutical and healthcare ecosystem supports demand for pharma print and speciality packaging papers.
- Growth in organised retail, personal care, food services and industrial packaging supports demand for kraft, stiffener, blade wrapper, thermal base and other speciality industrial grades.

Packaging Board

- E-commerce, FMCG, food processing, organised retail and sustainability-led substitution are expected to support demand for paperboard and packaging grades.
- Regulatory focus on plastic reduction and producer responsibility is likely to strengthen long-term demand for recyclable and paper-based packaging solutions.

Tissue and Hygiene Papers

- Rising hygiene awareness, urbanisation, hospitality growth, healthcare demand and food-service expansion are supporting long-term demand for tissue and hygiene paper products.
- Andhra Paper's planned entry into this segment through a 100 TPD tissue paper facility is expected to strengthen its presence in a higher-growth category and support portfolio diversification beyond traditional paper grades.

Sources
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ABOUT THE COMPANY

Andhra Paper Limited (APL) is one of India's leading integrated paper and pulp manufacturers with a rich industrial heritage dating back to 1921. The Company operates manufacturing facilities at Rajamahendravaram and Kadiam in Andhra Pradesh.

The Company manufactures a comprehensive range of writing, printing, copier, packaging and industrial papers catering to educational institutions, offices, publishers, converters and industrial users. APL is the only integrated paper manufacturer in Andhra Pradesh producing paper from virgin pulp and has established a strong market presence across major paper segments.

APL operates an integrated manufacturing platform comprising paper production capacity of 2,97,500 tonnes per annum, virgin pulp production capacity of 2,27,500 tonnes per annum, captive power generation facilities, chemical recovery systems and an extensive distribution network. Supported by sustainable plantation development initiatives and long-term raw material sourcing programmes, the Company's integrated business model provides supply chain resilience, cost competitiveness and flexibility to respond to evolving market requirements. The Company's diversified portfolio comprises over 18 product categories and more than 40 product variants marketed across India and international markets.

FY26 was characterised by a challenging operating environment marked by subdued domestic demand, elevated imports and pressure on paper realisations. Despite these headwinds, the Company delivered its highest-ever annual production of 2,59,266 MT and annual sales of 2,60,438 MT, reflecting the benefits of modernisation, capacity enhancement initiatives and focused operational excellence. Quarterly production also reached an all-time high of 68,286 MT during the fourth quarter, supported by improved operational reliability, enhanced machine productivity, focused maintenance practices and sustained process improvements.

The benefits of the Company's ongoing modernisation programme became increasingly visible during FY26 through improved machine efficiencies, enhanced runnability, higher capacity utilisation, lower downtime and superior quality performance. Rajahmundry Unit recorded finished paper production of 1,86,867 MT, representing an increase of nearly 12% over the previous year, while the Kadiam Unit continued to strengthen its product portfolio through increased production of high-value pharmaceutical grades and trials for specialty products such as oil and grease resistant paper and Green Copier paper containing recycled fibre.

The Rajahmundry and Kadiam Units achieved capacity utilisation levels of 102.87% and 93.09%, respectively, with overall capacity utilisation reaching 99.97% during

the year, reflecting successful execution of strategic investments, disciplined operational excellence and the commitment of employees across both units.

While lower net sales realisations and higher wood costs exerted pressure on profitability, particularly during the first half of the year, the Company demonstrated resilience through improved operating efficiencies, enhanced asset utilisation, product mix optimisation and strong execution. A significant recovery in production and sales volumes during the second half culminated in record quarterly production and sales in Q4 FY26, reinforcing the Company's competitive position and providing a strong foundation for future growth.

As part of its commitment to sustainable manufacturing, the Company commissioned a 43,000 TPA Precipitated Calcium Carbonate (PCC) facility that captures and reutilises carbon dioxide generated from lime kiln operations. The project is expected to reduce greenhouse gas emissions from existing lime kiln stacks by approximately 19,000 tonnes per annum while enhancing paper quality characteristics such as brightness, opacity and bulk.

Recognising the structural shift in industry demand towards paperboard, packaging and specialty grades, the Company is progressing with the establishment of a 35,000 TPA tissue paper manufacturing facility, which will mark its entry into the fast-growing tissue segment and further diversify its revenue streams. The Company is awaiting requisite approvals from the Andhra Pradesh Pollution Control Board for commencement of production. Simultaneously, the Company continues to strengthen its presence in specialty paper categories, including pharmaceutical grades and environmentally sustainable paper solutions.

The Company remains committed to operational excellence through continued investments in modernisation, automation, energy efficiency and environmental stewardship. Its integrated manufacturing platform, strong plantation and farm forestry base, diversified product portfolio and strategic investments in specialty and tissue paper segments position Andhra Paper favourably to capitalise on emerging opportunities in the evolving Indian paper industry. Continued emphasis on fibre security, cost competitiveness, sustainability, product innovation and customer-centricity is expected to enhance resilience, drive profitable growth and create sustainable long-term value for all stakeholders.

Financial Performance with Key Ratios

Pursuant to Regulation 34(3) read with Schedule V (Part B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company sets out below the key financial ratios for FY26 and FY25 with variance.

Particulars	March 31, 2026	March 31, 2025	Variance
Debtors Turnover	12.85	18.18	-29%
Inventory Turnover	5.81	5.51	5%
Interest Coverage Ratio	2.43	7.74	-69%
DSCR	1.20	4.05	-70%
Current Ratio	2.95	2.97	-1%
Debt Equity Ratio	0.12	0.14	-19%
Operating Profit Margin (%)	3.96	8.73	-55%
Net Profit Margin (%)	1.09	5.77	-81%
Return on Capital Employed (RoCE) (%)	1.94	5.86	-67%
Return on Net Worth (%)	0.96	4.58	-79%

For further information and detailed explanations on ratios, please refer Note No. 49 of the Financial Statements.

SWOT Analysis

STRENGTHS

Integrated operations with scale advantage: Among a limited set of players in India with comparable scale and integration across pulp and paper, enabling better control over quality and costs.

Diverse product portfolio: Presence across writing & printing, copier, industrial and specialty papers reduces dependence on a single segment.

Strong distribution backbone: Extensive pan-India dealer network with long-standing relationships, ensuring deep market reach and consistent offtake.

Backward linkages through farm forestry: Large-scale plantation initiatives ensure a more reliable and sustainable supply of wood fibre while supporting rural ecosystems.

Operational efficiency focus: Ongoing capex towards debottlenecking, capacity enhancement, and process optimisation strengthens productivity and cost competitiveness.

OPPORTUNITIES

Growth in packaging and specialty segments: Rising demand from FMCG, pharmaceuticals, and e-commerce provides strong tailwinds for paperboard and value-added products.

Expansion into tissue segment: Entry into hygiene-focused paper products opens a high-growth, higher-margin category.

Sustainability-driven substitution: Increasing regulatory push against single-use plastics supports demand for paper-based alternatives.

Capacity expansion and greenfield projects: Planned investments in pulp and paperboard capacity position the Company for long-term volume growth.

Export market expansion: Opportunity to scale presence beyond current geographies with improved product mix and quality.

WEAKNESSES

Energy-intensive manufacturing: Dependence on coal-based power (partly captive) exposes operations to cost pressures and environmental scrutiny.

Limited export contribution: Export share remains relatively modest, indicating dependence on domestic markets.

Exposure to traditional segments: Continued presence in writing & printing grades, which face structural pressure from digitalisation.

Margin sensitivity to input costs: High dependence on raw materials such as wood fibre and chemicals impacts profitability during cost volatility cycles.

THREATS

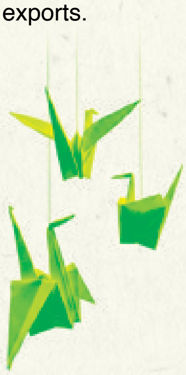
Raw material availability risks: Dependence on wood and waste paper markets exposes the Company to supply fluctuations.

Regulatory and environmental pressures: Increasing compliance requirements around emissions, water usage, and waste management.

Industry fragmentation: Presence of multiple small and mid-sized players intensifies pricing pressure.

Demand shifts due to digitisation: Structural decline in certain paper segments could impact long-term demand mix.

Macroeconomic and global market volatility: Exposure to changes in economic conditions affecting end-user industries and exports.



The Company is well positioned to capitalise on favourable long-term industry trends, supported by its integrated manufacturing operations, strong plantation programme, ongoing modernisation initiatives and increasing presence in value-added and specialty segments. Continued investments in sustainability, operational excellence, product diversification and customer-centric innovation are expected to enhance resilience, strengthen competitiveness and support sustainable long-term value creation.

Internal Control Systems and Their Adequacy

The Company's internal controls over financial reporting are established and maintained under the overall supervision of the Board of Directors, with active oversight from the Audit Committee. The Managing Director, Whole-time Director, Chief Financial Officer, and senior leadership team are responsible for day-to-day execution.

These controls are designed to provide reasonable assurance on the reliability of financial reporting and the preparation of financial statements in accordance with the Companies Act, 2013, and other applicable laws. Given the inherent limitations of any internal control framework, such systems can provide only reasonable, not absolute, assurance.

The framework is supported by well-defined policies and procedures, built-in monitoring mechanisms, and periodic audits by independent auditors. Management takes timely corrective action on identified deficiencies and continuously reviews operations to strengthen controls, particularly in areas with material business impact. The control environment is further anchored in a robust code of ethics, structured training, clear delegation of authority, and consistent communication of accounting and business policies.

An evaluation of the adequacy and effectiveness of internal financial controls was conducted as of March 31, 2026, and Management believes the controls are adequate and operating effectively. The Statutory Auditors have issued an unmodified opinion to this effect. The Audit Committee, comprising independent directors, regularly reviews the integrity of financial statements, internal audit performance, and the work of statutory auditors — meeting periodically, with or without management present — and has reviewed the financial statements for the year ended March 31, 2026.

HUMAN RESOURCES

Andhra Paper recognises that a productive, motivated, and healthy workforce is fundamental to operational excellence and sustainable growth. The Company strategically invests in attracting, developing, and retaining talent across all levels of the organisation, ensuring that both executives and workmen are equipped to contribute effectively to long-term business success. The Company follows robust talent management practices encompassing structured career development, continuous learning, leadership development, and succession planning. Employee development initiatives are guided by the Company's "3C Rule" — Character, Capability, and Catalyst — which aligns individual growth with organisational objectives and performance expectations.

The Company promotes harmonious industrial relations and places strong emphasis on the well-being of its workmen, recognising them as valued partners in achieving operational excellence and manufacturing efficiency. Through open communication, mutual trust, and collaborative engagement, Andhra Paper fosters a culture of industrial harmony that supports uninterrupted operations and enhanced productivity. The Company provides competitive compensation and benefits, along with access to various recreational and community facilities and cultural activities that encourage social interaction, physical well-being, and a sense of belonging. In addition, training programmes, skill enhancement initiatives, and team-building activities are conducted to strengthen capabilities, improve engagement, and promote overall morale. Andhra Paper remains committed to maintaining a safe, healthy, and inclusive workplace where workmen are treated with dignity and respect, contributing to their overall well-being, job satisfaction, and long-term development.

The Company maintains a strict zero-tolerance approach toward discrimination and enforces comprehensive policies to prevent sexual harassment, ensuring a secure and equitable work environment for all. Employee health, safety, and well-being continue to be integral to Andhra Paper's operational and cultural framework.

Total number of employees (direct and indirect) as of March 31, 2026.

"6,366"

STRATEGIC PRIORITIES

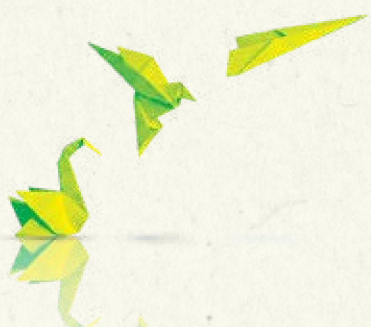
The Company's strategic priorities are focused on operational excellence, sustainable growth, product diversification, resource efficiency, people development and robust governance. Continued investments in modernisation, specialty products, sustainability initiatives and customer-centricity are expected to strengthen resilience and support long-term value creation.

RISK MANAGEMENT FY26

Andhra Paper operates in a dynamic environment shaped by volatile input costs, evolving regulatory standards, competitive import pressure, and the structural transformation of the paper industry. The Company recognises that risks cannot be fully eliminated, but can be systematically identified, assessed, and managed to reduce their impact on operations, financial performance, and long-term value creation.

Risk category	Nature and context	Mitigation measures
Raw material risk	The wood shortage in FY22 due to the disruption of harvesting cycles during the COVID-19 period continued to impact margins until FY25. During FY26, wood prices largely stabilised, with marginal variations of 2%–5% across certain regions and species. While pulp and chemical prices also remained relatively stable, India continues to face a structural wood fibre deficit, making the industry vulnerable to supply gaps, which could impact margins.	Extensive farm forestry programme covering approximately 3,15,107 hectares supports long-term fibre security. Expansion of Casuarina plantations is expected to ease supply pressures arising from market competition. Wood inventory will be increased from 30 days to 50 days when wood availability is good. Maturing plantation cycles will ease wood costs in FY2026-27, benefiting the Company's input cost structure.
Threat from cheaper imports	Rising cheaper imports from ASEAN countries and China — entering at zero or reduced duty under FTA— were a key factor in FY25 margin pressure and remain so in FY26. Cheaper imports constrained domestic pricing power and realisations.	Strong brands, consistent product quality and customer service support customer preference and retention. Focus on value-added and specialty grades enhances realisations and reduces exposure to import competition. Flexible product mix enables timely alignment with domestic and export market opportunities.
Market demand risk	Structural changes arising from digitalisation and evolving consumption patterns continue to moderate demand growth in certain writing and printing paper grades. While educational and institutional demand provides stability, sustained portfolio diversification remains essential to reduce dependence on traditional segments and align with evolving market requirements.	Active diversification into packaging board, specialty, and industrial grades - segments with structurally growing demand from FMCG, pharma, and e-commerce. Entry into the tissue segment underway in FY26 - a high-growth, higher-margin category driven by rising hygiene awareness and urbanisation, opening a new demand engine for the Company. Expanding product mix to include cupstock, straw paper, pharma print, and other value-added applications reduces dependence on traditional writing and printing grades. Manufacturing flexibility and market-driven product mix optimisation enable the Company to respond effectively to evolving demand patterns and emerging growth opportunities.
Operational risk	In FY25, the Company experienced disruptions from strikes and annual outage that impacted production volumes and contributed to underperformance. In FY26, this position has improved — capacity utilisation remained robust throughout the year, debottlenecking investments were executed, and industrial relations notably improved. While operational risk can never be fully eliminated in a manufacturing environment, FY26 represents a meaningful recovery in operational stability.	Debottlenecking and capacity enhancement investments completed in FY26, improving process reliability and reducing single points of failure. Robust capacity utilisation during FY26 indicates effective demand-supply alignment and stable production planning Improved industrial relations and constructive employee engagement reduce the likelihood of labour-related disruptions recurring Strong internal SOPs and experienced leadership team overseeing day-to-day operations.

Risk category	Nature and context	Mitigation measures
Foreign exchange risk	The Company's dependency on imported wood chips, pulp, and chemicals in periods of domestic supply shortfall creates foreign exchange exposure. A weakening rupee directly raises the landed cost of imports without a corresponding ability to pass increases through to customers. Global geopolitical developments in FY26 have added a new dimension to this risk.	Use of financial instruments to hedge currency risk on import payables where appropriate Active effort to increase share of domestically sourced inputs - farm forestry expansion is the structural long-term response to foreign exchange exposure on raw materials Monitoring of import requirements and timing of procurement to manage exposure to rupee movements
Environmental and regulatory risk	Environmental regulations governing emissions, effluent discharge, water usage, and waste management are progressively tightening. The Environment (Protection) Seventh Amendment Rules, 2025, notified on September 4, 2025, has reduced the threshold for effluent discharge, with obligated industries required to achieve compliance within two years of that date. Meeting the enhanced requirements may necessitate additional investments in treatment infrastructure, process upgrades and monitoring systems, leading to increased compliance costs and implementation risks.	The capital investments executed over the last two years in environmental infrastructure, process modernisation, including the Ash Leaching Plant, upgrade of Fiberline, Evaporator, Lime Kiln, CNCG/DNCG systems, modern bleaching technology and replacement and augmentation of effluent discharge infrastructure enhance chemical recovery, reduce process emissions, improve resource efficiency and strengthen environmental compliance capabilities and position the Company favourably to address the more stringent environmental standards.
Human resource risk	Attrition of skilled technical, operational and managerial personnel may impact efficiency and productivity	Retention and reward programmes for critical talent and key operational roles. Succession planning for key managerial and technical positions to ensure continuity. Periodic talent reviews and attrition analysis to identify and address retention risks.
Health and safety risk	Pulp and paper manufacturing involves heavy rotating machinery, high-temperature processes, chemical handling, and complex logistics - all carrying inherent safety risks. A serious accident can result in loss of life, regulatory action, operational shutdown, and lasting reputational damage. For an integrated manufacturing operation of the Company's scale, safety is a non-negotiable operating standard.	Hazard Identification, Risk Assessment, and Fatality Elimination (HIRAFE) standards applied to all routine tasks Permit to Work system governing all high-risk activities; daily reporting system communicating unsafe conditions across the plant Contractor Safety Management system enforcing accountability for repeated unsafe behaviour among third-party workers Appreciation programme rewarding safe work practices, reinforcing a safety-first culture across the workforce



Risk category	Nature and context	Mitigation measures
Cyclicality risk	Paper demand and pricing are linked to broader economic cycle - industrial output, consumer sentiment, and discretionary spending. A macroeconomic slowdown can compress both volumes and realisations simultaneously. While India's underlying growth fundamentals remain strong in FY26, global uncertainty from geopolitical conflict and tariff tensions introduces cyclical risk into export-linked and commodity-grade segments.	Diversified product mix across writing, printing, packaging, industrial, and specialty grades reduces dependence on any single segment's economic cycle Stable institutional demand base - education, government, healthcare, banking - provides a non-cyclical demand floor Entry into tissue segment adds exposure to a demand category driven by hygiene necessity rather than discretionary spending
Governance and compliance risk	The Company is subject to extensive regulatory requirements under the Companies Act, 2013, SEBI Regulations and other applicable laws. Non-compliance with regulatory requirements or governance failures could result in financial, legal and reputational consequences.	Internal controls over financial reporting maintained under Board supervision with active Audit Committee oversight Statutory Auditors issued an unmodified opinion on the adequacy of internal financial controls for FY26 Whistleblower mechanism, codes of conduct, and structured delegation of authority embedded in the governance framework Audit Committee comprising independent directors reviews financial statements and auditor performance periodically
Financial risk	Market Cyclicality, pricing pressure, input cost inflation and operational disruptions may adversely impact profitability and cash flows.	Strong liquidity and prudent financial management. Focus on operational efficiency, cost optimisation and working capital discipline. Integrated operations and diversified product portfolio support earnings resilience. Strategic investments in tissue, specialty grades and value-added products to drive sustainable growth.

Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may constitute "forward-looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied, as the Company's operations are influenced by various internal and external factors beyond its control. The Company does not undertake any obligation to publicly update or revise any forward-looking statements based on subsequent developments, information, or events. Readers are advised to exercise their own judgment in evaluating the risks associated with the Company, noting that the factors discussed herein are not exhaustive.

BOARD'S REPORT

Dear Members,

The Board of Directors has the pleasure in presenting its 62nd Report along with the Audited Accounts for the year ended March 31, 2026.

Performance Review

The Indian Paper Industry faced significant challenges during the financial year 2025-26, primarily due to a surge in imports, rising raw material costs and softening realizations. Amidst these challenges, your company showed resilience and posted moderate profitability. The summary of the financial results are as follows:

Summary of Financial Results

(₹ in Crores)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from Operations	1701.23	1,541.24
Earnings before interest, depreciation & taxation (EBITDA)	150.89	223.29
Finance costs	18.22	17.89
Depreciation	107.31	88.32
Profit before exceptional items	25.36	117.07
Exceptional items	0	0
Profit before tax	25.36	117.07
Tax expense	6.75	28.16
Profit for the year	18.62	88.91

The financial year 2025-26 was characterised by contrasting trends of record operational performance amidst a challenging market environment. The Indian paper industry continued to witness pressure from elevated imports, particularly from China and ASEAN countries, resulting in subdued domestic price realisations. Persistent inflation in wood and other input costs, coupled with higher depreciation and finance costs arising from major capital expenditure programmes, further impacted profitability.

Despite these headwinds, your Company achieved its highest-ever annual production of **2,59,266 MT** and record sales of **2,60,438 MT**, demonstrating the resilience of its business model, manufacturing capabilities and market reach. Revenue from operations increased to **₹1,701.23 Crores** during FY 2025-26 as against **₹1,541.24** Crores in the previous year. The record operational performance reflects the successful execution of strategic modernisation and capacity enhancement initiatives undertaken over the last two years, coupled with sustained focus on operational excellence, reliability improvement, enhanced machine productivity and process optimisation across manufacturing facilities. These investments have strengthened the Company's operating platform and are expected to support improved efficiencies, product quality and long-term value creation. The increase in revenue is attributable to strong market position, ability to adapt its product mix to cater to customer preferences, and a robust dealership network that allows flexible pivoting between domestic and export markets based on demand.

However, EBITDA declined to ₹150.89 Crores from ₹223.29 Crores in FY 2024-25 primarily due to lower net sales realisations, higher raw material costs and increased fixed charges associated with recently commissioned assets. Profit after tax stood at ₹18.62 Crores as compared to ₹88.91 Crores in the previous year.

The Company responded proactively through stringent cost optimisation, enhanced operational efficiencies, prudent working capital management and an increased focus on value-added products. The benefits of the extensive mill modernisation programme and softening wood prices are expected to support margin recovery over the medium term.

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

Transfer to reserves

The Company does not propose to transfer any amount to reserves.

Dividend

The Board of Directors at their Meeting held on May 14, 2026 recommended a dividend of ₹0.50/- per equity share of ₹2/- each, for approval of the Shareholders at the forthcoming Annual General Meeting, and is incompliance with the Dividend Distribution Policy of the Company. The said Policy is disclosed on the Company's website: https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645517957Dividend%20Distribution%20Policy.pdf.

Markets, Customers and Commercial Excellence

The Company stands for its core belief in "Customer First" and its commitment to create value for the customers, "Serving you with Pride".

With uncertainty as the new constant in the swiftly changing market place, the continuous investments in upgradation of plant and machinery warranted the Company to meet the changing Customer needs in Writing & Printing and Value Added application products.

The dedicated distribution network in the Domestic Market garnered the growing preference of the Company's products by Customers resulting in the highest domestic sales of 2,58,550 MT (YOY 19%) thereby mitigating the geopolitical volatilities through the year. This resulted incremental YOY Sales of Writing & Printing Products – Truprint Ultra (17%), Truprint Ivory (28%), Primavera White (63%), Primavera (21%), Write Choice (9%), Splendor (342%) and Value Added Products – Pharma Print (189%), Plain Kraft NS Hi-BF (172%), Straw Paper (257%), Coating Base (93%).

The Company's central value of "Think Customer" endures to produce preferred products to enhance customer value by way of offering 'right products for right applications' at an augmented pace to meet customer requirements resulting in new product developments – Natural Shade Maplitho and Superprint Copier, a fighter copier brand.

The Company achieved the highest ever sales in a year at 2,60,438 MT (YOY 15%). The recent years of capex paved way for the Company's highest Maplitho Sales at 1,47,043 MT (YOY 63%).

FY 2025-26 Highlights:

- Highest Sales of 2,60,438 MT
- Highest Domestic Sales of 2,58,550 MT
- Highest Maplitho Sales of 1,47,043 MT
- Substantial growth in Maplitho Products like Truprint Ultra (17%), Truprint Ivory (28%), Primavera White (63%), Primavera (21%), Write Choice (9%), Splendor (342%) and Value Added Products like Pharma Print (189%), Plain Kraft NS Hi-BF (172%), Straw Paper (257%), Coating Base (93%)

Operational highlights

With the ever-changing market dynamics, the Company increased its participation in value-added products, including Azurelaid, Stiffener, Poster and Cupstock.

Products	Y-o-Y sales growth
Primavera White	63%
Primavera	21%
Truprint Ultra	17%
Truprint Ivory	28%
Splendor	342%
Pharma Print	189%

The Company had put in its vital efforts to achieve OTIF delivery rate (On- Time-In-Full) at 94.5 %, forecast accuracy to 94%, and improved complaint closure to 100% that is uppermost tier in the Indian Paper Industry.

The Company is present in all segments of paper ranging from writing, printing, industrial and copier papers. The Company's share in the export was approximately 0.7% in FY 2025-26. It remained focused on producing improved quality Maplitho Products and Value-Added products with higher Net Sales Realisations to increase profitability.

Mill Development, Capital Expenditure and Strategic Modernisation

During FY 2025-26, your Company substantially completed its flagship mill modernisation programme undertaken across the Rajahmundry and Kadiyam manufacturing units with the objective of enhancing operational reliability, productivity, sustainability and long-term competitiveness.

Plant upgrades and de-bottlenecking totalling ₹520 Crores were completed in between 2022 and 2026. RJ-3 Machine upgrade ₹178 Crores is in progress with target completion of March 2027. Tissue Paper project ₹270 Crores awaiting approval from State Pollution Control Board for commencement. In addition, Company invested ₹150 Crores in core manufacturing and process equipment across its pulp, paper and finishing operations, chemical recovery systems and ₹67 Crores in electrical and process control systems, warehousing & logistics infrastructure, utilities, buildings, environmental systems, IT and safety systems.

Key projects commissioned and operationalised during the year include:

i) **Fibre Line Expansion:** Enhanced pulp manufacturing capacity from 550 TPD to 630 TPD, strengthening raw material integration and supporting future growth requirements.

ii) **Recovery Boiler and Ash Leaching Plant:** Improved energy efficiency, chemical recovery and operational reliability while reducing process-related risks.

iii) **Waste Paper Line Optimization:** Upgraded the secondary fiber treatment system to enhance recycled pulp processing capacity to 110 TPD. This strengthens sustainability initiatives and maximizes secondary fiber utilization.

iv) **Paper Machine Upgradations and Size Press Installations:** Enhanced product quality and enabled higher participation in premium and value-added paper grades.

v) **Environmental Infrastructure Projects:** Commissioning of CNCG systems and progress on DNCG systems further strengthened environmental performance and statutory compliance.

The Company continues to invest in strategic growth initiatives. The RJ-3 Paper Machine Rebuild and Upgradation Project is progressing as per schedule and is expected to improve machine productivity, product quality and downstream utilisation of expanded pulp capacity. The 100 TPD Tissue Machine Project is also advancing in line with implementation plans and is expected to diversify the Company's product portfolio into high-growth tissue and hygiene segments.

In addition, the Company continued investments in process automation, warehousing infrastructure, finishing capabilities and reliability enhancement projects aimed at improving productivity, reducing operating costs and strengthening manufacturing resilience.

The cumulative impact of these investments has significantly transformed the Company's manufacturing platform, positioning it for sustainable growth, improved competitiveness and long-term value creation for all stakeholders.

Benefits Realised from Capital Investments

The extensive modernization and capacity enhancement initiatives undertaken over the last two years have begun yielding tangible operational and strategic benefits across the Company's manufacturing facilities.

Enhanced Manufacturing Capability and Reliability

- The expanded Fiberline capacity and associated process improvements have strengthened pulp availability, improved manufacturing flexibility and supported record production during the year.
- Upgradation of recovery and chemical recovery systems has enhanced operational reliability, improved steam generation efficiency and strengthened energy self-sufficiency.
- Modernization of boiler and recovery infrastructure has reduced process bottlenecks, improved equipment availability and lowered operational risks.

Improved Product Quality and Value Addition

- Installation of advanced size press technologies and paper machine upgrades has enhanced product quality, printability and surface characteristics, enabling greater participation in premium and value-added paper segments.
- Strengthened finishing capabilities and process optimisation initiatives have improved consistency in product quality and customer satisfaction.
- The expansion of the **Recycled Fiber (RCF) Plant** has enhanced the utilization of secondary fiber, supporting sustainable manufacturing practices.

Operational Efficiency and Sustainability

- Investments in automation, process controls and energy-efficient technologies have improved machine productivity, reduced specific consumption and enhanced resource efficiency.
- Environmental initiatives undertaken across manufacturing facilities have strengthened compliance standards, reduced emissions and improved workplace safety.
- Stronger raw material integration and farm forestry initiatives have improved wood security and reduced dependence on imported inputs.

Future Growth Initiatives

The Company continues to progress with strategic projects including the Dilute Non-Condensable Gas (DNCG) System, the RJ-3 Paper Machine Rebuild and the 100 TPD Tissue Machine Project. These projects are expected to enhance environmental performance, improve downstream value addition and diversify the Company's product portfolio into high-growth segments. Your Directors believe that the cumulative impact of these investments will strengthen long-term competitiveness, improve profitability and create sustainable value for all stakeholders.

Greenfield Expansion Project

The Company continues to evaluate long-term growth opportunities in the paper and paperboard segments through its proposed Greenfield Expansion Project at Unit Kadiyam, East Godavari District, Andhra Pradesh. The proposed project envisages significant capacity additions across paper, paperboard, pulp manufacturing and associated power infrastructure to strengthen the Company's integrated manufacturing capabilities and support future growth requirements.

The Company had initiated requisite regulatory processes for the proposed expansion, including applications for environmental clearances and engagement with relevant authorities. During the year, the Company undertook a strategic review of the timing and phasing of the proposed expansion in light of prevailing market conditions, elevated import pressures and subdued demand across certain paper segments. Further, considering the ongoing stabilization and optimization of recently commissioned capacity enhancement projects at Rajahmundry and Kadiam unit, the Company has adopted a calibrated approach toward the implementation of the Greenfield Expansion Project.

The Company remains committed to pursuing the project in a phased manner aligned with market recovery, demand visibility and prudent capital allocation considerations. The proposed expansion continues to be an integral part of the Company's long-term growth strategy and is expected to be progressed at an appropriate time to maximize stakeholder value.

Tissue Paper Machine

In February 2024, the Board approved the installation of a new tissue paper machine to produce various grades of tissues including facial, napkin, toilet, and towel tissues to capitalise on the opportunities in the growing market demand. The Company secured the necessary Consent to Establish from Andhra Pradesh Pollution Control Board (APPCB) on January 5, 2024, for a production capacity of up to 35,000 TPA. An agreement was signed in May 2024 with Valmet AB (Sweden) for the supply and commissioning of a tissue paper production line with a maximum capacity of 100 TPD. The power transmission lines have been upgraded from 33KV to 132 KV potential with an additional 7 MVA load, approved by Andhra Pradesh Eastern Power Distribution Company on November 23, 2023. The total approved capital outlay for this project is ₹270 Crores, with an expected production capacity of 100 tons per day.

Installation of the main equipment has been completed and equipment check-out and testing activities are in progress. Trial runs of the tissue machine commenced in May 2026, while balance infrastructure works, including warehouse and utility facilities, are nearing completion. The project continues to progress substantially within the approved budget.

The Tissue Project marks a significant milestone in the Company's long-term growth strategy by facilitating entry into the tissue and hygiene market, thereby expanding revenue streams and reducing dependence on conventional paper segments. Leveraging the Company's integrated manufacturing capabilities, strong raw material base and operational expertise, the project is expected to strengthen product diversification and create long-term value for stakeholders. Post approval from the State Pollution Board, commissioning and commercial operations are slated to commence in Q2, FY 2026-27. The commercial stabilisation and ramp-up of operations will be undertaken in a phased manner, aligned with market development and customer requirements.

Raw Material Security

The Company continues to focus on sustainable growth while minimizing the environmental impact of its operations. Ensuring the availability of wood which is the prime source of fibre for the industry.

To address challenges related to raw material availability, the Company has implemented Farm Forestry Programme aimed at developing self-reliance through farmer-based plantations promoted by APL. This initiative not only secures raw material supply but also generates employment opportunities and enhances income for rural communities.

The Company has entered into strategic collaborations with leading research institutions to strengthen its plantation initiatives & R&D Programme. A Memorandum of Understanding (MoU) has been signed with the Institute of Forest Genetics and Tree Breeding (IFGTB), Coimbatore, for a five-year period (2024–2028)

A key strategic focus is the phased transition from low-yield, seed-origin plantations to high-yield clonal plantations. To support this transformation, the Company is strengthening its capacity through infrastructure development and enhanced clonal plant production. During 2025, the Company partnered with 55 nurseries across its catchment areas to meet the increasing demand for quality planting material.

The Farm Forestry team continues to engage actively with farming communities by organizing village-level meetings, conducting training programmes for nursery growers and farmers, and sharing best practices in pulpwood plantation development. The Company also facilitates the resolution of farmer concerns related to wood resource development and procurement.

During the CY 2025, the Company further expanded its efforts by distribution of high-yield clonal plants, including Eucalyptus and Casuarina, along with improved Subabul seeds. Under the Farm Forestry Programme across the catchment areas, the Company facilitated the distribution of:

- 354 Lakhs Casuarina clones
- 308 Lakhs Casuarina seedlings
- 62 Lakhs Eucalyptus clones
- 177 Lakhs Subabul seedlings

These initiatives have covered approximately 9,574 hectares of land, significantly contributing to raw material security while enhancing rural livelihoods. Through these integrated initiatives, the Company remains committed to strengthening raw material security while promoting sustainable forestry practices.

Committed to Excellence: Our Certifications

The Company maintains internationally recognized management systems across its operations and continues to uphold high standards of quality, environmental stewardship, and occupational health and safety. The manufacturing facilities at Rajahmundry and Kadiyam, as well as the Corporate Office (Sales & Marketing), hold certifications under ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health & Safety Management System), reaffirming the Company's commitment to operational excellence, sustainability, regulatory compliance, and employee well-being.

Demonstrating our commitment to energy efficiency and sustainable operations, Our Company successfully completed the certification of its Energy Management System under ISO 50001:2018 during 2026. This achievement reinforces our focus on continual improvement in energy performance, optimization of energy consumption, and reduction of environmental impact across our operations.

Energy Efficiency through PAT Program and CCTS

The Company has consistently pursued energy conservation and efficiency enhancement initiatives as part of its commitment to sustainable operations. As a Designated Consumer under the Ministry of Power's Perform, Achieve and Trade (PAT) Scheme, the Company has implemented various measures to optimize energy consumption and improve operational performance across its manufacturing facilities.

The Company successfully achieved the stipulated energy consumption reduction targets under PAT Cycle VII for FY 2024-25. To ensure robust compliance and accurate assessment of performance, the Company engaged an authorized third-party agency for Monitoring and Verification (M&V) of its energy performance under the PAT framework.

With effect from FY 2025-26, the Company has transitioned to the Carbon Credit Trading Scheme (CCTS), jointly administered by the Ministry of Power (MoP) and the Ministry of Environment, Forest and Climate Change (MoEFCC). The CCTS prescribes energy and emission reduction targets over a two-year compliance period covering FY 2025-26 and FY 2026-27. The Company continues to undertake energy conservation initiatives, process optimization measures and technology improvements to meet the prescribed targets under the Scheme.

Through these initiatives, the Company reaffirms its commitment to sustainable operations, continuous improvement in energy efficiency and reduction of its environmental footprint, in alignment with national sustainability objectives and its long-term ESG aspirations.

Depository System

As on March 31, 2026, 41,161 Shareholders holding 19,81,12,685 Shares constituting 99.63% of the paid up Equity Share Capital held in dematerialised mode and 1238 shareholders holding 7,37,510 shares constituting 0.37% paid up Equity Share Capital held in physical mode.

Management Discussion and Analysis Report

The Report on Management's Discussion and Analysis, as required under clause 2(e) of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 covering industry structure and developments, opportunities and threats, outlook, discussion on financial performance, etc., is contained in "Management Discussion and Analysis Report" that forms an integral part of this Report

Employee Development and Engagement

The Company's agenda for engaging and developing its employees encompasses a range of initiatives aimed at attracting, nurturing, and retaining talent. Key focus areas include diversity and inclusion, succession planning, building a strong talent pool for critical positions, implementing quality of life programs, and investing in leadership development.

We take a professional approach to industrial relations, consistently treating our employees with dignity and respect while upholding the core principles of labour relations.

We believe that an engaged and motivated workforce is essential to our continued success. As an employee-centric organization, we are committed to promoting work-life balance and encouraging a healthy lifestyle. In support of this, we organize various workshops and training programs focused on enhancing both the quality of life and leadership capabilities of our team.

To foster employee engagement and strengthen organizational culture, the Company promotes a vibrant and inclusive workplace through a wide range of social, cultural, and recreational initiatives. Throughout the year, employees and their families participate in festival celebrations, team gatherings, weekend movie screenings, and live telecasts of major sporting events on large screens, creating opportunities for interaction and camaraderie beyond the workplace.

These efforts are further complemented by the activities of the Staff Club and Ladies Club, which regularly organize recreational, cultural, and community-oriented programmes. The Company also provides extensive employee welfare infrastructure, including a spacious community hall that is utilized for recreational activities and family functions, a well-equipped gymnasium, and sports facilities that encourage physical fitness and healthy lifestyles.

Collectively, these initiatives contribute to employee well-being, enhance morale and engagement, strengthen interpersonal bonds, and foster a cohesive and supportive workplace ecosystem.

Surrender of Exempted Provident Fund Trust

During the year, the Company undertook the transition from its exempted Provident Fund Trust to the Employees' Provident Fund Organisation (EPFO) framework with the objective of simplifying administration, strengthening governance and reducing compliance and fiduciary responsibilities associated with trust management.

Pursuant to the approval of the Board and completion of requisite formalities, the Company applied for surrender of the exemption granted to The Employees' Provident Fund of Andhra Pradesh Paper Mills Limited. The Employees' Provident Fund Organisation (EPFO) has accorded approval for the Company to operate as an un-exempted establishment with effect from 1 May 2026, subject to completion of statutory requirements and closure formalities.

The transition of member accounts and transfer of provident fund accumulations to EPFO has substantially been completed and the balance statutory processes are being carried out in accordance with applicable regulations. The migration is expected to enhance administrative efficiency, strengthen compliance and align provident fund administration with the evolving regulatory framework. The Company remains committed to ensuring a seamless transition for employees while safeguarding all statutory and employee interests.

Leveraging Information Technology for Enhanced Operations

Overview

During FY 2025–26, the Company continued to accelerate its digital transformation journey, reinforcing its core technological infrastructure to drive sustainable business growth. Initiatives from the previous financial year were systematically extended and completed, alongside a new suite of strategic implementations designed to maximize operational efficiency, bolster cybersecurity defenses, automate complex workflows, and achieve structured cost optimization.

Key Pillars of Digital & Technological Progress

1. **Network Infrastructure & Connectivity Optimisation**

   To address service disruptions and enhance backend application accessibility, the Company significantly upgraded its communication fabric:

   Direct Cloud Connectivity: Established a robust Sify MPLS link providing direct connectivity between Amazon Web Services (AWS) Mumbai and the Rajahmundry Data Centre for seamless SAP Access. This deployment successfully replaced the legacy TATA link, maintaining identical bandwidth capabilities while driving an exponential 74.1% reduction in annual connectivity costs.

   Bandwidth & Performance Amplification: Replaced legacy Airtel ILL and MPLS links at Rajahmundry and Kadiyam with Railtel ILL and Point-to-Point Links to mitigate persistent service issues. This transition achieved a 93.5% surge in internet bandwidth (from 155 Mbps to 300 Mbps) and a 150% expansion in MPLS bandwidth (from 30 Mbps to 75 Mbps), while simultaneously delivering a 24.8% cost saving.

2. **Process Automation & Industrial Digitalization**

   The Company continues to advance deep automation within its supply chain and core manufacturing operations:

   Unmanned Weighbridge Automation: Implementation is underway for a "No-Men Weighbridge Automation" framework across the Rajahmundry and Kadiyam plants. Integrating RFID, FastTag, and automated boom barriers directly into SAP, this system is engineered to elevate transaction speed, transparency, and operational control.

   Procurement Streamlining: The automation of SAP Requests for Quotations (RFQ) for both materials and services is in progress to simplify vendor interactions and cycle times.

   Tissue Business Enablement: To support the Company's strategic entry into the tissue segment, comprehensive SAP application configurations, bespoke customizations, custom developments, and new hardware infrastructure additions are actively being executed.

3. **Strategic Workforce Digitisation & Workplace Modernisation**

   Human capital management and modern workplace ecosystems were enhanced through targeted software and asset interventions:

   Extended Contractors' Attendance Management: Scaled the digital Time & Attendance system by procuring and on boarding 3,500 additional licenses specifically for contract employees (non-card holders), standardizing tracking methodologies.

Field Workforce Mobility: Successfully deployed a dedicated Time & Attendance Mobile Application powered by 50 mobile application licenses for Forestry field personnel, drastically improving field visibility and data accuracy.

Managed Print Services Lifecycle: Completed the end-of-life replacement of legacy printing assets by implementing HP Managed Print Services, deploying 35 advanced HP printers to ensure higher hardware uptime and optimized operational support costs.

4. **Advanced Security and Surveillance Upgrades**

   Physical asset protection and security compliance are being systematically scaled:

   Mill Surveillance System: Implementation is underway for an enterprise-grade closed-circuit network, introducing 120 high-definition CCTV cameras alongside dedicated networks and servers distributed mill-wise across the Rajahmundry operations.

Forward Looking Roadmap: FY 2026–27 Strategic Initiatives

To sustain its technology-led competitive advantage, the Company has charted out a comprehensive technological roadmap for the upcoming financial year, focusing on next-generation core application updates and infrastructure cloud mitigation:

Core ERP Modernisation: Initiating the architectural upgrade of the core enterprise platform, transitioning the SAP S/4HANA version from 1909 to 2025 to leverage advanced database capabilities and modern features.

Cloud Cost Containment: Implementing the SAP Document Management System (DMS) by positioning a dedicated server locally at the Rajahmundry Data Centre. Moving standard SAP application attachments to this local environment will materially reduce space procurement dependencies on the Amazon Web Services (AWS) Cloud.

Enterprise Wireless Modernisation: Prioritizing the complete lifecycle replacement of the existing 15-year-old legacy Wi-Fi infrastructure across all geographic corporate locations to satisfy modern, stringent security compliance frameworks.

Infrastructure Relocation: Procuring high-capacity new servers to execute the complete backend migration of emSphere Time & Attendance applications onto upgraded, modern infrastructure.

Application Interfacing Evolution: Converting current SAP application extensions to the advanced ICF2 framework, supported by parallel hardware infrastructure additions.

Through these cohesive digital investments, the Company has structurally improved its operational resilience, fortified information security protocols, optimized technical spending, and laid down a robust foundation for a future-ready enterprise.

Community Service and Engagement

The Company remains committed to fostering inclusive and sustainable development in the communities surrounding its areas of operation. Through its Corporate Social Responsibility (CSR) initiatives, the Company undertook a wide range of projects during the year across the focus areas of education, healthcare, community development, women empowerment and public welfare, thereby contributing to improved quality of life and socio-economic development in and around Rajamahendravaram and Kadiam.

Education: The Company continued its commitment towards strengthening educational infrastructure and promoting quality education in its operational areas of Rajamahendravaram, Kadiam and surrounding regions. During the year, infrastructure support was extended to Government schools, Mandal Parishad and Zilla Parishad schools in rural areas, colleges and educational institutions through the construction and renovation of classrooms, dining sheds, compound walls, sanitation infrastructure, flooring works, provision of computers, furniture and other learning resources. School buses and an e-auto provided to Paluku orphanage for blind and buses were provided to APPM Model high school which serve underprivileged students.

These initiatives benefited students across Rajahmundry, Kadiam and surrounding rural areas improving access to quality education. The Company also encouraged academic excellence by awarding merit scholarships to outstanding students from schools in Rajamahendravaram and Kadiam.

Nurturing Sports Talent: The Company extended support to promising young women athletes in boxing and archery through specialised training assistance aimed at enabling participation at national and international levels.

Healthcare: Under healthcare initiatives, the Company provided critical infrastructure, medical equipment, furniture and patient-care facilities to Government hospitals, Community Health Centres and veterinary healthcare institutions in Rajahmundry and Kadiam. Support was extended for diagnostic, treatment and surgical facilities, including the provision of advanced medical and veterinary diagnostic equipment. The Company organized eye screening, eye-care, health check up camps for underprivileged communities in urban and rural areas in Rajahmundry and supported corrective vision treatment including post-surgery eye lenses.

Community Engagement: The Company undertook several community development initiatives aimed at improving public infrastructure, sanitation facilities, sustainability and livelihood opportunities and overall quality of life for local communities. Major projects undertaken included support for solid waste management through the provision of tractors to local bodies, construction of community halls, old-age homes and skill development centres, development of bathing ghats, drainage systems and sanitation facilities, desiltation and restoration of water bodies, replacement of ageing water supply pipelines and plantation drives along public roads. A significant intervention during the year was the construction of a sump-cum-pump house along with a dedicated storm-water pipeline network at Kotilingalpeta, providing a long-term solution to recurring flooding during the monsoon season and improving living conditions for local residents.

Women Empowerment: The Company also supported initiatives aimed at promoting livelihoods and social inclusion, including tailoring and vocational training centres for women, skill development programmes and rehabilitation-oriented projects. Infrastructure support was also extended to Anganwadi centres across East Godavari district. As part of its commitment to women empowerment and social welfare, the Company supported programmes recognising women's achievements in international women's day and Devi Ahilyabai Holkars Centenary Birth Celebration commemorating significant social and cultural occasions.

Skill Development: Support was extended to correctional institutions for inmate skill enhancement and to farmers through the supply of treated water for agricultural purposes. A Skill development centre was constructed in Kadiam for upskilling the rural youth.

Through these interventions, the Company continues to create sustainable value for communities while reinforcing its commitment to inclusive growth and social responsibility.

The Company has adopted a CSR Policy which is placed on the Company's website: https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645611255CSR%20Policy.pdf.

The Members of Corporate Social Responsibility Committee as on March 31, 2026 comprised of:

Mr. Virendraa Bangur	Chairman
Mr. Virendra Sinha	Member
Mr. Saurabh Bangur	Member

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

Awards

During the year, the Company has secured bronze medal in the Chemical & Paper industries category, "Industrial Safety Leadership Award" at CII (Confederation of Indian Industry) Andhra Pradesh Industrial Safety Excellence Awards 2025 for Unit: Rajahmundry.

During the year, the Company has secured bronze medal in the Chemical & Paper industries category, "Industrial Safety Performer" at CII (Confederation of Indian Industry) Andhra Pradesh Industrial Safety Excellence Awards 2025 for Unit: Kadiyam.

Appreciation certificate from BIS for "Zero failures of samples in last two years and continuous efforts to maintain quality of the products under licence CM/L-6600040906".

Related Party Transactions

Your Company has in place a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions, which governs the review and approval process for all related party transactions. All such transactions are placed before the Audit Committee for prior approval. Omnibus approvals are also obtained for transactions that are repetitive in nature. Where the exact value of transactions cannot be estimated, the Committee grants approval based on reasonable projections for the financial year.

All related party transactions entered into during the year under review were in the ordinary course of business and on an arm's length basis. There were no material or significant related party transactions with promoters, promoter group entities, directors, or key managerial personnel that could potentially conflict with the interests of the Company at large. Accordingly, disclosure in Form AOC-2 is not applicable. However, Form AOC-2 is appended as Annexure 2 for completeness.

The Board of Directors approved a Policy on Related Party Transactions which is placed on the Company's website https://andhrapaper.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://andhrapaper.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 - 3 attached to this Report.

Risk Management

The Company has a robust enterprise risk management framework designed to proactively identify, assess, monitor and mitigate risks and capitalize on emerging opportunities. The framework seeks to enhance transparency in decision-making, safeguard business objectives, strengthen resilience and support sustainable value creation.

The paper industry continues to operate in a dynamic environment characterized by challenges such as raw material availability and price volatility, increased imports, evolving trade policies, changing customer preferences, environmental regulations and intensifying market competition. Industry bodies, including the Indian Paper Manufacturers Association (IPMA), have highlighted concerns relating to raw material security, import pressures, trade agreements and the need for supportive policy measures for the domestic paper industry.

The Company continuously monitors both internal and external risk factors and implements appropriate mitigation strategies through operational excellence, supply chain optimization, product diversification, cost management initiatives and regulatory compliance measures. The Company's risk management processes are periodically reviewed by the management and the Board to ensure their continued effectiveness in an evolving business environment.

The risks associated with the business, their potential impact and the mitigation measures adopted by the Company are discussed in greater detail in the Management Discussion and Analysis Report forming part of this Annual Report.

Directors

During the financial year 2025–26, Mr. Virendra Sinha was re-appointed as a Non-Executive Independent Director of the Company for a second term of three consecutive years commencing from April 1, 2025 and ending on March 31, 2028 (both days inclusive) pursuant to the approval of the shareholders. Ms. Papia Sengupta was re-appointed as Non-Executive Independent Director of the Company for a second term of three consecutive years commencing from September 1, 2025 to August 31, 2028 (both days inclusive).

Upon completion of their respective terms of office, Mr. Sudarshan V. Somani and Mr. Arun Kumar Sureka ceased to be Independent Directors of the Company with effect from the close of business hours on October 29, 2025. The Board places on record its sincere appreciation for the valuable guidance, insights and contributions made by them during their tenure as Directors of the Company.

Consequent to the cessation of office of Mr. Sudarshan V. Somani and Mr. Arun Kumar Sureka, Mr. Deepak Jalan and Mr. Ramesh Kumar Aggarwal were appointed as Independent Directors on the Board of the Company with effect from October 29, 2025. The Board extends a warm welcome to them and looks forward to their valuable contributions in supporting the Company's long-term growth and governance objectives.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Saurabh Bangur, Managing Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

Further, the present term of office of Mr. Saurabh Bangur as Managing Director is due to expire on September 30, 2026. Based on the recommendation of the Nomination and Remuneration Committee, the Board has approved, subject to the approval of the shareholders, his re-appointment as Managing Director of the Company for a further period of five years commencing from October 1, 2026 up to September 30, 2031.

Independent Directors

Mr. Virendra Sinha, Mrs. Papia Sengupta, Mr. Ramesh Kumar Aggarwal and Mr. Deepak Jalan are Independent Directors of the Company.

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 his ability to discharge his 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. Further, they have given declarations that they have complied 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 March 18, 2026. All the Independent Directors of the Company attended the said Meeting.

The Board is of the opinion that the Independent Directors of the Company possess the requisite integrity, expertise, experience and proficiency required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors bring with them rich and diverse experience in the areas of business management, finance, strategy, governance and industry, enabling them to provide independent judgment and valuable guidance in the deliberations of the Board and its Committees.

Details of Key Managerial Personnel

As on March 31, 2026, Mr. Saurabh Bangur, Managing Director, Mr. Mukesh Jain, Whole-time Director (Executive Director), Mr. Rajesh Bothra, Chief Financial Officer and Mr. Bijay Kumar Sanku, Company Secretary are the Key Managerial Personnel of the Company.

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.

Performance Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Annual performance evaluation of Board, Committees of the Board, Chairman, Managing Director and Whole-time Director (Executive Director) has been carried out based on various parameters.

A separate exercise for the financial year 2025-26 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.

Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is issued, clearly outlining their role, functions, duties, and responsibilities as a Director of the Company. This letter, in compliance with applicable laws, also details the statutory obligations and compliances expected from them under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other relevant laws and regulations. Furthermore, it explicitly covers aspects such as the Code of Conduct, Insider Trading Code, and the policy on Related Party Transactions, as mandated by SEBI LODR.

To foster informed decision-making and ensure good governance, the Board of Directors and its Committees are consistently apprised by management. These regular updates provide a holistic view of the Company's landscape, covering Business operations and financial performance, Detailed insights into operational efficiency and the Company's financial health, Progress and developments regarding key strategic objectives and growth plans, analysis of prevailing market scenario, competitive landscape, identification of potential headwinds, potential risks and mitigation strategies, opportunities and challenges and updates on adherence to adherence to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other pertinent laws and regulations, ensuring the Company operates within the prescribed legal framework. This continuous and critical flow of information empowers Directors to effectively discharge their fiduciary duties, exercise diligent oversight, and make well-considered decisions that contribute directly to the Company's sustainable growth and the enhancement of shareholder value.

Details of Familiarization of Directors are disclosed on the Company's website: https://andhrapaper.com/wp-content/uploads/2026/04/Familiarization-Programme-during-the-year-2025-26.pdf.

Audit Committee

As on March 31, 2026 the details of Audit Committee is as follows.

S. No	Name of the Member	Category	Designation
1	Mr. Virendra Sinha	Non-Executive Independent Director	Chairman
2	Mr. Ramesh Kumar A	Non-Executive Independent Director	Member
3	Mrs. Papia Sengupta	Non-Executive Independent Director	Member
4	Mr. Saurabh Bangur	Executive Director	Member

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-4. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. If any Member is interested in obtaining information on Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, such Member 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 available on the Company's website: https://andhrapaper.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, 2026 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.

During the year, the Audit Committee and the Executive Board Members, as Those Charged With Governance (TCWG), held discussions with the statutory auditors in accordance with applicable regulatory requirements. The deliberations covered audit planning, significant audit observations, internal controls, financial reporting matters and auditor independence.

Statutory Auditors

The Report of Auditors for the financial Year 2025-26 does not have any qualifications, reservations or adverse remarks. The Report is enclosed with the financial statements in this Annual Report.

M/s. MSKA & Associates LLP, 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

At 61st Annual General Meeting, M/s. D. Hanumanta Raju & Co., was appointed as Secretarial Auditors of the Company for a period of 5 consecutive years commencing from FY 2025-26 to FY 2029-30. Secretarial Audit Report under Section 204(1) of the Act issued by M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, in respect of financial year 2025-26 is attached as Annexure - 5 to this Report.

The Secretarial Auditors, in their report, has reported delayed compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. In this regard, the Company paid fines of ₹1,10,920/- each to NSE and BSE and has filed an appeal before the Securities Appellate Tribunal (SAT), Mumbai. The matter is currently sub-judice.

The Secretarial Auditors has also reported that Andhra Paper Foundation, a wholly owned subsidiary of the Company, was converted into Andhra Paper Private Limited during the year. Subsequently, the company applied for striking off under Section 248 of the Companies Act, 2013, and its name was struck off by the Registrar of Companies with effect from June 4, 2025. Accordingly, the company stands dissolved.

Internal Auditors

M/s. Batliboi & Purohit, Chartered Accountants, Mumbai were appointed as the Internal Auditors for FY 2025-26. The internal audit reports and the suggestions made on a quarterly basis by the auditors, during the year under review, were duly noted by the Board and acted upon. The Board of Directors, based on the recommendation of the Audit Committee have re-appointed the said firm as the Internal Auditors of your Company for the FY 2026-27.

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 14, 2026, on the recommendation of Audit Committee, appointed M/s. Narasimha Murthy & Co., Cost Accountants as Cost Auditors of the Company for the financial year 2026-27, at a remuneration of ₹4.50 Lakhs plus applicable taxes and 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, 2025. The Cost Audit Report for the financial year ended March 31, 2025 was filed with the Ministry of Corporate Affairs in August, 2025. The Cost auditors have audited and expressed satisfaction about the maintenance of cost audit records, internal controls and issued an unqualified report.

The Cost Audit Report for the year ended March 31, 2026 will be filed within the due date.

Public Deposits

The Company has not invited, accepted or renewed any deposits under chapter V of Companies act, 2013. That the company has not been accepted any deposits, so there was no obligation arise to repay or pay any interest and no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet and thus no default.

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

Andhra Paper Foundation, a wholly owned subsidiary of the Company incorporated under Section 8 of the Companies Act, 2013, had ceased its operations and activities as the Company directly undertook all Corporate Social Responsibility (CSR) initiatives. Consequently, the Foundation's original purpose became redundant. Pursuant to the approval granted by the Regional Director on September 19, 2024, the Foundation was converted into a private limited company and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Vijayawada, on November 11, 2024 in the name of Andhra Paper Private Limited. Subsequently, Andhra Paper Private Limited applied for striking off its name under Section 248 of the Companies Act, 2013. The Registrar of Companies, Vijayawada, struck off the name of Andhra Paper Private Limited from the Register of Companies with effect from June 4, 2025 and accordingly, the company stands dissolved.

Annual Return

In terms of Section 92(3) of the Act, the Annual Return for the financial year ended March 31, 2026 is displayed on the website of the Company www.andhrapaper.com

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

Material Changes and Commitments Affecting the Financial Position of the Company

Subsequent to the close of the financial year ended March 31, 2026, and up to the date of this Report, operations at the Company's Kadiyam Unit were affected due to an illegal strike resorted to by certain contract workmen engaged through third-party contractors with effect from April 27, 2026, primarily in relation to demands concerning revision of contractual terms with their respective employers. The Company's permanent workforce was not a party to the strike. During the course of discussions, employee representatives and other stakeholders were also involved in efforts aimed at resolving the situation and restoring normalcy.

In view of the prevailing situation and in order to safeguard employees, plant and machinery and other assets, the Company declared a lockout at the Kadiyam Unit with effect from 10:00 p.m. on May 1, 2026. The disruption in operations resulted in loss of production at the Kadiyam Unit and had an impact on the Company's operations during the period. The Management continued its engagement with contractors, workmen representatives and the concerned authorities for restoration of normalcy and resumption of operations.

The Company continued to closely monitor the evolving situation and made appropriate disclosures to the stock exchanges from time to time in accordance with applicable regulatory requirements.

There was no change in the nature of business of the Company during the year. Except as disclosed above, there were no other material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year of the Company and the date of this 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, 2026 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, 2026 and of the profit and loss of the Company for the year;
- 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;
- they had prepared the accounts for the year ended March 31, 2026 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 and 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.
- There is no application or proceeding pending under Insolvency and bankruptcy code, 2016
- 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: https://andhrapaper.com/investors-policies/.
- Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: Not applicable.

Acknowledgements

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

Shree Kumar Bangur
Chairman & Non-Executive Director

Place: Rajahmundry
Date: May 14, 2026

Annexure - 1

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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, 2026

Sl. No.	Name of Director Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Mr. Virendraa Bangur, Chairman Non-Executive Non-Independent Director	1	1
2	Mr. Virendra Sinha, Member Independent Director	1	1
3	Mr. Saurabh Bangur, Member Managing Director	1	1

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: https://andhrapaper.com/investors-csr-information/

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

(₹ in Lakhs)

5	(a)	Average net profit of the company as per sub-section (5) of section 135	:	41763.10
	(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	:	835.26
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	:	0.00
	(d)	Amount required to be set-off for the financial year, if any	:	0.00
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	:	835.26

(₹ in Lakhs)

6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	:	726.65
	(b)	Amount spent in Administrative overheads	:	35.42
	(c)	Amount spent on Impact Assessment, if applicable	:	0.00
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	:	762.07
	(e)	CSR amount unspent for the Financial Year 2025-26	:	73.19

Total Amount Spent for the Financial Year	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
762.07	73.19	28-04-2026	NA	NA	NA

(f) Excess amount for set-off, if any: Not applicable

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	0
(ii)	Total amount spent for the financial year	0
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(₹ in Lakhs)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	2024-25	554.06[@]		554.06[@]	0	NA	0	NA
2	2023-24	121.82*	0	121.82*	0	NA	0	NA
3	2022-23	0	0	162	0	NA	0	NA

[@] Unspent CSR amount of ₹554.06 Lakhs relating to FY 2024-25 were spent in FY 25-26

* Unspent CSR amount of ₹121.82 Lakhs relating to FY 2023-24 were spent in FY 24-25.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not applicable

Shree Kumar Bangur
Chairman & Non-Executive Director

Virendraa Bangur
Chairman - CSR Committee

Annexure -2

FORM NO. AOC – 2

Particulars of Contracts / Arrangements made with related parties (pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of Contracts / Arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2026 which were not at arm's length basis.

B. Details of material contracts or arrangements or transactions at arm's length basis.

There were no material contracts or arrangements or transactions entered into during the FY 2025 -26.

For and on behalf of the Board

Place: Rajahmundry
Date: May 14, 2026

Shree Kumar Bangur
Chairman & Non-Executive Director

Annexure-3

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

(A) CONSERVATION OF ENERGY-

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

At Unit: Rajahmundry :

- CF#6 PA Fan 1&2 existing 2 X 90kW running on Star/Delta and replaced with 1 X 132kW VFD driven with only one motor running. Resulted in Power saving of 40 KW and annual savings of 3,16,800 kWh
- CF#6 Boiler Feed pp 1 ARC Valve replaced with new by reduction in feed pump valve steam passing which resulted in reduction of Feed pump load by 10KW and annual savings of 79,200 kWh
- Fibreline 56MC feed MC Pump VFD Installed from DOL Starter resulted in Energy Savings of 24KW and annual savings 1,90,080 kWh.
- RJ2&3 dry chest broke Pump level interlock arranged and ideal running hrs. stopped which resulted in savings of 16KW and annual savings of 1,26,720 kWh
- RJ # 3 - Sweetner pump (Motor-7.5 KW) is running for 400LPM and Bypassed by taking tapping from chest-2 pump Delivery which resulted in Energy savings of 5KW and annual savings 39,600 kWh.
- Chaint Reel Packing Machine Hydraulic pp interlock arrangement to avoid ideal running hrs resulted in energy savings of 7KW and annual savings of 55,440 kWh.
- CF6 & Chemical plant area Lighting transformers arranged resulted in Energy savings of 7.13kw and annual savings of 40,900 kWh.
- Fibreline, H_2O_2 dosing pump modified-1.5kW to 0.735kW as per requirement with saving of 0.3kW and annual savings of 2,376 kWh.
- Stoppage of Cartoniser during Shrink Operations in A4 Cut Size Line which was continuously running. Currently logic modified with energy saving of 10kW with approx. 15 days running and annual savings of 27,600 kWh.

Benefits:

1. Energy saving to the tune of approximately 119.43 kW.

At Unit: Kadiyam -

- KA#3; Machine drive upgradation helped to increase machine speed from 650mpm to 690mpm.
- Boiler, feed pump passing auto recirculation valve (ARC) replaced resulted in energy saving of 15KWH
- Boiler, blow down water being transferred to DIP drum pulper to reduce steam consumption.

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

- The Company considered and analysed the possibility to shift to renewable energy sources, but the analysis showed current energy source is most cost efficient than the alternate energy source, so the management continuing with the current system.
- 30 KWP solar power plant:
  - ➢ Roof top solar plant installed in April -2025

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

At Unit: Rajahmundry –

- **IE4 efficient motors technology:**
  - ➢ Installing at Tissue machine project
  - ➢ All Squirrel Cage Induction Motors (SQIM) have been selected with IE4 efficiency classification to ensure high energy performance and improved operational efficiency
  - ➢ Lower energy losses
  - ➢ This approach supports lower carbon emissions, reduced electrical demand, and long-term cost optimization while maintaining reliable production performance.

At Unit: Kadiyam –

- Installation of additional air receivers (3nos) and existing air lines modifications made to separate service and control air at paper area.

Benefits – a) Compressor loading hours and power got reduced.

b) KA#3 VTT conveyor paper passing delay reduced due to constant air pressure availability.

c) Paper area moisture free control air being supplied to Instruments.

- KA#3; Fan pump impeller replaced with new to reduce power consumption approx. 40KWH.
- KA#3; New sheet cutter installed of make M/s LineOmatic to improve in-house sheet cutting and reduced power consumption/ Ton.

(B) TECHNOLOGY ABSORPTION-

I. Efforts made towards technology absorption:

At Unit: Rajahmundry

- **CNCG upgradation:**
  - ➢ Project erection and commission completed during AO-2025.
  - ➢ CNCG upgrade: This project proposed to collect NCG from evaporator area and to incinerate in Lime kiln.
  - ➢ This upgradation could meet 700 TPD pulp production demand (as part of future capacity enhancement)
  - ➢ To meet environmental compliances
- **IMCC technology: Intelligent motor control system**
  - ➢ Siemens SIMOCODE Pro-V platform has been adopted to enhance motor control, monitoring, and diagnostic capabilities at RB#4 Ash Reject Handling system Project.
  - ➢ The IMCC architecture enables seamless communication between the Motor Control Center (MCC) and the Distributed Control System (DCS) through a Profinet communication network, allowing centralized monitoring and control of motor feeders in real time.
  - ➢ Motor management features: precise fault identification, detailed fault diagnostics, overload protection, motor performance monitoring and event logging.
- **Dry type transformer technology:**
  - ➢ Installing in Tissue machine project
  - ➢ Maintenance-free dry type distribution transformers have been adopted to ensure reliable, safety and environmental free.
  - ➢ The facility benefits from enhanced operational reliability, reduced maintenance interventions, improved fire safety, and extended service life, making them a practical and efficient choice for modern industrial power distribution systems.

At Unit: Kadiyam

- **Replacement of Gland packing pumps with mechanical seal pumps**

  In phased manner, gland packing pumps are being replaced with mechanical seal pumps for reducing fibre loss and for improving house keeping.

- **KA#3 Rewinder drums coating**

  KA#3 Globe rewinder drums surface was ground and coating was provided to avoid slippage of baby rolls while rewinding.

- **KA#3 Load cell & individual drive arrangement**

  Paper breaks and paper passing time got reduced as load cell provided to calendar paper passing roll and made individual drive arrangement.

- **KA#3 6th group and bottom old stretchers replacement**

  6th group top and bottom old stretchers replaced with auto stretchers and thus uniform screen tension being maintained, resulted Paper Breaks and paper jam reduction.

- **NAS system installation**

  At power area, KA#3 and DIP; M/s Valmet NAS system installed to secure centralised storage and for fast recovery backup.

- **Boiler Ash handling system PLC provision**

  5 micro PLCs are integrated with single PLC and dedicated operation station provided which were removed from KA#3 resulted in easy operation and better trouble shooting.

- **Modification of DIP Drum pulper dump chest pump wear plate.**

  Suction and discharge wear plate are modified with new design to avoid frequent jamming of pump resulted in improved runnability.

- **KA#3, Condensate dripping avoided at 4th group.**

  a) 4th group and 3rd group exhaust fans motor RPM increased from 600 to 780 resulted, condensate dripping avoided.

b) New exhaust fans - 2nos installed at 4th group and 3rd group in KA#3 machine drive side.

- **DIP New Platforms Provision.**

  New platforms of 2300m2 have been created for increasing storage capacity by 2300T.

- **ETP Thickener over flow water diversion**

  Thickener over flow water being utilised at sludge press for spraying purpose resulted in reduction of ETP incoming hydraulic load (100m3/hr).

BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION:

At Unit: Rajahmundry:

RJ#3 Machine-

In Sept 2025, Vacuum pump-1 replaced with New efficient pump to avoid vacuum fluctuation to avoid paper breaks.

RJ#4 Machine-

In July 2025, old Vacuum pump replaced with New efficient pump to avoid vacuum fluctuation to avoid paper breaks

RJ#6 Machine-

In Feb 2025, replacing old organic biocide program with oxidizing biocide program with advantages of Boil-out frequency reduced from 30 days to 60 days, replacing the biocide program, reduction in machine stoppage and to avoid paper breaks at Machine

RB#4 Boiler

Primary Air Fan replaced with new fan to improve the boiler efficiency

Ash leaching reject treatment plant:

1. Erection and commission completed during 2025
2. Proposed the project to treat ash leaching reject and to reduce load/effect on ETP effluent system
3. Recycling and Partial recovery of sulphate from reject treatment plant
4. Both centrifuge dryness achieved dryness ≥ 90% and dry reject (rich in chloride/Potassium) being collected in bags and sent to outside purchasers
5. Resulting in saving of around 5 to 6 T Na2So4.

PULP MILL - COOKING:

1. Cost savings of 30 Lakhs using SAM Turbo make pump spares instead of using SULZER make pump spares for chip pumps.
2. Digester return liquor temperature was maintain more than 99 deg C at higher rate of production due to capacity limitation of Feed Circulation cooler. To avoid production loss due to this, Temperature Control Valve, TCV-3020, Valve and water line Modified from 3” to 6”.
3. Sealing water reclamation tank was changed from MS to SS tank to avoid water contamination. The SS tank was fabricated from Old surge vessel.

PULP MILL – WASHING & SCREENING:

1. Junk trap provided in Delta Knotter reject line. The Junks are being removed from junk trap for better life of equipment.
2. DD1 washer feed line was getting plugged during sudden stoppage of plant. A flushing line provided in the feedline of DD1 washer to avoid plant stoppage due to pulp line jamming

PULP MILL - BLEACHING

1. In order to save water, the TRPE Pumps’ sealing water output lines was redirected to a sealing water reclamation tank, which helped reduce the mill water consumption in the bleach plant nearly 21.6 m3/day.

WETLAP PULP

1. Wetlap-2 Scissor Lift upgraded from 2 Tonnes to 3 Tonnes for more reliable operation.

PULP MILL - CLO2 PROCESSES

1. M.S fabricated mill water filters were replaced by SS-304L fabricated with using in-house available material and facilitate operation.
2. Chiller No-1 LTHE heat exchanger replaced with old Heat exchanger for better performance & reliability.

INSTRUMENTATION

1. A4 Chiller PLC Upgraded from obsolete Siemens S7 200 to S7 1200 to avoid risk of running the plant with obsolete control systems.
2. RJ#6 Honeywell DCS servers Upgraded along with EBR (Experian backup & restore) to improve DCS Availability.
3. RJ2 Pneumatic Selector switches was replaced with solenoid valves to enhance the reliability.
4. RJ#1 DP Transmitter arranged for Dryer No#4 to know the condensate residual and avoid weight variations.
5. A 4” ON/OFF valve was provided in the lime mud line to LK#3 to maintain a constant lime mud density and ensure a stable feed rate to RLK#3.

6. The Green Liquor Cooler vacuum control valve was arranged to maintain a constant vacuum, resulting in stable green liquor temperature and maintaining the required lime-to-green liquor ratio.

7. New Lime kiln vent bag filter purging system was integrated with the DCS for continuous monitoring, helping to prevent lime powder emissions into the atmosphere.

8. A conductivity meter was installed on the DM Plant MB#3 outlet water line for continuous monitoring of water quality parameters. Additionally, a trip logic was developed and implemented to prevent contaminated water from entering the boiler feed water system.

CONVERTING AND FINISHING

A. NEW REWINDER AT RJ3 OF GLOBE RADIO PVT LIMITED MAKE INSTALLED IN MAR - 26

ADVANTAGES:

1. Improved Safety Features like Hydraulic Reel Guard with sliding arrangement on the mainframe front, Light Curtains, Sensors, E-Stop, Magnetic Safety Switches, Pull Chord and necessary interlocks for safe operations.

2. Better Reel Quality with: Uniform density and Tightness

3. Free from winding defects such as: Wrinkles, Interweaving, Acceleration/Deceleration offset (free from uneven winding), Dishing, Core bursts

B. MODE OF PACKING CHANGED IN RJ1&4 FROM MANUAL STITCHING OF REELS WITH HDPE AND TWINE TO 29MIC STRETCH FILM AND MACHINE PACKING BY SHIFTING THE EXISTING AXIAL REEL PACKING MC:

ADVANTAGES:

1. RJ1&4 Reel Packing with Moisture Barrier Stretch film 29microns on Axial Wrapping Mc avoiding manual packing with HDPE and twine

2. Free from defects such as: top layer piping

C. INSTALLATION OF RADIAL PACKING MACHINES AT RJ2 AND RJ6 REEL PACKING:

ADVANTAGES:

1. RJ2&3 Reel Packing with Moisture Barrier Stretch film 70microns on Radial Wrapping Mc.

2. Free from defects such as: top layer piping

3. Uniform Packing of all Reels from RJ2, 3, 5&6 Machines.

D. STANDARDIZATION OF REEL WEIGHTS FOR CUSTOMER REELS:

ADVANTAGES:

1. New Weighing Scales with online recording of reel weights introduced in RJ1&4 and RJ6

2. Auto Reel Capturing of Reel Weights in SAP post packing

At Unit: Kadiyam.

- New Dandy roll installed at KA# 1 for better Logo Quality
- KA2, Refining Improved at Process Stage to maintain good Strength Properties with new refiner Installation.
- Product Quality Improvement which results in Increased Customer satisfactory index highest 4.47/5.0
- Improved DIP Pulp brightness from 78-79% to 80-81% & Cleanliness to improve Optical & aesthetic properties of final product enhancing sales in Maplitho varieties.
- Cup stock order, cup leakage at customer end eliminated by arranging flow meter for AKD.
- Cup stock Moisture Increased to 5.1 from 4.9 for reducing rim cracking.
- Pharma Product Static Charge reduction by increasing moisture from 4.7 to 5.0
- Overall Opacity increased in KA#3 Products by increasing the ash by 1% except pharma order.
- Increased solids and starch coating at size press helps to improve printability in final paper.
- Quality (Bulk/opacity/smoothness/Ratlines) & WAXPICK Improvement in KA#3 all Products by using Starch at Size press
- Installed D65 Lamps to ensure visual shade matching to target to eliminate the shade variations at the customer end.
- KA3, buffing wire installed to the existing wire for avoiding guiding issue after immediate wire change while running.
- KA2, PCC pump replaced from 270m3/hr to 350m3/hr for handling higher volume
- KA2, Moulds both side extra edge showers provided for avoiding mould picking.
- KA2, Back water tank LT provided for avoiding back water overflow.

New Product developments at Unit – Kadiyam

i. Andhra OGR (Oil and Grease resistant) PFAS Free Paper made in KA#3

ii. Andhra Green Copier 70 Gsm in KA#3

iii. Andhra Pharma-38 Gsm

iv. Andhra Pearl white 115 Gsm

v. Andhra Auzurelaid Green 95Gsm in KA#1

Research and Development

At Unit: Rajahmundry

- **New Product Development**

  - Developed Andhra Plain Kraft Green (Hi-BF) - 70 GSM on RJ#1 machine.

  - Developed Andhra Deluxe Poster (Orange) - 32 GSM with Catsize Sizing on RJ#4 machine.

  - Developed Andhra Pharma print (N.S) - 40 GSM on RJ#5 machine.

  - Developed Andhra Super Print – 70 GSM (Multipurpose Paper) on RJ#5 machine.

- **Process optimization studies**

  - Introduction of oxidizing biocide in place of non-oxidizing biocide to reduce the slime in RJ#6 machine.

  - Introduction of direct purchased cationic starch in place of onsite modified cationic starch in all the machines to control the deposit issues and for ash increase in paper.

  - Introduction of Binary Sizing (AKD+ASA) in place of 100% AKD sizing on RJ#5 machine to reduce fluff in dryers and to improve paper printability

- **Identification of functional additives and plant trials for cost reduction /quality improvement.**

  - Use of Amphoteric DSR "Axstrength AS 839115 of M/s. Axchem Solutions on RJ# 2 & 5 machines, for cost savings.

  - Replacement of Kemira Oyj with Axchem Solutions for Green Liquor Settling aid Chemical for alternate vendor & cost reduction activities at Causticizing Plant.

  - Use of wet end defoamer Afranil LF 7530 - AP of M/s. Solenis Chemicals at RJ#1 machine for alternate vendor development & cost reduction program.

- **Evaluation of new fibrous raw materials**

  - Evaluation of Malabar Neem wood for its suitability to our process.

At Unit: Kadiyam

1. Specific areas in which R&D carried out by the company	**- New Product Development –** • In KA#3 Andhra OGR (Oil and Grease resistant) Paper made with PFAS Free chemical from Archroma. • Product Targeted with 5+ KIT value , achieved 7+ • Trial Qty of Andhra OGR got good feedback with reel order • In KA#3 Andhra Green Copier developed. • Trial Qty of Andhra Green Copier got good Feedback. • Andhra Pharma 38 Gsm ,Low Gsm Product in Pharma developed and Product got Stabilised with Continuous orders from Sales and Marketing **- Process optimisation** Developed alternate supplier of dyes for KA#3. Products are sustained. Andhra Splendor Shade developed with Sunpulp Violet and Sunpulp blue. Spectrum XD 4257 Bio cide By M/s Solenis at Silo Backwater and at No:5 broke Chest. Lab Study of Rhodamine shade with Pergasol red 2GZ completed. In Reductive bleaching & in oxidative bleaching temperature & duration trials taken for better brightness

	- Identification of functional additives and plant trials for cost reduction /quality improvement Alternative chemicals, Dyes, Paper Yellow from M/s Nitin dyes, Sodium hydrosulphite, P.D Green from M/s Aroma industries, Pergalite blue from M/s Solenis, Diamond green from M/s Nitin dye. S.S.Powder (Fillers), GCC from Fimakem Alternate Enzymes, Polymers, Alternate surfactants. Enzymes from S.G.Corporation EuroCare-369, Eurostar-AP, EuroCare-369+, ,Papyrse RS 302 M/s Epygen Bio tech, Akoskem etc. DSR from AXCHEM , lab scale trials completed. Surfactant trials conducted at DIP for Improvement of cleanliness. Evaluation of alternate vendors for SS Powder, Dyes (Sun pulp violet, Direct red etc.) has carried & established at Lab scale.
2. Benefits derived as a result of the above R&D.	• Ragol Bright 500 Plant trial taken as an alternate chemical developed to meet emergencies. • Carta seal OGBF20 Plant trial from M/s Archroma to increase the product portfolio to match market dynamics. • Back water Treatment by Electro Coagulation by M/s Haber Chemical • Vipul dye trials taken for dye replacement in KA#3 Products for cost reduction and alternate vendor developed. • DIP Oxidative bleaching With increased temperatures & retention time resulting in brightness gain. • Identified alternate fibrous raw materials like Softwood fibre Excellence & Saint Gaudens, M/s Cell Mark AB, M/s Kamloops Chinook, Hard wood from Different Vendors. • Identified Alternate vendors for Recovered Fibre.
3. Future plan of action	**- Product Development** KA#3 Size Press Products with OGR with different suppliers and chemicals. Products with increased Recovered Fibre in Furnish Composition **Quality Improvement** • DIP Final Brightness and Cleanliness further Improvement • Paper cleanliness improvement by upgradation of approach flow Pressure screen (slotted). **Reliability Improvement** • New Broke street installation • New godown of 2000m2 in operation for increasing storage capacity by 1500T • Sub station 7.5MVA transformer installation • ETP Under ground old cables replacement • KA3 New Pump house MCC Panel replacement • KA3 Refiner 1 replacement • KA3 old rope stretchers replacement with pneumatic • KA3 uni-screen online cleaning showers installation • Disc filter installation for fibre recovery. • KA3 vacuum pump 1nos replacement • New compressor installation for power reduction. • KA3, new rope circuit from 6th group to pope reel for reducing paper passing time. • KA3, New tail cutter installation at 6th group. **Process optimisation** • OBA optimization & cost reduction with Identified suppliers on M/c runnability in Lower Gsm & Optimisation of retention aid chemical w.r.to FPAR & FPR • Reduction in Fibre loss. • PCC Filler Increase for fibre Optimisation • Dye Trials to be taken

(C) Expenditure incurred on Research and Development:

(₹ in Lakhs)

a.	Capital	6.29
b.	Recurring	230.76
c.	Total	**237.05**
d.	Total R & D expenditure as percentage of total turnover (%)	0.14

(D) Foreign exchange earnings and Outgo-

(₹ in Lakhs)

Foreign Exchange earned in terms of actual inflows	930.50
Foreign Exchange outgo in terms of actual outflows	20,236.31

ANNEXURE-4

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 2025-26

Sl. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for the financial year 2025-2026 (₹ in Lakhs)	% increase / (decrease) in the remuneration	Ratio of remuneration of each director to median remuneration of employees
i.	Shree Kumar Bangur Chairman & Non-Executive Director	2.50	400.00	0.36
ii.	Virendraa Bangur Vice Chairman	2.50	0	0.36
iii.	Saurabh Bangur Managing Director	382.64!	(51.90)	54.74
iv.	Sudarshan V. Somani Independent Director	2.25@	NA	NA
v.	Arun Kumar Sureka Independent Director	2.00@	NA	NA
vi.	Virendra Sinha Independent Director	3.50	17	0.50
vii.	Ms. Papia Sengupta Independent Director	2.25	0	0.32
viii.	Ramesh Kumar Aggarwal Independent Director	1.50#	NA	NA
ix.	Deepak Jalan Independent Director	1.25#	NA	NA
x.	Mukesh Jain Executive Director	127.96*	15	18.31
xi.	Rajesh Bothra Chief Financial Officer	0	0	NA
xii.	Bijay Kumar Sanku Company Secretary	33.14*	10	4.74

@ Ceased to be a director of the Company w.e.f. October 29, 2026. Therefore, remuneration cannot be compared.

Appointed w.e.f October 29, 2026. Therefore, remuneration cannot be compared.

! includes commission of ₹176 .00 Lakhs

*Includes perquisites value under Income Tax Act, 1961

The percentage increase in the median remuneration of employees in the financial year	The median remuneration of employees in the current financial year registered a increase of 26.43 % over the previous financial year
The number of permanent employees on the rolls of the Company	There were 1949 employees as on March 31, 2026
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 19.77 % (other than managerial personnel) whereas average percentile remuneration to managerial personnel increased by 26.43% 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 14, 2026

Shree Kumar Bangur
Chairman & Non-Executive Director

Annexure-5 (A)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[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** having **CIN: L21010AP1964PLC001008** and having registered office at Rajahmundry, East Godavari District, Andhra Pradesh – 533 105 (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, 2026, 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, 2026, 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) 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) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

(g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the company during the period under review)**;

(h) Securities and Exchange Board of India (Buy-back 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 under review)**; 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 and the Rules made thereto;

B. Labour Laws & other incidental and allied laws;

C. Acts and Rules prescribed under prevention and control of pollution;

D. Acts and Rules relating to Environment Protection, energy conservation and Hazardous Substances and Chemicals;

E. Acts and Rules relating to boilers, electricity, explosives, fire etc.

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 during the period under review

- In respect of Andhra Paper Foundation, a subsidiary company, which was originally incorporated under Section 8 of the Companies Act, 2013 was pursuant to the order of the Regional Director dated 19.09.2024, converted into a Private Limited Company and a fresh Certificate of Incorporation was issued on 11.11.2024, by Registrar of Companies, Vijayawada, reflecting the company's new name Andhra Paper Private Limited (APPL). Subsequently, APPL has made an application to the Registrar of Companies, Vijayawada, for striking off its name from the Register of Companies under Section 248 of the Companies Act, 2013.

  The name of Andhra Paper Private Limited has been struck off from the Register of Companies and the company is dissolved on 04.06.2025.

- The Company paid ₹1,10,920/- each to National Stock Exchange of India Limited and BSE Limited pursuant to non-acceptance of waiver applications against fines for delayed compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, and filed an appeal before Securities Appellate Tribunal, Mumbai; the matter is sub judice.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122 , CP NO: 7824
UDIN: F007122H000362224
PR NO: 6326/2024

Place: Hyderabad
Date: May 14, 2026

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 SHAIK RAZIA
PARTNER
FCS: 7122 , CP NO: 7824
UDIN: F007122H000362224
PR NO: 6326/2024

Place: Hyderabad
Date: May 14, 2026

Annexure-5 (B)

ANNUAL SECRETARIAL COMPLIANCE REPORT OF ANDHRA PAPER LIMITED FOR THE YEAR ENDED 31.03.2026

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 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/filing, as may be relevant, which has been relied upon to make this Report, for the financial year ended 31st March, 2026 ("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 review period)**;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Listed Entity during the review period**);

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Listed Entity during the review period)**;

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, 2025 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 review period)**; and

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

j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the Listed Entity during the review period)**

and circulars / guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

(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.**

I. We hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

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).	Yes	NIL
2.	**Adoption and timely updation of the Policies:** • 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:** • 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 redirects 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.:** • Identification of material subsidiary companies. • Disclosure requirement of material as well as other subsidiaries.	Not Applicable	NIL
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 during the financial year as prescribed in SEBI Regulations.	Yes	NIL
8.	**Related Party Transactions:** • The listed entity has obtained prior approval of audit committee for all related party transactions. • In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the audit committee.	No Yes	NIL The Audit Committee subsequently ratified the reimbursement transaction of ₹1,07,450/- with West Coast Paper Mills Limited, which was undertaken due to business exigencies, in accordance with Regulation 23 of the SEBI (LODR) Regulations, 2015.

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
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) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL
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.	**Resignation of statutory auditors from the listed entity or its material subsidiaries:** In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	Not Applicable	NIL
13.	**Additional Non-Compliances, if any:** No additional non-compliances observed for any SEBI regulation/ circular/guidance note etc.	Yes	NIL

***Note:**

The Company paid ₹1,10,920/- each to National Stock Exchange of India Limited and BSE Limited pursuant to non-acceptance of waiver applications against fines for delayed compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, and filed an appeal before Securities Appellate Tribunal, Mumbai; the matter is sub judice.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.

2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the listed entity.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122 , CP NO: 7824
UDIN: F007122H000362202
PR NO: 6326/2024

Place: Hyderabad
Date: May 14, 2026

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

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require every listed entity to have an optimum combination of executive directors, non-executive directors and independent directors, with at least one woman director on its Board. Further, where the Chairperson of the Board is a non-executive director and belongs to the promoter category or is related to a promoter, at least fifty percent of the Board of Directors shall comprise Independent Directors. The Company has maintained the prescribed Board composition in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

As on March 31, 2026, the Board comprised eight directors, consisting of one Chairman and Non-Executive Director, one Managing Director, one Executive Director (Whole-time Director), one Non-Executive Non-Independent Director and four Non-Executive Independent Directors, including one Independent Woman Director. Independent Directors constituted 50% of the Board's strength and the Company maintained the prescribed optimum combination of executive directors, non-executive directors and independent directors throughout the year under review.

As on March 31, 2026, the Audit Committee and the Nomination and Remuneration Committee were chaired by Independent Directors, while the Stakeholders' Relationship Committee was chaired by a Non-Executive Director.

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, 2026 are as follows:

Name of the Director	Name of the Listed Entities	Category of Directorship	All companies around India[1][3]	Committee membership[2][3]	Committee Chairmanship[2][3]
Executive Directors:					
Mr. Saurabh Bangur	Andhra Paper Limited	Executive, Managing Director	8	2	-
	West Coast Paper Mills Limited	Non-Executive, Promoter Non-Independent Director			
Mr. Mukesh Jain	Andhra Paper Limited	Executive, Whole-time Director	1	1	-
Non-Executive Non-Independent Directors:					
Mr. Shree Kumar Bangur	Andhra Paper Limited	Related to Promoter Group, Chairman & Non-Executive Director	8	1	-
	West Coast Paper Mills Limited	Executive, Promoter, Chairman & Managing Director			

Name of the Director	Name of the Listed Entities	Category of Directorship	All companies around India[(1)(3)]	Committee membership[(2)(3)]	Committee Chairmanship[(2)(3)]
Mr. Virendraa Bangur	Andhra Paper Limited	Non Executive, Non-Independent Director	10	4	4
	West Coast Paper Mills Limited	Executive, Promoter Joint Managing Director			
	Jayshree Chemicals Limited	Non-Executive, Promoter Non-Independent Director			
	Taparia Tools Limited	Non-Executive, Non-Independent Director			
Non-Executive Independent Directors:					
Mr. Ramesh Kumar Aggarwal	Andhra Paper Limited	Non-Executive, Independent Director	1	1	-
Mr. Deepak Jalan	Andhra Paper Limited	Non-Executive, Independent Director	7	3	1
	LINC Limited	Managing Director			
	SKP Securities Limited	Director			
Mr. Virendra Sinha	Andhra Paper Limited	Non-Executive, Independent Director	4	2	1
	Electrosteel Castings Ltd	Non-Executive, Independent Director			
	Texmaco Rail & Engineering Limited	Non-Executive, Independent Director			
Mrs. Papia Sengupta	Andhra Paper Limited	Non-Executive, Independent Director	7	9	1
	The Investment Trust of India Limited	Non-Executive, Independent Director – Shareholders 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

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 07, 2025	Board Meetings		
		Held during the tenure	Attended	% of attendance
Mr. Shree Kumar Bangur	Yes	4	4	100
Mr. Saurabh Bangur	Yes	4	4	100
Mr. Virendraa Bangur	Yes	4	4	100
Mr. Ramesh Kumar Aggarwal@	NA	2	2	100
Mr. Deepak Jalal@	NA	2	2	100
Mr. Mukesh Jain	Yes	4	4	100
Mr. Virendra Sinha	Yes	4	4	100
Mrs. Papia Sengupta	Yes	4	4	100
Mr. Sudarshan V. Somani*	Yes	2	2	100
Mr. Arun Kumar Sureka*	Yes	2	2	100

@Mr. Ramesh Kumar Aggarwal and Mr. Deepak Jalan appointed as Independent Directors with effect from closure of business hours on 29.10.2025

*Mr. Sudarshan V Somani and Mr. Arun Kumar Sureka completes their second term as Independents Directors from the closure of business hours on 29.10.2025

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

During the financial year, four board meetings were held on May 08, 2025; August 05, 2025; November 06, 2025 and February 04, 2026.

c. Mr. Virendraa Bangur and Mr. Saurabh Bangur (sons) are related to Mr. Shree Kumar Bangur (father) and other Directors are unrelated to each other.

d. A meeting of the Independent Directors was held on March 18, 2026 and inter-alia, discussed on matters pertaining to review the performance of non-independent directors, Board as a whole and performance of Chairman and also assess the quality, quantity and time lines of flow of information between the management of the company and the Board.

e. The details of Familiarization Program imparted to Independent Directors are placed on the Company's website viz., https://andhrapaper.com/wp-content/uploads/2026/04/Familiarization-Programme-during-the-year-2025-26.pdf

f. A chart or a Matrix for skills/attributes identified by the Board of Directors as required in the context of business and sectors to function effectively & those actually available with the Board is given in Appendix – 1.

g. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Rregulations, 2015 and are independent of the management.

h. None of the Independent Directors has resigned before expiry of their 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

During the year, the second consecutive term of office of Mr. Sudarshan V Somani and Mr. Arun Kumar Sureka as Independent Directors of the Company was completed upon closure of business hours on October 29, 2025. Consequently, they ceased to be members of the Audit Committee with effect from October 29, 2025, and the composition of the Audit Committee was reconstituted accordingly with effect from the said date.

The composition of Audit Committee as on March 31, 2026 is as follows:

Name	Category	Designation
Mr. Virendra Sinha*	Non-Executive, Independent Director	Chairman
Mrs. Papia Sengupta@	Non-Executive, Independent Director	Member
Mr. Ramesh Kumar Aggarwal@	Non-Executive, Independent Director	Member
Mr. Saurabh Bangur	Executive Director	Member

* Existing Member designated as Chairman of the Committee w.e.f. October 29, 2025

@ Co-opted as Members of the Committee w.e.f. October 29, 2025

All Members of Audit Committee are financially literate and Mr. Virendra Sinha have accounting and related financial management expertise.

c. Meetings and attendance during the year

During the financial year, four meetings of Audit Committee were held on May 08, 2025; August 08, 2025; November 06, 2025 and February 04, 2026. The details are as follows.

Name of Member	May 8, 2025	August 8, 2025	November 6, 2025	February 4, 2026
Mr. Virendra Sinha*	Yes	Yes	Yes	Yes
Mrs. Papia Sengupta@	NA	NA	Yes	LOA
Mr. Ramesh Kumar Aggarwal@	NA	NA	Yes	Yes
Mr. Saurabh Bangur	Yes	Yes	Yes	Yes
Mr. Sudarshan V Somani#	Yes	Yes	NA	NA
Mr. Arun Kumar Sureka#	Yes	Yes	NA	NA

\# Mr. Sudarshan V Somani and Mr. Arun Kumar Sureka as Independent Directors of the Company was completed upon closure of business hours on October 29, 2025

* Existing Member designated as Chairman of the Committee w.e.f. October 29, 2025

@ Co-opted as Members of the Committee w.e.f. October 29, 2025

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

During the year, the second consecutive term of office of Mr. Sudarshan V Somani and Mr. Arun Kumar Sureka as Independent Directors of the Company was completed upon closure of business hours on October 29, 2025. Consequently, they ceased to be members of the Nomination and Remuneration Committee with effect from October 29, 2025, and the composition of the Committee was reconstituted accordingly with effect from the said date.

The composition of Nomination and Remuneration Committee as on March 31, 2026 is as follows:

Name	Category	Designation
Mr. Virendra Sinha@	Non-Executive, Independent Director	Chairman
Mr. Deepak Jalal#	Non-Executive, Independent Director	Member
Mr. Shree Kumar Bangur	Non-Executive Director	Member

@ Co-opted as Member and designated as Chairman of the Committee w.e.f. October 29, 2025

\# Co-opted as Member of the Committee w.e.f. October 29, 2025.

c. Meetings and attendance during the year

During the financial year, two Meetings of Nomination and Remuneration Committee were held on May 08, 2025 and August 05, 2025 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. Virendra Sinha	2	2
Mr. Arun Kumar Sureka@	2	2
Mr. Sudarshan V Somani@	2	2
Mr. Deepak Jalan*	NA	NA
Mr. Shree Kumar Bangur	2	2

@ Mr. Arun Kumar Sureka and Mr. Sudarshan V Somani ceased to be a Members of the Committee with effect from October 29, 2025, consequent upon the completion of his second term as an Independent Director.

* Mr. Deepak Jalan co-opted as Member of the Committee w.e.f. October 29, 2025

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

During the year, Mr. Sudarshan V Somani completed his second consecutive term of office as an Independent Director of the Company upon closure of business hours on October 29, 2025. Consequently, he ceased to be a member of the Stakeholders Relationship Committee with effect from October 29, 2025, and the composition of the Committee was reconstituted accordingly with effect from the said date.

The Composition of Stakeholders' Relationship Committee as on March 31, 2026 is as follows:

Name	Category	Designation
Mr. Virendraa Bangur@	Non-Executive and Non-Independent Director	Chairman
Mrs. Papia Sengupta	Non-Executive Independent Director	Member
Mr. Mukesh Jain#	Executive Director	Member

@ Existing member designated as Chairman of the Committee w.e.f. October 29, 2025

\# Co-opted as Member of the Committee w.e.f. October 29, 2025

During the financial year, one Meeting of Stakeholders Relationship Committee were held on February 04, 2026 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. Virendraa Bangur	1	1
Mrs. Papia Sengupta	1	LOA
Mr. Mukesh Jain@	1	1

@ Co-opted as Member of the Committee w.e.f. October 29, 2025

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, 2026 are furnished below:

No. of shareholders' complaints received during the financial year	2
No. of complaints solved to the satisfaction of shareholders	2
No. of complaints not solved to the satisfaction of shareholders	0
No. of pending complaints as on March 31, 2026	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, Name of Members and Chairperson

During the year, Mr. Virendra Sinha was step down as a member of Risk Management Committee effective from closure of business hours on October 29, 2025.

The Composition of Risk Management Committee as on March 31, 2026 is as follows:

Name	Category	Designation
Mr. Saurabh Bangur	Executive Director	Chairman
Mr. Deepak Jalan*	Non-Executive, Independent Director	Member
Mr. Mukesh Jain	Executive Director	Member

*Co-opted as Member of the Committee w.e.f. October 29, 2025

c. Meetings and Attendance during the year

During the financial year, two Meetings of Risk Management Committee were held on September 12, 2025 and March 24, 2026 and details of attendance of members are as follows:

Name	Number of Meetings held during the year	Number of Meetings attended
Mr. Saurabh Bangur	2	2
Mr. Mukesh Jain	2	2
Mr. Deepak Jalan*	2	1

* Mr. Deepak Jalan appointed on 29.10.2025, hence he is entailed to attend one meeting.

7. Senior Management:

Mr. Rajesh Bothra, Chief Financial Officer, Mr. Sura Reddy Mallidi, Sr. Vice President (Mill Operations), Mr. Sandeep Rao Thallapalli, Vice President (Sales & Marketing) and Mr. Bijay Kumar Sanku, Company Secretary are the senior management of the Company as on March 31, 2026.

8. 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, 2026 were as follows:

(In ₹ Lakhs)

Name	Sitting Fees
Mr. Shree Kumar Bangur	2.50
Mr. Virendraa Bangur	2.50
Mr. Ramesh Kumar Aggarwal@	1.50
Mr. Deepak Jalan@	1.25
Mr. Virendra Sinha	3.50
Mrs. Papia Sengupta	2.25
Mr. Sudarshan V. Somani*	2.25
Mr. Arun Kumar Sureka*	2.00
TOTAL	**17.75**

*Mr. Sudarshan V Somani and Mr. Arun Kumar Sureka completes their Second Term as Independent Directors effective from closure of business hours on October 29, 2025

@Mr. Ramesh Kumar Aggarwal and Mr. Deepak Jalan was appointed as Independent Directors of the Company effective from closure of business hours on October 29, 2025

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 Committee Meetings.

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 2025-26.

The details of remuneration paid to Executive Directors for the financial year 2025-26:

(₹ in Lakhs)

Particulars of Remuneration	Name of Executive Director	
	Mr. Saurabh Bangur, Managing Director	Mr. Mukesh Jain, Executive Director
Gross salary		
Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	382.64	121.87
Value of perquisites under Section 17(2) of the Income Tax Act, 1961.	--	6.09
Total	382.64[@]	127.96

[@] includes commission of ₹176 Lakhs

All the Executive Directors were appointed for three years except Mr. Saurabh Bangur who was appointed for a three years and four months to coincide the Annual General Meeting of a particular year 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.

9. General Body Meetings

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

Year ended	Date and time	Venue
March, 2023	August 11, 2023 at 11.30 A.M.	Through Video Conferencing ('VC")/Other Audio Visual Means ("OAVM")
March, 2024	August 12, 2024 at 11.30 A.M.	Through Video Conferencing ('VC")/Other Audio Visual Means ("OAVM")
March, 2025	August 07, 2025 at 02.30 P.M.	Through Video Conferencing ('VC")/Other Audio Visual Means ("OAVM")

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

Date	Description of Special Resolutions passed
August 11, 2023	Re-appointment of Mr. Saurabh Bangur as Joint Managing Director for a period from June 1, 2023 to September 30, 2026
August 12, 2024	1. Alternation of Memorandum of Association 2. Re-appointment of Mr. Mukesh Jain as an Executive Director
August 07, 2025	1. Re-appointment of Mrs. Papia Sengupta (DIN: 07701564) as an Independent Director of the Company. 2. Appointment of Secretarial Auditor and fix their remuneration.

c. **Two Special Resolutions were passed through postal ballot during the financial year ended March 31, 2026.**

Particulars	Appointment of Mr. Ramesh Kumar Aggarwal (DIN: 00442059) as an Independent Director	Appointment of Mr. Deepak Jalan (DIN: 00758600) as an Independent Director
Date of Postal Ballot Notice	05th August, 2025	
Voting Period	From Thursday, September 04, 2025 at 09.00 AM to Friday, October 03, 2025 at 05.00 PM	
Date of Approval	03rd October, 2025	
Date of Declaration of Results	06th October, 2025	
Type of Resolution	Special Resolution	
No. of Votes polled	15,46,31,221	15,46,31,162
Votes cast in favour –		
- No. of Votes	15,46,21,172	15,46,20,169
- % of votes	99.99	99.99
Votes cast against –		
- No. of Votes	10,049	10,993
- % of votes	0.01	0.01

d. Mr. Mohit Kumar Goyal, 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.

10. 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://andhrapaper.com/investors-financial-results/ .

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

11. General Shareholder Information

a. Date, Time and Venue of Annual General Meeting

	Date & time	Venue
62nd Annual General Meeting	Tuesday, August 11, 2026 at 11.30 AM	Through Video Conferencing/Other Audio Visual Means (VC/OAVM)

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

Financial Year: April 1, 2026 to March 31, 2027:

Particulars	Period ended	On or before
Unaudited Financial Results for the quarter ending	June 30, 2026	August 14, 2026
Unaudited Financial Results for the quarter ending	September 30, 2026	November 14, 2026
Unaudited Financial Results for the quarter ending	December 31, 2026	February 14, 2027
Audited Financial Results for the quarter ending	March 31, 2027	May 30, 2027
Annual General Meeting for the year ending	March 31, 2026	September 30, 2026
Details of Record Date	Tuesday, August 04, 2026	
Details of Payment of Dividend on equity shares	Within 30 days from the date of declaration	

c. Listing on stock exchanges

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

The Company paid the Annual Listing fees for the financial year 2026-27 to BSE and NSE.

d. The securities of the Company have not been suspended from trading during the financial year ended March 31, 2026.

e. Registrar to an issue and Share Transfer Agent (RTA)

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

f. 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.

Pursuant to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), transfer of securities is permitted only in dematerialised form. Further, in terms of the SEBI Master Circular for Registrars to an Issue and Share Transfer Agents dated February 6, 2026 and listed companies are required to issue securities only in dematerialised form while processing investor service requests such as issue of duplicate securities certificates, claims from Unclaimed Suspense Account, renewal/exchange, endorsement, sub-division/splitting, consolidation, transmission and transposition of securities. Accordingly, securities arising out of such service requests are issued directly in the demat account of the security holder(s)/claimant(s).

g. Distribution of Equity Shareholding as on March 31, 2026:

Nominal Value of Equity shares ₹	Shareholders		Value	
	Number	%	₹	%
1 - 5000	40,612	95.79	2,22,86,076	5.61
5001 - 10000	996	2.35	74,54,586	1.87
10001 - 20000	414	0.98	59,70,688	1.50
20001 - 30000	128	0.30	32,30,758	0.81
30001 - 40000	73	0.17	25,84,430	0.65
40001 - 50000	40	0.09	18,35,306	0.46
50001 - 100000	61	0.14	44,07,558	1.11
100001 and above	75	0.18	34,99,30,988	87.99
TOTAL	**42,399**	**100**	**39,77,00,390**	**100**

h. Category of equity shareholders as on March 31, 2026:

S. No.	Category	Shares	%
(A)	Promoters		
	Bodies Corporate	14,40,63,000	72.45
PROMOTER HOLDING (A)		14,40,63,000	72.45
(A)	Public		
1	Mutual Funds	1,07,60,869	5.41
2	Alternate Investment Funds	13,775	0.01
3	Banks	2150	0.00
4	Insurance Companies	7,38,005	0.37
5	Foreign Portfolio – Corp	6,66,610	0.33
6	Foreign Bank	750	0.00
7	Director Relatives (excluding Ind. Directors & Nominee Directors)	20,000	0.01
8	Investor Education & Protection Fund	5,13,885	0.26
9	Resident Individuals	2,68,65,936	13.51
10	Non-Resident Indians	11,29,597	0.57
11	Bodies Corporate	1,28,91,183	6.48
12	Clearing Members	750	0.00
13	Directors or Director's Relatives	0	0
14	Hindu Undivided Family	11,15,305	0.56
15	Trusts	68,000	0.03
16	Unclaimed or Suspense or Escrow Account	380	0.00
PUBLIC SHAREHOLDERS (B)		**5,47,87,195**	**27.54**
GRAND TOTAL (A+B)		**19,88,50,195**	**100.00**

i. Dematerialization of shares as on March 31, 2026:

Depository Name	No. of shares dematerialized	Percentage on equity share capital
National Securities Depository Limited	18,25,58,224	91.81
Central Depository Services (India) Limited	1,55,54,461	7.82
Total dematerialized shares	19,81,12,685	99.63

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

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

l. 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

m. Address for Correspondence from shareholders

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

n. **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.**

During the year, the ratings assigned by CARE Ratings Limited to the Company's bank facilities were withdrawn at the request of the Company vide email dated November 20, 2025, in accordance with CARE Ratings' Policy on Withdrawal of Ratings.

Subsequently, the Company obtained credit ratings from ICRA Limited for its bank facilities, and ICRA has assigned the following ratings:

i) [ICRA] AA (Stable) in respect of long term bank facilities; and

ii) [ICRA] AA (Stable) / [ICRA] A1+ in respect of long term/short term unallocated limits- Unallocated limits

iii) [ICRA] A1+ in respect of short term Non fund based others.

12. 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

The Company paid ₹1,10,920/- each to National Stock Exchange of India Limited and BSE Limited pursuant to non-acceptance of waiver applications against fines for delayed compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, and filed an appeal before Securities Appellate Tribunal, Mumbai; the matter is sub judice.

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://andhrapaper.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. **Shareholders Right:** this will be considered for adoption in the future

2. **Audit Qualifications:** The Company is already in the regime of financial statements with unmodified opinion. Auditor has given audit report with unmodified opinion on the financial statements of the current financial year.

3. **Separate posts of Chairperson and Managing Director or the Chief Executive Officer:**

   This is complied. The Company is having separate posts for Chairperson and Managing Director

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://andhrapaper.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://andhrapaper.com/wp-content/uploads/2023/04/Policy-on-related-party-transactions-1.pdf.

g. Disclosure of commodity price risks or Foreign exchange risk and commodity hedging activities- Refer note no. 44E for hedging of Foreign Exchange Risk. The Company has not entered any activities relating to Commodity hedging.

h. No funds were raised through preferential allotment or qualified institutions placements during the year.

i. A Certificate dated May 14, 2026, 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.

j. None of recommendations of any Committee of the Board, which are mandatorily required to make recommendation on subjects, was rejected by the Board during the year.

k. Total fees for all services paid by the Company to the statutory auditors and all entities in the network firm/

network entity of which the statutory auditors is a part is ₹36 Lakhs.

l. 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, 2026.

m. During the year, the Company has not granted any loan(s) and advances in the nature of loans to firms/ companies in which directors are interested.

n. 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.

13. 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 Managing Director of the Company 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.

14. CEO and CFO Certification

A certificate duly signed by 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.

15. Equity shares in the Unclaimed Shares Demat Suspense Account/unclaimed 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, 2026 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	130
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Shares Demat Suspense Account during the year	0	0
Number of shareholders to whom shares were transferred from the Unclaimed Shares Demat Suspense Account during the year	0	0
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Demat Suspense Account as on March 31, 2026	2	130

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners of such shares claim the shares.

16. Suspense Escrow demat account

Zero (0) equity shares related to a shareholder have been transferred to Suspense Escrow demat account due to non-submission of letter of confirmation within 120 days of its issue for dematerialization of shares.

17. Disclosure of agreements

The Company, during the year, entered into transactions with promoter and promoter group entities in the normal course of business which do not impact the management or control which have been disclosed to the Stock Exchanges on half yearly basis. The said transactions have been included in the Notes to Accounts No. 35.

Appendix - 1

Skills and attributes identified by Board of Directors

Sl. No.	Skills	Experience	Attributes	Whether actually available with the Board: Yes/No
1	Practical wisdom and good judgment	Specialized knowledge in specific area	Highest personal and professional ethical standards and honesty.	Yes
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.	Yes
3	Specialized professional skills viz. operations, finance, human resources, marketing, legal, corporate governance etc.	Expertise on global issues	An enquiring and independent mind.	Yes
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.	Yes
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.	Yes
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.	Yes
7	Risk Management	Personal networks and external contacts	Vision, imagination and foresight.	Yes
8	Interpersonal sensitivity – a willingness to keep an open mind and recognize other perspectives.		Strategic perspectives, able to identify opportunities and threats.	Yes
9	Ability to mentor other directors		Innovator – a willingness to challenge Management and their assumptions, stimulate Board discussion with new, alternative insights and ideas.	Yes
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.	Yes
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.	Yes

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)
Mr. Shree Kumar Bangur	Chairman & Non-Executive Director	1 to 11
Mr. Virendraa Bangur	Vice-Chairman & Non-Executive Director	1 to 11
Mr. Saurabh Bangur	Managing Director	1 to 11
Mr. Virendra Sinha	Independent Director	1 to 11
Mr. Ramesh Kumar Aggarwal	Independent Director	1 to 11
Mr. Deepak Jalan	Independent Director	1 to 11
Mrs. Papia Sengupta	Independent Director	1 to 11
Mr. Mukesh Jain	Executive Director	1 to 11

DECLARATION BY THE 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 Disclosures Requirements) Regulations, 2015, I Confirm that, on the basis of confirmations/declarations received, all the members of the Board of Directors and senior management of the Company have complied with the Code of Business Conduct and Ethics framed by the Company for the financial year ended March 31, 2026.

Place: Rajahmundry
Date: May 14, 2026

Saurabh Bangur
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, 2026, 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.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122H000362257
PR NO: 6326/2024

Place: Hyderabad
Date: May 14, 2026

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:L21010AP1964PLC001008 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, 2026 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. Virendraa Bangur	00237043	30.12.2019
3.	Mr. Saurabh Bangur	00236894	01.06.2020
4.	Mr. Mukesh Jain	09380039	10.11.2021
5.	Mr. Virendra Sinha	03113274	01.04.2022
6.	Ms. Papia Sengupta	07701564	01.09.2022
7.	Mr. Ramesh Kumar Aggarwal	00442059	29.10.2025
8.	Mr. Deepak Jalan	00758600	29.10.2025

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.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122H000362257
PR NO: 6326/2024

Place: Hyderabad
Date: May 14, 2026

Business Responsibility and Sustainability Report (BRSR)

About The Company

Andhra Paper Limited is a leading integrated paper and pulp manufacturer in India, known for its commitment to sustainability and quality. With a rich heritage spanning several decades, the Company produces a diverse range of high-quality paper products. Central to its operations is a focus on innovation and efficiency, supported by advanced manufacturing facilities and responsible sourcing practices. Andhra Paper is dedicated to minimizing its environmental impact through water conservation and waste management initiatives. The Company prioritizes customer satisfaction and actively supports social initiatives in education, healthcare and environmental conservation. With a strong foundation built on integrity, quality and sustainability, Andhra Paper Limited continues to be a trusted name in the paper industry, driving innovation and excellence.

On these lines, the Company presents the 'Business Responsibility & Sustainability Report' (BRSR) for FY25-26, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In this report, the words – 'The Company', 'Andhra Paper', 'We', 'Our' are used interchangeably to denote Andhra Paper Ltd.

SECTION A — GENERAL DISCLOSURES

I. Details of the listed entity:

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L21010AP1964PLC001008	
2.	**Name of the Listed Entity**	Andhra Paper Limited	
3.	**Year of incorporation**	1964	
4.	**Registered office address**	Sri Ram Nagar, Rajahmundry, East Godavari District, Andhra Pradesh – 533 105	
5.	**Corporate address**	31, Chowringhee Road, Park Street, Kolkata – 700 016, India.	
6.	**E-mail**	bijaykumar.sanku@andhrapaper.com	
7.	**Telephone**	0883-2471831	
8.	**Website**	www.andhrapaper.com	
9.	**Financial year for which reporting is being done**	2025-26	
10.	**Name of the Stock Exchange(s) where shares are listed :**	**Name of the Exchange**	**Stock Code**
		BSE Ltd.	502330
		National Stock Exchange of India Ltd.	ANDHRAPAP
11.	**Paid-up Capital**	₹3,977 Lakhs	
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Bijay Kumar Sanku Company Secretary & Compliance Officer Tel: +91-883-2471831 Email: bijaykumar.sanku@andhrapaper.com	
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).**	The disclosures under this report are made on a standalone basis	

14	**Name of assurance provider**	Not Applicable for the reporting period as per SEBI Master Circular No. SEBI/HO/49/14/14(7)2025-CFD-POD2/1/3762/2026
15	**Type of assurance obtained**	Not Applicable for the reporting period as per SEBI Master Circular No. SEBI/HO/49/14/14(7)2025-CFD-POD2/1/3762/2026

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture	Manufacture of Paper, Paperboard and pulp	100.00

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/ Service	NIC Code	% of Turnover contributed
1.	Paper, Paperboard and pulp	17011, 17016 and 17093	100.00

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

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

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States & UTs)	19
International (No. of Countries)	9

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

Total contribution of exports is 0.59% of the total turnover of the Company.

c. A brief on types of customers:

The Company manufactures writing, printing and copier papers for both domestic and global markets. Its customer base includes printers, publishers, notebook converters, wholesalers, stationers and corporations.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	823	806	97.93	17	2.07
2.	Other than Permanent (E)	21	21	100	0	0.00
3.	**Total employees (D + E)**	**844**	**827**	**97.99**	**17**	**2.01**
			WORKERS			
4.	Permanent (F)	1105	1102	99.73	3	0.27
5.	Other than Permanent (G)	4417	4270	96.67	147	3.33
6.	**Total workers (F + G)**	**5522**	**5372**	**97.28**	**150**	**2.72**

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50
Key Management Personnel*	2	0	0.00

*KMP does not includes member of the Board

22. Turnover rate for permanent employees and workers (in percent)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.13	23.53	19.33	14.37	6.06	10.22	13.53	13.79	13.54
Permanent Workers	2.96	0.00	1.48	1.85	0.00	0.92	3.48	0.00	3.47

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	West Coast Paper Mills Limited	Holding	72.45	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) – 16,92,98,31,589

(iii) Net worth (in ₹) – 19,39,35,10,000

VII. Transparency and Disclosures Compliances

25. Complaints/Grievance on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, The CSR Team is the point of reference for all grievances. The web link of the CSR policy: https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645517930CSR%20Policy.pdf	NIL	NIL	NA	NIL	NIL	NA
Investors (other than shareholders)	N.A as The Company does not have any investors other than shareholders.	NIL	NIL	NA	NIL	NIL	NA
Shareholders	Yes. The SEBI mechanism of SCORES is effectively in place (Portal: https://scores.gov.in). Shareholders can refer to the Investor grievance Policy on the following link: https://andhrapaper.com/wp-content/uploads/2023/04/17_Investor-Grievance-Handling-Policy.pdf .	NIL	NIL	NA	NIL	NIL	NA
Employees and workers	Yes, all complaints / grievances are handled through a committee chaired by the Executive Director.	NIL	NIL	NA	NIL	NIL	NA
Customers	Yes, The Company has mentioned the grievance mechanism in contracts and agreements entered into with the distributors (Indentors), dealers, agents and customers of the Company.	38	0	All complaints resolved	57	7	Pending complaints resolved in the FY 2025-26
Value Chain Partners	Yes. Company has a system in place by way of Whistle Blower mechanism for all grievance apart from the marketing team representatives. Web link of policy - https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1658382966Whistle%20Blower%20Policy%20modified%20on%2021.07.2022	NIL	NIL	NA	NIL	NIL	NA

26. Overview of the entity's material responsible business conduct issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

S. 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	Greenhouse Gas Emissions	Risk & Opportunity	The manufacturing of pulp and paper products generates direct greenhouse gas (GHG) emissions associated with the combustion of fossil fuels and biomass in stationary and mobile engines, cogeneration boilers, and other processing equipment. Companies in this industry also typically use significant amounts of carbon-neutral biomass for their energy needs, the use of which may reduce the costs associated with purchasing fossil fuels, as well as mitigate regulatory risk associated with carbon emissions. Emissions associated with fossil fuel sources may add regulatory compliance costs, depending on the magnitude of emissions and the prevailing emissions regulations. Entities that cost-effectively manage GHG emissions through greater energy efficiency, alternative fuels use or manufacturing process improvements may benefit from improved operating efficiency and reduced regulatory compliance costs.	Andhra Paper is actively mitigating greenhouse gas emissions through a multifaceted approach. This includes substituting fossil fuels with various biofuels in coal-fired boilers, exclusively operating the Recovery Boiler on 100% biofuel derived from black liquor, and maximizing internal power generation efficiency. During FY 2025-26, Self power generation by using coal and biofuels is contributed to 97. 98 % and Grid power is 2.2 %, Standalone power generation from Biofuels is 74.50 % meeting the power needs of the Company. Additionally, the Company repurposes CO2 emissions from the Rotary Lime Kiln stack to produce Precipitated Calcium Carbonate, reducing emissions while adding value to the production process. Complementing these efforts is a substantial farm forestry program distributing 354 Lakhs Casuarina clones, 308 Lakhs Casuarina seedlings, 62 Lakhs Eucalyptus clones, 177 Lakhs Subabul seedlings covered approximately 9,574 hectares of land in FY 2025-26, contributing to carbon sequestration and ensuring sustainable wood sourcing.	Positive

S. 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)
2	Water Management	Risk	Pulp and paper manufacturing relies heavily on water for material processing, cooling, and energy production. This process generates substantial wastewater, necessitating treatment before discharge. Water scarcity can lead to higher costs, supply disruptions, or conflicts.	The Company has implemented a range of water conservation initiatives to address the high water usage inherent in pulp and paper manufacturing. These initiatives include reusing backwater and secondary condensate in paper machines, as well as using treated water for gardening. We also repurpose reject from the water treatment plant, upgrade paper machine showers, and reuse white water within machines. Approximately 15406 KL of water per day reused in manufacturing process. Furthermore, we have optimized cooling system for RLK bearings and transitioned from fresh to hot water in showers. These efforts have led to a significant reduction in specific water consumption per ton of product, from 48.34m3, to 43 m^3 demonstrating our commitment to sustainable water management.	Positive
3	Supply Chain Management	Risk	The main input for paper industry is wood procured from various sources and in various forms. The industry source wood and fiber from forestry management entities, paper recyclers, and self-managed forests. Risks in the supply chain include decreased forest productivity due to management or increase in prices due to shortage, competition, climate issues, sustainable forest management regulations, and reputational impacts. These may materially affect the production and ultimately financials.	To mitigate this risk, the company has implemented a comprehensive farm forestry program. The company plans for plantations of 12,000 hectares in 2026-27, out of which 10,000 hectares will be under highly productive clone plantations, benefiting around 6,000 farmers within 150KM to strengthen core catchement. The organization is also investing in R&D for the development of high-yielding clones and promoting scientific farming practices. Further, it is actively engaging with farmers by providing training, conducting village-level meetings, and organizing exposure visits to encourage adoption of high-tech plantation methods.	Negative In domestic wood, a 6–7% price increase has been observed, compared to FY25, and due to the ongoing demand-supply gap, prices remain elevated with no significant reduction.

S. 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)
4	Health & Safety	Risk	Occupational hazard and accidents may result in fatal injury including loss of life of workmen, contractors, apart from direct and indirect loss of production and property and may entail prosecution and/or fine.	Periodic review of incident statistics is conducted to monitor trends in safety performance and the occurrence of accidents. Central Safety Committee meetings are held once in quarter to review and ensure adherence to safety standards. Hazard identification and risk assessment (HIRA) is prepared for all routine activities to identify potential hazards mill-wide and mitigate risks accordingly. A Permit to Work (PTW) system is in place to regulate and control high-risk tasks, ensuring that all activities are authorized and conducted safely. Third party vendors compliance to safety standards is reviewed and vendors are issued advisory for any gaps. All third party vendors have been advised to obtain insurance for their workers coming into the premises. A total of 21774 hours of training has provided on Safety and health during the year.	Positive

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 your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available									

The Policies of Andhra Papers Limited are as follows:

Sr. No.	Name of policy	Link to Policy	Which Principles each policies goes into
1	Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons	https://andhrapaper.com/wp-content/uploads/2023/04/6_Code-of-Conduct-for-Regulating-Monitoring-and-Reporting-of-Trading-by-Designated-Persons.pdf	P1, P4, P7
2	Nomination & Remuneration Charter	https://andhrapaper.com/wp-content/uploads/2023/04/10_Nomination-and-Remuneration-Committee-Charter.pdf	P3, P4
3	Dividend distribution policy	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645517957Dividend%20Distribution%20Policy.pdf	P3, P4
4	Policy on Related Party Transactions	https://andhrapaper.com/wp-content/uploads/2023/04/Policy-on-related-party-transactions-1.pdf	P1, P4, P7
5	Policy on Material subsidiaries	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645517984Policy%20on%20Material%20Subsidiaries.pdf	P1
6	Policy for disclosure of events or information to Stock Exchanges under SEBI Listing Regulations	https://andhrapaper.com/wp-content/uploads/2023/09/Policy-for-disclosure-of-events-or-information.pdf	P1, P4
7	CSR Policy	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1645517930CSR%20Policy.pdf	P4, P8
8	Code of Business Conduct and Ethics	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1599824151Code%20of%20Business%20Conduct%20and%20Ethics.pdf	P1
9	Whistle blower Policy	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1658382966Whistle%20Blower%20Policy%20modified%20on%2021.07.2022	P1
10	Prevention of Sexual Harassment (POSH)	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1598599964Protection%20of%20Women%20against%20sexual%20harassment%20Policy.pdf	P5
11	Policy on Supplier Code of Conduct	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1598599917Policy%20on%20Supplier%20Code%20of%20Conduct.pdf	P2, P3, P9
12	Sustainability	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1598600119Sustainability%20Policy.pdf	P2

Sr. No.	Name of policy	Link to Policy	Which Principles each policies goes into
13	Quality, Environment, Health & Safety Policy (QEHS)	https://andhrapaper.com/wp-content/uploads/2024/02/QEHS-Policy-English-1.pdf	P2, P6
14	Policy for preservation of documents under SEBI Listing Regulations	https://andhrapaper.com/wp-content/uploads/2023/04/5_Policy-for-Preservation-of-documents-under-SEBI-LODR-Regulations-2015.pdf	P1
15	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://andhrapaper.com/wp-content/uploads/2023/04/7_Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf	P1
16	Controlled Wood Policy	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1598599886Controlled%20Wood%20Policy.pdf	P2, P6
17	Investor Grievance Redressal Policy	https://andhrapaper.com/wp-content/uploads/2023/04/17_Investor-Grievance-Handling-Policy.pdf	P1
18	Remuneration Policy	https://andhrapaper.com/wp-content/themes/andhra_paper/uploads/investors/1599824266Remuneration%20Policy.pdf	P3, P8
19	Grievance Redressal at Workplace	Intranet	P3, P5
20	Policy on Child and Forced Labour	Intranet	P5
21	Gift Giving Policy	Intranet	P1, P4
22	Gift Receiving Policy	Intranet	P1, P4
23	Policy on Value & Ethics (Code of Conduct)	Intranet	P1
24	Policy on Human Rights	Intranet	P5
25	Policy on Prevention of discrimination in Employment and Occupation	Intranet	P1, P5, P8
26	Freedom of Association	Intranet	P3, P7
27	Information Security Policy and procedure	Intranet	P1, P2, P7

2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity 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-cerificates/ ISO 50001:2018 (Energy Management System)								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Mill wide goals set for the financial year 2025-26: **Rajahmundry Mill:** 1) Mill water consumption – 46-52 m3 / ton of product 2) Steam Consumption - 7.2-7.6 tons / ton of product 3) Power Consumption – 1050- 1100 KWh ton of product 4) Employee development training man hours / Employee / Year – Staff, Min. 6.0 hrs. **Kadiyam Mill:** 1) Reduction of Power consumption to < 959.2 KWH per ton of product. 2) Product Rejections to maintain < 1.97 %. 3) To achieve Customer Satisfaction Index (CSI) at 80 % (Rating min.4/5) 4) OTIF 95%.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Mill wide goals achieved for the Financial year 2025-26 **Rajahmundry Mill:** 1) Mill water consumption – 43.7 m3 / ton of product 2) Steam Consumption - 6.9 tons / ton of product 3) Power Consumption – 1080 KWh ton of product 4) Employee development training man hours / Employee / Year – Staff achieved 13 hrs. against target of 6.0 hrs. **Kadiyam Mill:** 1) Power consumption is at 968.6 against target of 959.2 KWH per ton of product. (More Consumption due to extra load Constraint in Lower Gsm Pharma) 2) Product Rejections is at 1.88 % against target of < 1.97 %. 3) Customer Satisfaction Index (CSI) achieved 89.6 % against target of 80% (Rating Min 4/5) 4) OTIF 96.6 against Min 95%

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

At Andhra Paper Limited (APL), our vision is to be the top-performing and most respected paper company in India by embedding Environmental, Social, and Governance (ESG) principles into our core business strategy. We believe that sustainable growth is only possible when we create long-term value for all stakeholders—our customers, employees, communities, and the environment.

Environmental Responsibility

APL acknowledges the environmental challenges facing the paper industry, particularly in the areas of climate change, resource consumption, and waste generation. We have established a robust Quality, Environment, Health, and Safety (QEHS) Policy to drive improvements in these areas. Our targets include reducing carbon emissions, optimizing energy and water usage, and strengthening our waste management systems. Notable achievements during the reporting period include increased use of clean energy, enhanced water recycling, and improved air emission controls.

Social Commitment

We are equally committed to fostering a safe, inclusive, and equitable workplace. APL ensures clean, safe, and fair working conditions for its employees and partners. We continue to invest in skill development, health, and welfare initiatives through our Corporate Social Responsibility (CSR) programmes, aligned with our CSR and Human Rights Policies. Our goal is to be the neighbour of choice by contributing meaningfully to the socio-economic development of the communities in which we operate.

Governance and Ethics:

Strong governance is the foundation of our operations. Our Code of Conduct and Ethics Policy guides every decision and action across the organisation. We are committed to upholding integrity, transparency, and accountability in all our dealings, fostering trust among stakeholders and ensuring compliance with applicable laws and standards.

APL's ability to adapt through technological advancement, process automation, and a customer-first approach ensures that we continue to deliver high-quality products with minimal environmental impact. As we progress, ESG will remain central to our business, shaping our roadmap toward sustainable value creation.

Mr. Mukesh Jain, Executive Director

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Mukesh Jain Executive Director mukesh.jain@andhrapaper.com
9.	Does the entity 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 mukesh.jain@andhrapaper.com DIN Number: 09380039 Ph: 0883-2471831

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was under 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	Yes, Executive Director has reviewed the performance against all the above mentioned policies.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The compliance review has been carried out by Executive Director of the Company.									Annually								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Operationalization and effectiveness of policies were evaluated by Dhir & Dhir Associates, a Law Firm in the Financial year 2024. Evaluation was conducted on the working of policies.								

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									

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
Board of 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	4	The Company periodically updates and familiarises the KMP's on topics like Prevention of Sexual Harassment, Compliance updates, Risk Management, Business operations.	100
Employees other than BoD and KMPs	5	The Company provides its employees and workers with awareness trainings and programmes on topics such as: • Environment Related; • Behavioural & Managerial Related; • Technical Related; • System Related; • ISO Awareness Training; • Prevention of Sexual Harassment	100
Workers	5		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 (basis the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine		NSE	2000	Delay of 46 days in taking shareholders approval for appointing non-executive director who has attained 75 years	Yes
		BSE	2000		Yes
Settlement	N.A				
Compounding Fee	N.A				
Non-Monetary					
Imprisonment	NIL				
Punishment					

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
Non-compliance of Regulation 17(1A) of SEBI(LODR) Regulations, 2015	Company has filed waiver application on 01.04.2025 with NSE and the same is deemed the application for BSE and is under verification.

4. **Does the entity 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://andhrapaper.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 2025-26	FY 2024-25
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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 conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	23.81	31.64

9. Open-ness of Business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from Trading houses as % of total purchases	71.33	65.00
	b. Number of trading houses where purchases and made from	271	646
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	51.52	58.00
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	98.87	94.40
	b. Number of dealers/distributors to whom sales are made	48	56
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	46.06	41.16
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.00	0.00
	b. Sales (Sales to related parties/Total Sales)	0.00	0.00
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.00	0.00
	d. Investments (Investments in related parties/ Total Investments made)	0.00	0.00

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	Topic/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) that were assessed
2	Human rights, Labour practices, Sustainability	100% Dealers/Distributors
1363	Agricultural Productivity, Plantation management, Health & Safety	100% Farmers
65	Health & Safety	100% 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 a formal framework for identifying, disclosing, and managing conflicts of interest involving its Directors. In accordance with the provisions of the Companies Act, 2013, Directors are required to disclose their interests in other entities. Such disclosures are placed before the Board and duly noted at the Board Meeting. Further, any transaction in which a Director is interested is promptly disclosed to the Board, and the concerned Director abstains from participating in the deliberations or decision making on such matters, in line with applicable legal and governance requirements.

The Board has adopted Codes of Conduct applicable to all Directors and members of Senior Management of the rank of Vice President and above, which lay down standards of ethical conduct, integrity, transparency, and compliance. All Directors and Senior Management personnel annually affirm compliance with the respective Codes, thereby reinforcing the Company's commitment to ethical business practices and sound governance.

In addition, the Board and Senior Management provide annual confirmations that they do not have any material interests in transactions that could conflict with the interests of the Company. Such disclosures further strengthen the Company's governance framework and promote transparency and accountability.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	2025-26	2024-25	Details of Improvements in environmental and social impacts
R&D	100.00%	100.00%	Removal of impurities and chemicals, Increases pulp yield, producing more finished product from the same raw material, Improved efficiency, Lowers fuel consumption and greenhouse gas emissions, boosting environmental performance and reduced fuel use.
Capex	100.00%	100.00%	- Do-

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

   The Company has a policy called the "Controlled Wood Policy," through which it refrains from procuring or sourcing wood from specific categories deemed illegal or unsustainable.

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

   Overall, 100% of the Company's inputs are sustainably sourced.

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.

   The Company has established Standard Operating Procedures (SOPs) for the management of Hazardous & Non-Hazardous wastes, E-Waste, Batteries Waste, and Bio-Medical waste, ensuring consistent implementation and compliance across various sections.

   a. **Plastics (including packaging):** Andhra Paper Limited has registered with the Central Pollution Control Board (CPCB) for extended producer responsibility (EPR) under plastic waste rules (PWR) in 2016. Around 1179 tons of plastic packages was collected from the market and recycled against EPR target of 1370 Tones for the year 2024-25 for all locations of Andhra Paper by engaging approved and registered by the CPCB under EPR third-party organization. Annual Returns for FY 2024-25 were successfully uploaded in CPCB EPR portal. Non-availability of ERP credits in the market balance 195 Tons not met as per target. This will fulfill in the FY 2025-26 along with target of 1268 Tons.

   b. **E-waste:** The company obtained authorization order from the State Pollution Control Board for E-waste disposal along with all other wastes. The Company dispose its E-waste to SPCB /CPCB authorized dismantlers, recyclers and re-processors for proper disposal / recycling. Annual returns are being submitted to SPCB as per guidelines.

c. **Hazardous waste:** The Andhra Paper is authorized by the SPCB to reuse a part of their hazard ous waste as a biofuel in their boilers, while the remaining hazardous waste is sent to external parties for recycling or disposal in accordance in accordance with the SPCB authorization order.

d. **Other waste:** The Company complies with the SPCB authorization order for non-hazardous waste disposal. Part of the nonhazardous waste is sent to authorized external parties for beneficial usage, recycling or disposal and remaining waste is reused internally in boilers as a biofuel in accordance with the SPCB authorization.

Regular annual training sessions are organized for all employees involved in waste handling activities. Waste segregation, collection, storage, and disposal procedures strictly adhere to the conditions outlined in the Hazardous Waste Authorization issued by the State Pollution Control Board (SPCB). Additionally, the Company submits annual returns to the SPCB as required by regulations. All waste materials are securely stored in closed containers or under concrete platforms with sheds, minimizing any potential impact on the environment and human health. Furthermore, Transport Emergency Cards (TREM CARDs) are available for applicable waste materials, ensuring preparedness for transportation emergencies.

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.

The Company has registered with the Central Pollution Control Board (CPCB) for Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016. For the fiscal year 2025- 26, the targets definedfor each category are: Category-1— 100 tons, Category-2— 702 tons, , and Category-3 — 466 tons, totalling 1268 tons and will be achieved.

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 Life Cycle Assessment during the Financial Year. However, We understand that conducting a full LCA is essential for gaining a holistic view of our environmental footprint—from fiber sourcing and manufacturing to transportation and end-of-life disposal. This insight is critical for pinpointing environmental hotspots and guiding targeted improvements. Accordingly, we are actively evaluating resources and partnerships to undertake a comprehensive LCA in the near future.					

2. 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.

Name of Product/ Service	Description of the risk/ concern	Action Taken
Not Applicable since the Company has not conducted Life Cycle Assessment during the Financial Year		

3. **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	
	FY 2025-26	FY 2024-25
Recycled Liq Salt used as % of Total Salt Cake (Sodium sulphate)	72.29	72.86
Recycled White Liquor Consumed as % Total white Liquor	96.50	96.87
RBC / Reclaimed Water / Se. Condensate use as % of Total	100.00	100.00
Knots reused as % of Total	100.00	100.00
Recycled Lime Consumed as % of Total Lime	96.40	96.15

Unit – Kadiam

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Recycled water consumption%	46.9	49.7

4. **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**

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	3674.36	0	0	1370	0
E-waste	0	4.38	0	0	9.39	0
Hazardous Waste	3212.1	50767.22	5.43	3699.48	26,120.01	48.99
Other waste (Paper)	0	0	0	32044.68	79673.01	0

5. **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 percentage of products sold) for each product category
Not Applicable	

PRINCIPLE 3: Businesses 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:

	% of employees covered by										
	Total (A)	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	806	806	100	806	100	0	0	806	100	806	100
Female	17	17	100	17	100	17	100	0	0	17	100
Total*	823	823	100	823	100	17	2.06	806	97.93	823	100
Other than Permanent Employees											
Male	21	0	0	21	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	21	0	0	21	100	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

	% of workers covered by										
	Total (A)	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	1102	1102	100	1102	100	0	0	1102	100	1102	100
Female	3	3	100	3	100	3	100	0	0	3	100
Total*	1105	1105	100	1105	100	3	0.27	1102	99.73	1105	100
Other than Permanent workers											
Male	4270	0	0	877	20.53	0	0	0	0	0	0
Female	147	0	0	44	29.93	147	100	0	0	0	0
Total*	4417	0	0	921	20.85	147	3.33	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.15	0.18

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

Benefits	FY 2025-26			FY 2024-25		
	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%	NA	100%	100%	NA
ESI	1.46	16.92	Y	0	20.6	Y

3. **Accessibility of workplaces**

Are the premises / offices of the entity 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 entity in this regard.

The Company is committed to creating a more inclusive and accessible work environment for all its employees. The Company has installed Lifts and Portable ramps in the offices and has constructed special washrooms for the differently abled at the plants. The facilities and offices are designed to be accessible to differently abled employees, and management consistently strives to enhance infrastructure to remove accessibility barriers.

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

The Company has enforced a thorough internal policy that forbids any form of discrimination related to disabilities. The Company offers reasonable accommodations to empower employees with disabilities to effectively fulfill their responsibilities. By advocating for respect and equal opportunities, it aims to foster a diverse and skilled workforce capable of contributing to its advancement and prosperity.

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	100.00	100.00	100.00	100.00
Female	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00

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 is aimed at providing employees with a safe and transparent platform to voice their concerns without fear of retaliation. The policy is structured to ensure a fair, timely, and effective resolution of grievances, thereby fostering a positive and productive work environment. Employees may raise their concerns through the Grievance Redressal Committee, which undertakes a thorough examination of all issues reported during the financial year and ensures that appropriate corrective actions are implemented.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2025-26			FY 2024-25		
	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	823	0	0	838	0	0
Male	806	0	0	821	0	0
Female	17	0	0	17	0	0
Total Permanent Worker	1105	1105	100	1131	1131	100
Male	1102	1102	100	1128	1128	100
Female	3	3	100	3	3	100

8. Details of training given to employees and workers:

	FY 2025-26					FY 2024-25				
	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	827	665	80.41	636	76.90	838	545	65.04	601	71.72
Female	17	14	82.35	10	58.82	17	15	88.24	17	100
Total	844	679	80.45	646	76.54	855	560	65.50	618	72.28
Workers										
Male	5372	2513	46.78	1044	19.43	4968	1912	38.49	1716	34.54
Female	150	0	0	0	0	114	82	71.93	79	69.30
Total	5522	2513	45.51	1044	18.91	5082	1994	39.24	1795	35.32

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	827	815	98.55	838	779	92.96
Female	17	15	88.24	17	16	94.12
Total	844	830	98.34	855	795	92.98
Workers*						
Male	5372	176	3.28	4968	204	4.11
Female	150	0	0	114	0	0.00
Total	5522	176	3.19	5082	204	4.01

*The Company has a Negotiated Long Term Wage Agreement with the workers which states the remuneration and the benefits the workers are entitled to during the term. Therefore, a formal performance appraisal is not being done for workers.

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 dedication to safeguarding the safety and welfare of its employees is demonstrated through its adherence to ISO 45001:2018 standards. Additionally, the implementation of the LIFE (Life Changing Injury and Fatality Elimination) project – a Flagship Program for Health and Safety by the Company, underscores this commitment, featuring regular quarterly evaluations to assess its efficacy. This endeavor is geared towards bolstering the Company's safety standards and fostering a secure workplace environment for its staff. Furthermore, the Company employs the APL Safety Leading Indicator, a pivotal metric for gauging its safety performance. This indicator is tailored to track leading safety performance factors, offering valuable insights into areas necessitating enhancement. The Company leverages this metric to monitor its Health and Safety performance and make requisite adjustments to its practices, further fortifying 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?**

The Company employs a range of procedures, audits and initiatives to safeguard the safety and well-being of its employees. These include the Hazard Recognition and Risk Assessment program as part of its Integrated Management System. Additionally, the Company conducts an annual Safety Audit Program in line with IS 14489 standards, as well as a Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis Program. Furthermore, the Company carries out a Mill Wide Cross Functional Audit Program and conducts both internal and external health and safety audits.

The Company also organizes campaign programs such as National Safety Week, Electrical Safety Week, Fire Services Week, 5S Week, and APL Safety Month (LIFE month). Employees undergo training in hazard recognition and control strategies through the Competence Development program. Moreover, the Company implements industrial best practices and programs like Personal Lock Out and Tag Out (LOTO), Group LOTO, permit-to-work systems, and Safe Work Observations to ensure employee safety.

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

Yes, the Company has instituted numerous initiatives aimed at bolstering workplace safety. These include a Near Miss Reporting Programme, which encourages employees to report incidents that narrowly avoided accidents. The Company also employs an "Unsafe Act/ Unsafe Condition" Identification Process, a SAP-based Safety Notification Process, and a Safe Work Observation Programme. These endeavors are geared towards identifying potential hazards and proactively preventing accidents, underscoring the Company's dedication to prioritizing the safety and welfare of its employees.

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

Yes, the Company is committed to fostering the health and welfare of its employees and workforce. Recognizing the significance of access to non-occupational medical and healthcare services in sustaining a healthy workforce, the Company provides free health checkups for its employees regularly. Administered by qualified medical professionals, these checkups aim to detect and prevent potential health issues. Additionally, the Company extends medical facilities and first-aid services to both employees and workers as part of this commitment.

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

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.76	0.13
	Workers	0.35	8.5
Total recordable work-related injuries	Employees	1	0
	Workers	3	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

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

The Company has made significant strides in improving its safety performance over time, underscoring its commitment to ensuring a secure work environment. The Company's flagship safety initiative, LIFE (Life Changing Injury and Fatality Elimination), follows a PDCA approach and encompasses 15 core safety standards, subject to regular review and updating as part of an annual sustainability program. Additionally, the Company conducts routine HAZOP (Hazard Operability) studies on critical chemical processes to verify the effectiveness of control measures against identified hazards. Furthermore, the Company maintains a rigorous internal plant safety inspection regimen to ensure the proper functioning of established systems.

All employees and contractors undergo mandatory training, including basic hazard recognition and control strategies, annual safety refresher courses, and safety training as per the training calendar for all designated target employees. Alongside the LIFE program, the Company remains committed to initiatives focusing on near-miss identification and reporting, basic hazard recognition skills, control strategy programs, and the implementation of a permit-to-work system. With these proactive measures in place, the Company is well-positioned to sustain a safe and healthy work environment for its employees and contractors.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	No complaints received by Safety department during the year			No complaints received by Safety department during the year		
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

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.

The Company employs a systematic approach to managing safety-related incidents and mitigating significant risks associated with health, safety practices, and working conditions. The following measures are implemented:

Incident Investigation Process:

- Thorough incident investigations are conducted for all injuries and potential near misses as part of the LIFE program.
- Contributing factors and root causes are identified for each incident.

Corrective Actions:

- Tailored corrective actions are developed for each identified root cause of the incident.
- Compliance with corrective action plans is monitored and tracked to ensure effective implementation.

Leadership Indicators

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

Yes, the Company offers compensation packages in case of death according to the long-term Agreement with workmen, ensuring coverage for workers. Furthermore, this benefit is also extended to employees, such as Group Personal Accident & Group Term Linked Insurance displaying the Company's dedication to providing support and care to its workforce.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   The Company guarantees that all required statutory payments for its employees are promptly and completely deposited, employing regular audits and controls. The Company utilizes various systems to ensure adherence to legal obligations. Additionally, agreements with service providers outline specific statutory compliance requirements. As an extra precaution, internal controls, internal audit checklists, and scheduled internal audits are conducted to maintain balance and ensure compliance according to defined frequencies.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been 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	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	1	0	1

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, the Company provides transition assistance programs to facilitate continued employability and career endings resulting from retirement or termination of employment.

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%, Upon entering into agreements/contracts, value chain partners are required to sign the Supplier Code of Conduct. Through which they affirm and guarantee their adherence to conducting business with honesty and integrity, treating all individuals with dignity and respect, ensuring health and safety standards, providing optimal working conditions, supporting communities, and complying with all the laws and regulations of the countries in which they operate.
Working Conditions	

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.

   During the year, there are no significant risk / concerns arising from assessments of the value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The Company engages with a diverse range of stakeholders who influence, or are influenced by, its operations. Stakeholders are identified according to the scope of activities and organizational requirements. Through stakeholder meetings, workshops, and similar events, we enhance dialogue and comprehension of significant societal, environmental, and regulatory concerns. These engagements strengthen collaboration, enhance organizational capabilities, and build trust with stakeholders. The engagement strategy acknowledges the distinctiveness of each stakeholder group and their specific priorities. Feedback and insights obtained from these engagements validate the Company's performance and contribute to evolving perspectives on challenges and opportunities.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other)	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 to Promote sustainable agricultural practices, improve crop quality, and strengthen long-term sourcing relationships.
Distributors & traders, suppliers supply chain Partners Aggregators	No	Emails, SMS, Community Meetings, website, others	As and when required	The Company maintains collaborative relationships with distributors, suppliers, and other supply chain partners to ensure operational efficiency and business continuity.
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	Enhance employee engagement, capability development, workplace safety, and career progression.
Local Communities	No	Through interactions, meetings	Before and after undertaking CSR initiatives	Understand areas which need support, implementation of CSR initiatives.
Government Bodies & Regulators	No	Meetings	As and when required	Ensure regulatory compliance, support public welfare initiatives, and collaborate on regional development projects.
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.**

While drafting policy documents, the Company meticulously assesses the rights and responsibilities of all stakeholders, adhering to industry-leading standards. Committed to corporate governance, the Company has enacted robust policies aimed at harmonizing stakeholder interests with its commercial prosperity. Pertinent details regarding key stakeholders are routinely communicated to the Company's Board of Directors. Through its committee reviews, the Board of Directors oversees and guides the Company's social responsibility commitments and other practices related to societal and sustainability endeavors.

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.**

The Company actively seeks feedback and recommendations from a diverse range of stakeholders. By engaging with these stakeholders, the Company can identify important issues and draw upon these insights to develop additional strategies, implement necessary policies, and set objectives and goals with a monitoring framework.

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

The Company acknowledges the specific needs of vulnerable and marginalized stakeholders and is committed to addressing them through targeted Corporate Social Responsibility (CSR) initiatives. In response to community requests, the Company has installed RO water plants in neighboring villages, improving access to safe drinking water for rural households and contributing to better public health.

The Company provides infrastructure support to government schools which lacks basic hygiene, furniture and class room facilities. The Company provides critical medical equipments for cancer care and neurological disorders to the government hospitals and primary health centers to enable them to serve the general public & the surrounding communities with basic healthcare.

As community development initiative, the Company undertakes construction of community halls for the less privileged sections of the society. The Company also provides tractors to nearby villages for solid waste management. The Company has undertaken conducting eye camps for treating eye conditions like refractive errors, cataracts, glaucoma, and diabetic retinopathy at an early stage, allowing for timely intervention and awareness and health and hygiene to underserved communities, particularly in rural and remote areas where access to regular ophthalmic care is limited.

Further, the Company has developed water infrastructure, including the construction of water storage sumps and pipelines, to improve access to water in underserved areas. A dedicated Skill Development Centre has been established in a nearby village to enhance the employability of local youth through job-oriented training. Similar initiatives have been implemented to empower women, including the establishment of cluster tailoring centers. The Company provides infrastructure support to anganwadi workers to function effectively and serve the neighbour communities. The Company has undertaken constriction of a sump cum pump house to drain out excess water during rainy season which floods the entire neighbour community.

All these initiatives contribute to inclusive community development while supporting the Company's long-term sustainability objectives.

PRINCIPLE 5: Businesses should respect and promote human rights

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	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	823	391	47.51	838	391	46.66
Other than permanent	21	0	0	17	**0**	0
Total Employees	**844**	**391**	**46.33**	**855**	**391**	**45.73**
Workers						
Permanent	1105	523	47.33	1131	523	46.24
Other than permanent	4417	1287	29.14	3951	1287	32.57
Total Workers	**5522**	**1810**	**32.78**	**5082**	**1810**	**35.62**

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

Category	FY 2025-26					2024-25				
	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	823	0	0	823	100	838	0	0	838	100
Male	806	0	0	806	100	821	0	0	821	100
Female	17	0	0	17	100	17	0	0	17	100
Other than Permanent	21	0	0	21	100	17	0	0	0	0
Male	21	0	0	21	100	17	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	1105	0	0	1105	100	1131	0	0	1131	100
Male	1102	0	0	1102	100	1128	0	0	1128	100
Female	3	0	0	3	100	3	0	0	3	100
Other than Permanent	4417	1611	36.47	2806	63.53	3951	1134	28.70	2806	71.02
Male	4270	1537	36	2733	64.00	3840	1107	28.83	2733	71.17
Female	147	74	50.34	73	49.66	111	27	24.32	73	65.77

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

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ Salary/ Wages of respective category (₹ per Year)	Number	Median remuneration/ Salary/ Wages of respective category (₹ per Year)
Board of Directors (BoD)*	2	1,67,29,711.00	0	Nil
Board of Directors (BoD)**	7	2,25,500.00	1	2,25,000.00
Key Managerial Personnel$	2	33,14,763.00	0	Nil
Employees other than BoD and KMP	804	7,65,349.00	14	8,16,141.00
Workers	1102	6,52,760.00	3	8,65,102.00

*These Board of Directors consists of executive directors

**These Board of Directors consist of non-executive and independent directors. It consists of sitting fees only

$ Consist of Company Secretary and CFO only, and CFO did not draw any remuneration.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	1.03	0.99

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 established several policies and protocols to ensure a just and equitable workplace environment. These encompass the presence of a committee dedicated to addressing workplace conditions and a structured grievance resolution process. Furthermore, the Company has articulated policies concerning freedom of association and collective bargaining, grievance redressal, non-discrimination, women's protection and the prevention of child and forced labour.

Moreover, the Company extends statutory benefits and leaves, alongside wage agreements that encompass various facets of human rights, such as ensuring safe and hygienic working conditions, protection against unjust terms, adherence to minimum wage laws, equitable pay for comparable work, and regulation of working hours. Employees are also empowered with the right to voice grievances or strike against unjust working conditions and are shielded from instances of sexual harassment.

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

The Company has adopted a Human Rights Policy to uphold and safeguard human rights, complemented by a range of other equitable and transparent policies across different domains including recruitment, compensation, gender equality and performance management. The Company has also established a POSH committee to handle gender-related grievances, alongside a grievance redressal policy and a dedicated committee to address workplace issues. These policies collectively ensure equitable treatment for all employees and foster a safe and healthy work environment, devoid of discrimination or harassment.

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

	FY 2025-26			FY 2024-25		
	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		
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Human Rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	0.00	0.00
Complaints on POSH upheld	NIL	NIL

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

The Company has formed a Grievance Redressal Committee led by senior management. If an employee finds it difficult to address a grievance with their immediate supervisor or department head, they can approach the HR Department or IR Department, depending on the nature of the issue. The Grievance Redressal Committee comprises the Executive Director, Head of Operations, Head of Human Resources, Head of IR, and Head of Legal & Compliance. Employees also have the option to submit their grievances via email to grievance@andhrapaper.com, which is overseen directly by the Executive Director.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, the Company incorporates appropriate provisions within the contracts established with both suppliers and buyers of its products and services prior to engaging in business transactions with them.

10. Assessments for the year:

	% of your plants and Offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/involuntary labour	During the reported year the Company conducted internal evaluations through its HR and IR departments, in addition to compliance reviews by the Internal Auditor/ISO Auditor
Sexual Harassment	
Discrimination at workplace	
Wages	

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

Not Applicable

Leadership Indicators

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

During the reporting year, the Company did not receive any human rights grievances/complaints, which suggests that the Company's business operations and workplace procedures are structured to uphold human rights standards

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

The Company does not undergo any specific due diligence conducted by specialized agencies. Nonetheless, regulatory authorities monitor all of its business activities and licenses, ensuring compliance with relevant laws set forth by local, state, central, and other statutory bodies or agencies, which encompass various human rights aspects. Additionally, the Internal Auditor/ ISO Auditor conducts annual reviews to assess the Company's compliance.

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?

In its commitment to creating an improved and more inclusive work environment for all its employees, the Company's establishments and offices are designed to be accessible to employees with disabilities. Additionally, management consistently endeavors to enhance infrastructure to remove 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 and 100% contract workers.
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	

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

There were no significant risks/concerns arising from the above assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

Parameter	FY 2025-26 (In Gigajoules)	FY 2024-25 (In Gigajoules)
From renewable sources		
Total electricity consumption (A)	6,39,452.61	6,15,650.36
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total Energy consumption from renewable sources (A+B+C)	**6,39,452.61**	**6,15,650.36**
From non-renewable sources		
Total electricity consumption (D)	2,64,086.40	4,61,664.78
Total fuel consumption (E)*	13,52,579.61	15,47,915.20
Energy consumption through other sources (F)	0.00	0.00
Total Energy consumption from non-renewable sources (D+E+F)	**16,16,666.01**	**20,09,579.98**
Total energy consumed (A+B+C+D+E+F)	**22,56,118.62**	**26,25,230.34**
Energy intensity per rupee of turnover (Total energy consumption/ Revenue from Operations) - GJ/Rs	0.000132617	0.0001703
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) - GJ/Rs	0.002697	0.00003516
Energy intensity in terms of physical output – GJ/MT	8.701946	11.22
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A	0.00

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.

There hasn't been an external review assessment/ evaluation/assurance conducted. In house metering and tracking is established.

2. Does the entity 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

Energy Efficiency through PAT program: Your Company is a Designated Consumer under the Ministry of Power's Perform, Achieve, and Trade (PAT) program, a critical government initiative aimed at enhancing industrial energy efficiency. We are pleased to report that Your Company successfully met the energy consumption reduction targets for PAT Cycle I. However, the Company encountered challenges in achieving the targets for PAT Cycle II. We are actively addressing the learnings from this cycle to enhance our future performance. For the financial year 2024-25, the Company falls under PAT Cycle VII. To ensure robust compliance and successfully meet the stipulated requirements, we have proactively appointed an authorized third-party agency to conduct a "Monitoring & Verification" (M&V) audit of our PAT Cycle VII targets, where successfully met the energy consumption targets for the PAT Cycle VII. For the Financial year 2025-26, the company falls under the Carbon Credit Trading Scheme (CCTS) which is jointly overseen by the Ministry of Power (MoP) and the Ministry of Environment, Forest and Climate Change (MoEFCC) with 2 year targets (2025-26 & 2026-27) which is currently underway. Through these concerted efforts, your Company reaffirms its commitment to sustainable operations and continuous improvement in energy efficiency, aligning with the overarching goals of the CCTS program and our broader environmental stewardship.

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,24,17,054.00	1,24,11,900.00
(ii) Groundwater	4,90,906.00	2,45,201.00
(iii) Third party water	0	0.00
(iv) Seawater / desalinated water	0	0.00
(v) Others	0	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,29,07,960.00**	**1,26,57,101.00**
Total volume of water consumption (in kilolitres)	**53,18,062.00**	**36,23,296.00**
Water intensity per rupee of turnover (Water consumed / Revenue from operations) – KL/Rs	0.000312600	0.0002351
Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) – KL/Rs	0.006358	0.00004854
Water intensity in terms of physical output – KL/MT	20.511993	15.49

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.

There hasn't been an external assessment/ evaluation/assurance on water consumption. The local irrigation department officials monthly take metre readings for billing purpose. In house metering is in place to assess the water quantities and wastewater discharges. Quality is being tested internally in our laboratories.

4. **Provide the following details related to water discharged**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	91,44,060.00	93,75,501.00
- No treatment	0	0.00
- With treatment	91,44,060.00	93,75,501.00
(ii) To Groundwater	0.00	0.00
- No treatment	0.00	0.00
- With treatment	0.00	0.00
(iii) To Seawater	0.00	0.00
- No treatment	0.00	0.00
- With treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
- No treatment	0.00	0.00
- With treatment	0.00	0.00
(v) Others: Kadiyam – treated Water is used for irrigation by farmers Rajahmundry - Town Ship Sewage after treatment to public sewer	6,75,258 2,56,960	6,33,204.00
- No treatment	0	0.00
- With treatment	9,32,218.00	6,33,204.00
Total water discharged (in kilolitres)	**1,00,76,278.00**	**1,00,08,705.00**

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.

There hasn't been an external assessment/ evaluation/assurance on waste water generation. In house metering is in place to assess the water quantities and wastewater discharges. Quality is being tested internally in our laboratories. Additionally the state pollution control Board monitors online 24x7 the quality of waste water discharge

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

Zero Liquid Discharge (ZLD) in Wood and Agro based Pulp and Paper Mills was done by CPPRI on request of Indian Paper Manufacturers Association (IPMA) in the month of July, 2022. The CPPRI's Report dated 20.07.2022 concludes that, ZLD is not feasible for integrated Pulp and Paper manufacturing mills. The CPCB also carried out a ZLD feasibility study in January, 2015 and concluded that Zero Liquid Discharge is techno-economically, not feasible for most mill categories. However, this Respondent has already implemented ZLD for Black liquor at their plant by segregation, Forced Multi Effect Evaporation and concentrated liquor to recovery boiler to generate Process steam and Captive power generation. This Black Liquor ZLD contributes to about 72 to 75% of the power demand for the mill operations. Remaining wastewaters are being treated in Effluent Treatment Plant and treated wastewater is being discharged to Turupulanka Sand Shoals as per SPCB consent permission. Part of treated water is being reused for inhouse gardens and floor washings.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx*		Not Applicable	Not Applicable
SOx*		Not Applicable	Not Applicable
Particulate matter (PM)#	Kg	139015.00	97,813.01
Persistent organic pollutants (POP)		Not Applicable	Not Applicable
Volatile organic compounds (VOC)		Not Applicable	Not Applicable
Hazardous air pollutants (HAP)		Not Applicable	Not Applicable
Others – H2S	Kg	4066.47	1672.42

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 Company has implemented self-driven online real-time monitoring systems and real time data is being connected to SPCB / CPCB website. Conducts sampling and testing once a month through third-party NABL and MOEFCC approved laboratories.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions* (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	8,88,912.47	9,01,757.28
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	33,588.00	21,850.00
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/ Rupees	0.000054225	0.00005991
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/ Rupees	0.001103	0.00012372
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	Metric tonnes of CO2 equivalent/ MT	3.558124	3.95
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Nil	N.A	0.00

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 conducts self-driven monitoring, calculation, and tracking without external party assessment.

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

The Company has aimed at reducing its Green House Gas emission with the following projects:

Various biofuels such as ETP sludge, wood bark, chip dust and knots are utilized in coal-fired boilers to partially substitute fossil fuels.

Our Recovery Boiler exclusively operates on 100% biofuel, specifically black liquor derived from the pulp mill process to generate steam for process usage and also generates 65-68% power to cater the needs of manufacturing operations.

The CO2 emission which is called GHG of 15,924.04 TPA from the stack of the Rotary Lime Kiln are repurposed to produce Precipitated Calcium Carbonate (PCC), a crucial filler in the papermaking process.

The Company has implemented a significant farm forestry program where, in FY 2025-26 – 416 Lakhs clones and 485 Lakhs seedlings were distributed to cover 23936 acres.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2406.37	3,051.56
E-waste (B)	4.38	13.17
Bio-medical waste (C)	0.02	0.03
Construction and demolition waste (D)	200.00	5047.00
Battery waste (E)	12.33	12.04
Radioactive waste (F)	0.00	0.00
Other Hazardous waste (G)	57203.25	55,218.01
ETP Sludge	50234.42	49,075.53
Used Lubricating oil	7101.12	15.42
Empty Barrels	88.38	116.06
Cleaning of tanks	0.00	16.82
Oil Sludge	0.00	0.00
Spent Ion Exchange Resin	0.30	1.65
Discarded Asbestos	0.00	27.62
Oil Contaminated Cotton	3.80	16.16
Waste Lime Cake	6852.72	5,916.64
Discarded activated Alumina	0.00	5.52
Discarded Glass Wool	5.43	26.58
Discarded PPE	0.00	0.01
Other Non-hazardous waste generated (H)	152112.01	1,45,649.56
Waste Lime Sludge + Slaker Stone	2718.55	3,875.26
PVC/HDPE & Polythene Scrap	68.82	96.36
Chip dust	20673.01	14,464.52
Wood Bark	26994.78	24,523.18
Waste wood & logs	0	40.00
Knots from pulp mill	975	831
ESP Ash	0.00	1,376.42
Coal ash	99243.52	97,247.83
Paper Cuttings waste kraft	429.10	641.55

Parameter	FY 2025-26	FY 2024-25
Metal Waste (Ferrous & non Ferrous)	834.93	2,120.28
Discarded Machine clothing	11.79	4.70
Discarded Packing Wooden	135.73	130.10
Scrap Electrical & electronic	26.78	298.36
Waste Oil	0	0.00
Total (A+B + C + D + E + F + G + H)	**2,11,938.35**	**2,08,991.36**
Waste intensity per rupee of turnover **(Total waste generated / Revenue from operations) - MT/Rs**	0.000012458	0.00001356
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) **(Total waste generated / Revenue from operations adjusted for PPP) - MT/Rs**	0.000253	0.00002799
Waste intensity in terms of physical output - **MT/MT**	0.817455	0.8936
Waste intensity (optional) - the relevant metric may be selected by the entity	N.A	0.00
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste – All Waste		
(i) Recycled	1,60,571.28	1,65,377.32
(ii) Re-used	51,361.64	43,559.83
(iii) Other recovery operations	0.00	0.00
Total	**2,11,932.92**	**2,08,937.15**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste – All Waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	5.43	48.99
(iii) Other disposal operations – Sent to third Party for Disposal	0.00	5.21
Total	**5.43**	**54.20**

There was no disposal of radioactive waste in the FY 2025-26. However, three no's of nucleonic devices awaiting for disposal and are stored as per approved regulations.

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 established a self-assessment, monitoring, and tracking system. Hazardous wastes are managed according to regulations through a transport manifest system as per SPCB consent methodology.

10. **Briefly describe the waste management practices adopted in your establishments. 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**

The Company has established Standard Operating Procedures (SOPs) for the management of Hazardous & Non-Hazardous wastes, E-Waste, Batteries Waste and Bio-Medical Waste, ensuring consistent implementation and compliance across various sections. Regular annual training sessions are organized for all employees involved in waste-handling activities. Waste segregation, collection, storage, and disposal procedures strictly adhere to the conditions outlined in the Hazardous Waste Authorization issued by the State Pollution Control Board (SPCB). Additionally, the Company submits annual returns to the SPCB as required by regulations. All waste materials are securely stored under concrete platforms with sheds for minimizing any potential impact on the environment and human health. Furthermore, Transport Emergency Cards (TREM CARDs) are available for applicable waste materials, ensuring preparedness for transportation emergencies.

11. **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	Types 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			

12. **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					

13. **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, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Serial Number	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 taken, if any action
Yes, the Company adheres to all relevant environmental laws and regulations.				

Leadership Indicators

1. **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 - Not Applicable

(ii) Nature of operations – Not Applicable

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / Revenue from operations) - KL/Rs	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment	-	-
(v) Others - Town Ship Sewage after treatment to public sewer	-	-
- No treatment	-	-
- With treatment	-	-
Total water discharged (in kilolitres)	-	-

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.

Not Applicable

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not tracked Scope 3 GHG emissions	
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 Equivalent/ Rupees		
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.

There hasn't been an external review or analysis conducted to assess various aspects of our operations, performance, or compliance with standards or regulations.

3. **With respect to the ecologically sensitive areas reported at Question 11 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 there is no ecologically sensitive areas around Rajahmundry and Kadiyam mills.

4. **If the entity has undertaken 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	Natural Resource conservation	Paper machine no.5 roll cooling water diverted to Vacuum pit to conserve instead drainage. In Paper Machines no. 1-5, Air compressor cooling water diverted to Paper Machine no. 5 Vacuum system to conserve. 13804 M3 of various reject waters from the processes are recycled into manufacturing operations to save water and reduce wastewater discharge.	Through sustained water conservation measures, the specific water consumption reduced from 48 M^3 per tonne of product in FY 2024-25 to 43 M^3 per tonne in FY 2025-26. Correspondingly, the specific wastewater discharge declined from 45 M^3 to 37 M^3 per tonne over the same period, reflecting improved water-use efficiency and a reduced effluent load on the treatment system.
2	Sustaining Effluent Treatment Operations	To improve Dissolved Oxygen Jet Aerators installed along with modernization of Cooling tower. Aeration feed pump was provided with VFD to maintain consistent flow rates to reduce sudden shock loads. Liquid Oxygen supply provision made ready and commissioned in Aeration tank to meet emergencies.	Dissolved Oxygen is sustained at >2.0 mg/l, resulting in improved and stable ETP performance with consistent COD/BOD reduction. Flow stabilisation through VFD and the standby Liquid Oxygen provision have strengthened treatment reliability and resilience against load fluctuations, supporting continued compliance with discharge standards.
3	Ambient air quality Monitoring	Additional 4th Ambient Air quality monitoring station installed to add to existing 3 no's of stations.	Sustained four-station monitoring network ensured continuous surveillance of ambient air quality and compliance with prescribed APPCB/CPCB standards throughout the reporting period.
4	Improve the Reliability of Recovery boiler	Primary Air Fan replaced with new	Reduce Recovery down time by improving reliability of equipment's
5	Replacement of Age-old Rotary Lime Kiln with a New Energy-efficient Lime Kiln (RLK-1)	The 30-year-old Rotary Lime Kiln (RLK-1), along with its ageing ESP, was replaced with a new Rotary Lime Kiln incorporating multiple environmental improvements, pursuant to APPCB Consent to Operate (Amendment Order dated 31.03.2026). The new kiln is fitted with a 3-field Electrostatic Precipitator (ESP) for enhanced dust collection, a closed drag-chain conveyor system in place of the open conveyor to curb fugitive lime dust, and a flash dryer that recovers flue-gas heat to dry the lime mud while functioning as a dust cyclone that returns collected dust to the kiln. A stack-mounted online H_2S (Hydrogen Sulphide) analyzer has also been installed, with online connectivity to the APPCB/SPCB server under process and pending Board approval.	The new kiln has significantly strengthened air pollution control and emission compliance. The 3-field ESP, supported by reduced dust loading from the flash dryer, ensures consistent compliance with the prescribed Particulate Matter limit of 50 mg/Nm^3. The installed online H_2S analyzer is enabling stack monitoring against the prescribed limit of 10 mg/Nm^3, with online connectivity to the APPCB server to be established upon receipt of Board approval. The closed conveyor system has minimised fugitive lime dust emissions and improved product quality, while flue-gas heat recovery has conserved thermal energy — collectively reinforcing the Company's commitment to cleaner operations and regulatory compliance.
6	Chemical recovery and reduce load at ETP	Ash leaching reject treatment plant: Erection and commission completed during 2025	Proposed the project to treat ash leaching reject and to reduce load/effect on ETP effluent system Recycling and Partial recovery of sulphate from reject treatment plant Both centrifuge dryness achieved dryness ≥ 90% and dry reject (rich in chloride/Potassium) being collected in bags and sent to outside purchasers Resulting in saving of around 5 to 6 T Na2So4

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

   The Company has established a thorough Safety Management Systems with team of Safety professionals available 24/7 to support operations. The company has certified ISO 45001 (Occupational Health & Safety Management System). Onsite Emergency Plan is in place and periodical Mock drills are being conducted at department wise to bring more awareness and to mitigate any Emergencies. Process Safety Management system with Hazard Identification and Risk Assessment for each hazardous operations are in place and are adhered. Impart Safety Trainings to all employees of the company is well maintained and tracked to bring expertize in safe operations. Off-Site Emergency Plan is prepared by Local District Administration as cluster based and is under control of District Collector. Standard Operating Procedure are in place for safe operations of various manufacturing processes. All these measures to handle effectively any potential disasters or emergencies. To maintain uninterrupted business operations, the Company has implemented various systems and mechanisms as explained above. The supply chain network is designed to source core and non-core operations from trusted suppliers, ensuring smooth operations and minimizing potential disruptions. Environmental requirements are met and complied as per regulatory agencies directions / permits / rules from time to time.

6. **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 established a Controlled Wood Policy, Sustainable Policy, and Supplier Code of Conduct, all of which emphasize a strong commitment to fair treatment, human rights, good labour practices, environmental conservation, health, and safety. These policies are communicated to and acknowledged by all partners and service providers in the supply chain.

7. **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 but environmental compliance requirements are communicated during issuing orders.

8. **How many Green Credits have been generated or procured:**

   a. By the listed entity: Nil

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners": Nil

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

Essential Indicators

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

   The Company is a part of 6 industry Cambers/Associations

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

S. 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 anticompetitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective active taken
Not Applicable	Not Applicable	Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Sr. 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
	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	N/A

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity 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
Not Applicable					

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

S. No	Name of Project for which R&R is ongoing	State	District	No. pf Project Affected Families (PAFs)	5 of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
Not Applicable						

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

The Company demonstrates its commitment to a robust and responsive mechanism for addressing community grievances through its well-structured CSR initiatives. The CSR team maintains active engagement with neighboring villages and government authorities to collect feedback on the effectiveness of the Company's ESG interventions and to identify areas requiring additional support. These insights are systematically incorporated into the design and planning of CSR programs, which are subsequently reviewed and approved by the CSR Committee and the Board of Directors.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	74	40
Sourced directly from within India	96	87

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	2.41	2.08
Semi-Urban	45.55	56.04
Urban	48.79	37.82
Metropolitan	3.24	4.06

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	

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

S. No	State	Aspirational District	Amount spent (In ₹)
Not Applicable			

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

No, The Company does not currently have a preferential procurement policy.

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

Wood is 100% purchased from the local farmers who constitute marginalised groups. Other purchases are basis market competitive rates.

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

N.A

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:**

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	SKVT High School Danvaipeta	1000	100
2	Infra support to 5 MPP Schools in Kadiam Mandal	720	100
3	Infra Support to APPM High School	1270	100
4	Merit scholarship to 1st & 2nd students in schools in Rajahmundry & Kadiam	120	100
5	School Bus facility for APPM School	90	100
6	Infra support to SGL MPL High School, Morampudi	220	100
7	Scholarship for Olympic sports -Training support for Archery	1	100
8	promotion for Olympic sports -Training support under Indian Boxing Federation	1	100
9	Infra support to 2 Schools at Rajahmundry (City Special Municipal Corporation High School) (Primary School)	450	100
10	Infra support (School bus and Auto) to Paluku Orphanage	100	100
11	Old age Home at Kadiyam	200	100
12	Construction of small dam to block excess waterlogging in paddy fields during rainy season	400	100
13	Community Centre at Kadiyam-existing sports facility for community people	500	100
14	Community hall for Phule Bhava near Godavari bund, Rajahmundry	500	100
15	Community hall R&B Vambay House, seethammapeta, RJY for backward areas	5000	100
16	paper cutting machine for Skill development- Central Jail inmates	1000	100
17	Improvement and DE siltation Waste Water Collection tank@ Kotilingalapeta	300	100
18	cemetery at MR Palem, Kadiam Mandal bore well facility, pipeline for bathing facilities	200	100
19	Ahilyabai Holkar's 300th Birth Anniversary celebrations in Rajahmundry	1000	100
20	Supply of Casuarina Clonal plants to Villagers in Nellore	2000	100
21	Supply of National flags for independence day celebrations to schools	1000	100
22	Tailoring centres at Rajahmundry Kadiam & Punyakshetram	600	100
23	International Women day celebration	2000	100
24	Vehicle for solid waste management in srikrishnaptnam, Rajanagaram Mandal	3000	100
25	ESI Hospital - Opp AP Paper Mil	10000	100
26	Infra support Kadipusavaram : construction of covered drainage facility for open waste water flowing adjacent to roads and houses	100	100
27	Conducting eye camps for less privileged public in RJY urban and rural areas 10 camps	2000	100
28	To replace the old pipe line 20 yrs. with HDFE pipes at SC Colony, Kadiam	500	100
29	Community Health Centre, Kadiyam	12500	100
30	Request for sports equipment's at Kohinoor Park, Nethajinagar & Gowtami Gym at Kotipali Bus stand RJY	18000	100
31	Maintenance of RO Plant at Venkatnagaram, Rajahmundry rural	500	100

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
32	Ultra sound machine for diagnostics of animals for govt veterinary hospital Rjy	10000	100
33	Medical Equipments for Dr P S Das Yoga Research & Rehab Centre, Kolkata	100	100
34	Digital Radio Graphy(X-Ray Machine) for diagnostics of animals for govt veterinary hospital Rjy	6000	100

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

Essential Indicators

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

   The Company provides the customers with Customer Quality Complaint Forms to lodge any complaints, which are managed through a manual process utilizing the Customer Quality Complaint Format (CQCF). Furthermore, customers can also address product-related grievances through the Company website at https://andhrapaper.com/enquiries-product-query-page/

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:**

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the Year	Pending resolution at end of year		Received during the Year	Pending resolution at end of year	
Data Privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other - Customer	38	0	All complaints closed	57	7	Resolved in FY 26
Total	38	0	All complaints closed	57	7	Resolved in FY 26

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 entity 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, supported by detailed procedures, to effectively address cyber threats and ensure the protection of data privacy. This internally established policy is readily accessible to all employees and forms an integral part of the Company's operational framework. Furthermore, the Company ensures that data privacy obligations are embedded in all contractual agreements with third-party partners, reinforcing its commitment to maintaining high standards of information security across its operations.

   The policy can be accessible at:
   http://aplnet.appm.com/IT%20Policies/Policy%20on%20Information%20Security%20Policy%20and%20Procedure.pdf

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.**

   Not Applicable.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      NIL, there have not been any such instances during the reporting period

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

      NIL, there have not been any such instances during the reporting period

   c. **Impact, if any, of the data breaches**

      Not Applicable

Leadership Indicators

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

   Details regarding the Company's products are available on the website of the Company, accessible at www.andhrapaper.com

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

   The Company conducts various initiatives to educate and inform distributors, customers, and other stakeholders about the safe and responsible use of its products. These initiatives encompass distributor interactions, road shows, technical meetings, and visits to the mill. Through organizing these events, the Company underscores its dedication to spreading awareness and advocating for the responsible utilization of its offerings.

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

   The Company has adopted both formal and informal channels, including the Company website and stock exchanges, as well as 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 a whole? (Yes/No)**

   Yes, The Company provides website details for consumers to learn more about its activities. Additionally, it conducts an Annual Meet for all dealers and distributors, during which valuable feedback on its products is gathered. These initiatives reflect the Company's commitment to transparency and engagement with its stakeholders.

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, 2026 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

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, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 matter to be communicated in our report.

Recognition, Measurement and Presentation of provisions and contingent liabilities [Refer Note 2C (e), 21, 22 and 32A in the financial statements for the related disclosures]:

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.

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.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this area included:

- Obtained a detailed understanding of the managements process for determining statutory liabilities, provisions and contingent liabilities pertaining to claims or disputes.
- Verified the design and operating effectiveness of the Company's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities.
- Made corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company.
- Obtained the understanding of the matters involved by reading the correspondences, communications, minutes of the Audit Committee and/or the Board meetings and discussions with the appropriate Management personnel.

- Obtained direct confirmation letters from external legal experts and reviewed them to assess the likelihood of outcome, for the purposes of provisioning.
- Evaluated the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the assumptions and estimates, used in measuring the probable or possible impact.
- Evaluated appropriateness and adequacy of the disclosures of the contingent liability made in the financial statements in accordance with the requirements of Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Asset'.

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 Director's report, Management report, Chairman's statement, Business Responsibility and Sustainability Reporting etc. (hereinafter referred to as the "other information") but does not include the financial statements and our auditor's report thereon. The other information 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 do not and 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 other information, 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 Auditors Responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are 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 Indian Accounting Standards 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 of the Company are 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.

The Board of Directors is 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.

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 of the aforesaid financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

(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 Flows dealt with by this Report are in agreement with the books of account, maintained for the purpose of preparation of the financial statements.

(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, 2026, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, 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) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

(h) 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 32 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

  iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statements, 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.

  b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statements, 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, 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.

  c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, 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 a) and b) 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 Act, 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 15 to the financial statements).

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was enabled at the database level from January 21, 2026, to log any direct data changes.

Further, where enabled, audit trail feature has operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

3. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No.: 404621
UDIN: 26404621DCMMDG6317

Place: Hyderabad
Date: May 14, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF 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 and Board of Directors.

- Conclude on the appropriateness of Management and Board of Director'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.

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 of current period 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No.: 404621
UDIN: 26404621DCMMDG6317

Place: Hyderabad
Date: May 14, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ANDHRA PAPER LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[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 and relevant details of right-of-use assets.

B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment and right-of-use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment and right-of-use assets have been physically verified by Management during the year. 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 properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) 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) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(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. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks-in-transit) has been physically verified by the management during the year. In respect of goods in transit, the goods have been received subsequent to the year end. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 Crores rupees, in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company. Refer note 50 to the financial statements.

iii. (a) According to the information and explanations provided to us, the Company has provided loans, advances in the nature of loans, to other entities.

The details of such loans, advances, guarantee or security(ies) to parties other than Subsidiaries, Joint ventures and Associates are as follows:

	Loans (₹ in Lakhs)
Aggregate amount granted/ provided during the year - Others	142.19
Balance Outstanding as at balance sheet date in respect of above cases - Others	31.84

"During the year the Company has not stood guarantee and provided security to any other entity."

(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 investments made and terms and conditions in relation to investments made 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 repayment of the principal and payment of 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 loans granted to Other Parties.

(e) According to the information and explanations provided to us, the loans or advances in the nature of loan granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information and explanations provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and 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 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. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable except for ₹36.47 Lakhs, relates to employee pension fund which remains unpaid as at the reporting date considering the administrative matters for depositing such amount with the relevant authorities relates to certain employees.

(b) According to the information and explanations given to us and the records examined by us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹	Amount Paid ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	225.69	-	2024-25	Commissioner of Income tax (Appeals)
	Tax	65.40	-	2020-21	Income Tax Appellate Tribunal, Hyderabad
Central Sales Tax Act, 1956	Tax	116.34	76.93	2005-06, 2013-14, 2014-15 to 2015-16	Sales Tax Appellate Tribunal (STAT), Visakhapatnam
Andhra Pradesh General Tax Sales Tax Act, 1957	Tax	38.23	4.24	1995-2000	Sales Tax Appellate Tribunal (STAT), Visakhapatnam

Name of the statute	Nature of dues	Amount Demanded ₹	Amount Paid ₹	Period to which the amount relates	Forum where dispute is pending
AP Value Added Tax Act, 2005	Penalty	11.79	5.89	2015-16 to 2017 (Q1)	Sales Tax Appellate Tribunal (STAT), Visakhapatnam
	Tax	235.43	223.59	2009-15	
	Penalty	21.17	21.17	2012-15	
	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
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
Goods and Services Tax, 2017	Tax	38.25	7.36	2019-20 to 2021-22	Commissioner of Appeals, Guntur
	Tax	3.86	0.21	2020-21	
	Interest	0.18	0.18	2017-18 to 2019-20	
	Tax & Penalty	1,733.83	136.19	2017-18 to 2020-21	Commissioner of Appeals, Guntur
Finance Act,1994	Service Tax & Penalty	12.20	0.34	2005-06, 2010-11 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Service Tax	274.18	-	2004–05 to 2005-06	High Court of Andhra Pradesh
Central Excise Duty act, 1944	Duty & Penalty	149.67	7.36	2008-09 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
	Duty & Penalty	2.90	0.15	2015-16	
	Duty & Penalty	1.09	-	2005-06 to 2006-07	
	Duty	9.41	-	2012-13 to 2014-15	
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	300.00	300.00	2021-22 to 2024-25	Employees' Provident Fund Organisation

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 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 and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(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 wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 50 to the financial statements.

(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 utilised for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations 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. Accordingly, the reporting requirement under clause 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 convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 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 and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under Section 143(12) of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(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 under clause 3(xii)(a) to (c) of the Order are 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 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 the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are 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. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the reporting under clause 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. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 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 (as disclosed in note 49 to the financial statements), ageing and expected dates of realisation 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. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Act as disclosed in note 47 to the financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Act as explained in Note 47 to the financial statements.

xxi. The reporting under clause 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No.: 404621
UDIN: 26404621DCMMDG6317

Place: Hyderabad
Date: May 14, 2026

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, 2026]

Report on the Internal Financial Controls with reference to financial statements 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, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, 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, 2026, based on the internal financial controls 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. 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 issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No.: 404621
UDIN: 26404621DCMMDG6317

Place: Hyderabad
Date: May 14, 2026

BALANCE SHEET

AS AT MARCH 31, 2026

(₹ in Lakhs)

PARTICULARS	Note	As at March 31, 2026	As at March 31, 2025
A ASSETS			
Non-current assets:			
(a) Property, plant and equipment	3	99,281.32	1,01,867.81
(b) Right-of-use assets	4	690.87	400.97
(c) Capital work-in-progress	3	27,895.71	2,981.91
(d) Other intangible assets	4a	17.87	105.83
(e) Financial assets			
(i) Investments	5	14,740.10	16,460.52
(ii) Other financial assets	7	544.88	491.69
(f) Other non-current assets	8	6,637.14	7,180.95
Total non-current assets		**1,49,807.89**	**1,29,489.68**
Current assets:			
(a) Inventories	9	26,306.81	32,213.60
(b) Financial assets			
(i) Investments	5	50,244.43	74,454.86
(ii) Trade receivables	10	15,606.95	10,862.51
(iii) Cash and cash equivalents	11	1,616.93	377.01
(iv) Bank balances other than cash and cash Equivalents	12	234.38	393.75
(v) Loans	6	31.84	135.06
(vi) Other financial assets	7	217.71	278.07
(c) Other current assets	8	9,742.55	12,258.05
Total current assets		**1,04,001.60**	**1,30,972.91**
TOTAL ASSETS		**2,53,809.49**	**2,60,462.59**
B EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	14	3,977.00	3,977.00
(b) Other equity	15	1,89,958.10	1,90,106.36
Total equity		**1,93,935.10**	**1,94,083.36**
LIABILITIES			
Non-current liabilities:			
(a) Financial liabilities			
(i) Borrowings	16	15,702.52	13,542.47
(ia) Lease liabilities	18	622.90	406.83
(b) Deferred tax liabilities (net)	23	8,234.59	8,398.90
Total non-current liabilities		**24,560.01**	**22,348.20**
Current Liabilities:			
(a) Financial liabilities			
(i) Borrowings	17	6,676.71	14,175.45
(ia) Lease liabilities	18	213.16	128.11
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	19	2,301.32	2,124.86
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	19	13,622.76	16,816.08
(iii) Other financial liabilities	20	6,237.93	4,590.34
(b) Provisions	21	4,423.59	3,936.16
(c) Other current liabilities	22	1,592.76	2,119.47
(d) Current tax liabilities (net)	13	246.15	140.56
Total current liabilities		**35,314.38**	**44,031.03**
Total liabilities		**59,874.39**	**66,379.23**
TOTAL EQUITY AND LIABILITIES		**2,53,809.49**	**2,60,462.59**

See accompanying notes forming part of the financial statements 1-52

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No.:105047W/W101187

For and on behalf of the Board of Directors
of Andhra Paper Limited
CIN: L21010AP1964PLC001008

S. K. Bangur
Chairman and Non-Executive Director
(DIN: 00053237)

Prakash Chandra Bhutada
Partner
Membership No:404621

Saurabh Bangur
Managing Director
(DIN:00236894)

Mukesh Jain
Executive Director
(DIN: 09380039)

Rajesh Bothra
Chief Financial Officer

Bijay Kumar Sanku
Company Secretary
Membership No: 15449

Place: Hyderabad
Date : May 14, 2026

Place: Rajahmundry / Kolkata
Date : May 14, 2026

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2026 (₹ in Lakhs)

PARTICULARS	Note	Year ended March 31, 2026	Year ended March 31, 2025
1 **Income:**			
(a) Revenue from operations	24	1,70,123.38	1,54,124.10
(b) Other income	25	8,359.31	8,873.01
Total income		**1,78,482.69**	**1,62,997.11**
2 **Expenses:**			
(a) Cost of materials consumed		1,09,860.49	97,465.12
(b) Changes in inventories of finished goods and work-in-progress	26	604.29	(4,765.36)
(c) Employee benefits expense	27	18,100.13	16,912.21
(d) Finance costs	28	1,822.05	1,789.47
(e) Depreciation and amortisation expense	29	10,731.05	8,832.04
(f) Other expenses	30	34,828.48	31,056.15
Total expenses		**1,75,946.49**	**1,51,289.63**
3 **Profit before tax (1-2)**		**2,536.20**	**11,707.48**
4 **Tax expense:**			
(a) Current tax	31	811.46	2,457.41
(b) Deferred tax charge/(credit)	31	(136.93)	359.00
		674.53	**2,816.41**
5 **Net profit after tax (3-4)**		**1,861.67**	**8,891.07**
6 **Other comprehensive income**			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurement gain on the defined benefit plans		190.67	1.47
(b) Equity instruments through other comprehensive income		(191.49)	(442.25)
		(0.82)	**(440.78)**
(ii) Income tax relating to items that will not be reclassified to profit or loss	31		
(a) Remeasurement gain on the defined benefit plans		(47.99)	(0.37)
(b) Equity instruments through other comprehensive income		27.38	290.36
		(20.61)	**289.99**
Total other comprehensive loss for the year		**(21.43)**	**(150.79)**
7 **Total comprehensive income (5 + 6)**		**1,840.24**	**8,740.28**
Earnings per share (Face value of ₹ 2 each) Basic and Diluted - ₹	37	**0.94**	**4.47**

See accompanying notes forming part of the financial statements 1-52

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No.:105047W/W101187

For and on behalf of the Board of Directors
of Andhra Paper Limited
CIN: L21010AP1964PLC001008

S. K. Bangur
Chairman and Non-Executive Director
(DIN: 00053237)

Prakash Chandra Bhutada
Partner
Membership No:404621

Saurabh Bangur
Managing Director
(DIN:00236894)

Mukesh Jain
Executive Director
(DIN: 09380039)

Rajesh Bothra
Chief Financial Officer

Bijay Kumar Sanku
Company Secretary
Membership No: 15449

Place: Hyderabad
Date : May 14, 2026

Place: Rajahmundry / Kolkata
Date : May 14, 2026

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026

(a) Equity share capital (₹ in Lakhs)

	Number of shares	Amount
Balance as at April 1, 2024 (Face Value of ₹10 each)	**3,97,70,039**	**3,977.00**
Sub-division of 1 share of face value ₹10 each into 5 shares of face value ₹2 each effective September 11, 2024 (Increase in number of shares on account of sub-division)	15,90,80,156	-
Balance as at March 31, 2025 (Face Value of ₹2 each)	**19,88,50,195**	**3,977.00**
Changes during the year	-	-
Balance as at March 31, 2026 (Face Value of ₹2 each)	**19,88,50,195**	**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	Remeasurement of net defined benefit plan	Equity instrument through other comprehensive income	
Balance as at April 1, 2024	**18,211.13**	**598.00**	**1,64,919.53**	**(426.46)**	**2,040.88**	**1,85,343.08**
Profit for the year	-	-	8,891.07	-	-	8,891.07
Remeasurements of the defined benefit plans (net of tax)	-	-	-	1.10	-	1.10
Dividend on equity shares	-	-	(3,977.00)	-	-	(3,977.00)
Changes in fair value (net of tax)	-	-	-	-	(151.89)	(151.89)
Balance as at March 31, 2025	**18,211.13**	**598.00**	**1,69,833.60**	**(425.36)**	**1,888.99**	**1,90,106.36**
Profit for the year	-	-	1,861.67	-	-	1,861.67
Remeasurements of the defined benefit plans (net of tax)	-	-	-	142.68	-	142.68
Dividend on equity shares (Refer Note 15.3)	-	-	(1,988.50)	-	-	(1,988.50)
Changes in fair value (net of tax)	-	-	-	-	(164.11)	(164.11)
Balance as at March 31, 2026	**18,211.13**	**598.00**	**1,69,706.77**	**(282.68)**	**1,724.88**	**1,89,958.10**

See accompanying notes forming part of the financial statements 1-52

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No.:105047W/W101187

For and on behalf of the Board of Directors
of Andhra Paper Limited
CIN: L21010AP1964PLC001008

S. K. Bangur
Chairman and Non-Executive Director
(DIN: 00053237)

Prakash Chandra Bhutada
Partner
Membership No:404621

Saurabh Bangur
Managing Director
(DIN:00236894)

Mukesh Jain
Executive Director
(DIN: 09380039)

Rajesh Bothra
Chief Financial Officer

Bijay Kumar Sanku
Company Secretary
Membership No: 15449

Place: Hyderabad
Date : May 14, 2026

Place: Rajahmundry / Kolkata
Date : May 14, 2026

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2026

(₹ in Lakhs)

PARTICULARS	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	2,536.20	11,707.48
Adjustments for:		
Depreciation and amortisation expense	10,731.05	8,832.04
Loss on sale / scrap of property, plant and equipment's (net)	119.95	487.18
Profit on sale of current investments	(4,391.94)	(4,451.67)
Net (gain) / loss on financial assets designated on FVTPL	2,167.05	(739.52)
Finance costs	1,822.05	1,789.47
Unwinding of discount on deferred payment liabilities	(58.09)	(58.09)
Interest income	(1,490.68)	(2,197.98)
Liabilities / provisions no longer required written back	(1,918.37)	(884.93)
Dividend income	(382.80)	(339.56)
Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	(4.37)	(39.37)
Net unrealised foreign exchange loss	0.35	61.81
Operating profit before working capital changes	**9,130.40**	**14,166.86**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	5,906.79	(8,515.21)
Trade receivables	(4,744.44)	(4,769.83)
Loans	103.22	13.40
Other assets	1,969.71	(2,514.25)
Other financial assets	(80.99)	(18.33)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,167.13)	(2,912.03)
Other financial liabilities	(64.66)	(251.05)
Other liabilities	(526.71)	(269.89)
Provisions	678.10	(8.56)
Cash (used in) / generated from operations	**11,204.29**	**(5,078.89)**
Income tax paid (net of refund)	(753.86)	(460.57)
Net cash flow from / (used in) operating activities (A)	**10,450.43**	**(5,539.46)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and intangible assets)	(29,874.26)	(26,501.99)
Purchase of current investments	(1,38,052.62)	(1,39,871.20)
Purchase of non-current investments	(2,374.57)	(6,785.64)
Proceeds from sale/redemption of current investments	1,66,888.99	1,62,440.52
Proceeds from sale of non-current investments	607.49	-
Proceeds from sale of property, plant and equipment	3.75	5.69
Term / margin money deposits matured during the year (net)	166.26	1,141.17
Dividend received	382.80	339.56
Interest received	2,426.33	3,115.65
Net cash flow from / (used in) investing activities (B)	**174.17**	**(6,116.24)**

CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED MARCH 31, 2026

(₹ in Lakhs)

PARTICULARS	Year ended March 31, 2026	Year ended March 31, 2025
C. Cash flow from financing activities		
Proceeds from long-term borrowings	13,267.24	17,877.87
Repayment of long-term borrowings (including current maturities)	(10,632.58)	(3,672.00)
Proceeds / (Repayment) of short-term borrowings (net)	(8,000.21)	2,556.45
Dividend paid	(1,988.50)	(3,977.00)
Finance costs paid	(1,787.74)	(1,654.71)
Repayment of principal portion of the lease liability	(185.67)	(166.92)
Repayment of interest portion of the lease liability	(61.78)	(39.47)
Net cash flow from / (used in) financing activities (C)	**(9,389.24)**	**10,924.22**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**1,235.36**	**(731.48)**
Cash and cash equivalents at the beginning of the year	377.01	1,105.38
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	4.56	3.11
Cash and cash equivalents at the end of the year (Refer Note 11)	**1,616.93**	**377.01**

Reconciliation of Financial Liabilities - Borrowings and lease liabilities:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	**28,252.86**	**11,449.30**
Add: Lease liabilities recognised during the year	489.36	-
Add: Proceeds of long term borrowings	13,267.24	17,877.87
Less: (Repayments) of long term borrowings	(10,632.58)	(3,672.00)
Add: Proceeds / (Repayments) of short term borrowings (net)	(8,000.21)	2,556.45
Less: Repayment of principal portion of the lease liability	(185.67)	(166.92)
Less: Repayment of interest portion of the lease liability	(61.78)	(39.47)
Less: Fair value changes	86.07	247.63
Closing balance	**23,215.29**	**28,252.86**

See accompanying notes forming part of the financial statements 1-52

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No.:105047W/W101187

For and on behalf of the Board of Directors
of Andhra Paper Limited
CIN: L21010AP1964PLC001008

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Bijay Kumar Sanku
Company Secretary
Membership No: 15449

Place: Hyderabad
Date : May 14, 2026

Place: Rajahmundry / Kolkata
Date : May 14, 2026

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.

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. Material accounting policies

A. Statement of compliance

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), 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 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended 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.

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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 to the Act. Based on the nature of product and activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as 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 realisable value after providing for obsolescence

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 to the Act.

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 are provided on written down value method as per the useful life prescribed in Schedule II of the Act.

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 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

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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.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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. 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.

L. 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 statement of 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. For certain employees, 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 employees, the contributions are made to Regional Provident Fund Commissioner. In respect of contribution to the trust, 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.

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

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, 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 the statement of profit and 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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.

M. 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.

N. 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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 amortized 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 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
- 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.

iii. 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

O. **Leases**

The Company's lease asset classes primarily consist of leases for building 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

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.

P. **Taxation**

Income tax expense represents 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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.

Q. 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.

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.

R. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

S. Standards (including amendments) issued but not yet effective:

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Company does not expect this amendment to have an impact on its operations or financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Property, plant and equipment and capital work-in-progress

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Freehold land	1,836.83	1,607.49
Buildings	12,231.22	11,222.98
Plant and equipment	84,819.17	88,538.38
Furniture and fixtures	34.82	37.39
Vehicles	131.83	191.07
Office equipment	225.76	268.13
Leasehold improvements	1.69	2.37
TOTAL - Property, plant and equipment	**99,281.32**	**1,01,867.81**
Capital work-in-progress (CWIP)	27,895.71	2,981.91
TOTAL - CWIP	**27,895.71**	**2,981.91**

Cost or deemed cost

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at March 31, 2024	**295.92**	**12,899.89**	**1,13,601.12**	**220.59**	**461.04**	**1,155.87**	**14.40**	**1,28,648.83**
Additions	1,311.57	2,915.90	27,681.91	0.44	82.31	163.11	-	32,155.24
Disposals / adjustments*	-	(72.18)	(1,075.64)	(0.08)	(35.93)	(91.09)	-	(1,274.92)
Balance as at March 31, 2025	**1,607.49**	**15,743.61**	**1,40,207.39**	**220.95**	**507.42**	**1,227.89**	**14.40**	**1,59,529.15**
Additions	229.34	1,738.16	5,912.08	0.60	-	94.38	-	7,974.56
Disposals / adjustments*	-	(2.34)	(562.97)	-	-	(4.54)	-	(569.85)
Balance as at March 31, 2026	**1,836.83**	**17,479.43**	**1,45,556.50**	**221.55**	**507.42**	**1,317.73**	**14.40**	**1,66,933.86**

* Adjustments includes transfers inter-se

Accumulated depreciation

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at March 31, 2024	**-**	**3,926.60**	**44,527.30**	**177.80**	**274.98**	**934.23**	**10.92**	**49,851.83**
Depreciation expense	-	615.27	7,784.00	5.83	75.46	109.89	1.11	8,591.56
Eliminated on disposal/ Adjustment of assets*	-	(21.24)	(642.29)	(0.07)	(34.09)	(84.36)	-	(782.05)
Balance as at March 31, 2025	**-**	**4,520.63**	**51,669.01**	**183.56**	**316.35**	**959.76**	**12.03**	**57,661.34**
Depreciation expense	-	728.66	9,509.33	3.17	59.24	136.25	0.68	10,437.33
Eliminated on disposal/ Adjustment of assets*	-	(1.08)	(441.01)	-	-	(4.04)	-	(446.13)
Balance as at March 31, 2026	**-**	**5,248.21**	**60,737.33**	**186.73**	**375.59**	**1,091.97**	**12.71**	**67,652.54**

* Adjustments includes transfers inter-se

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Property, plant and equipment and capital work-in-progress (Contd.)

Carrying amount (₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at March 31, 2025	1,607.49	11,222.98	88,538.38	37.39	191.07	268.13	2.37	1,01,867.81
Balance as at March 31, 2026	1,836.83	12,231.22	84,819.17	34.82	131.83	225.76	1.69	99,281.32

Notes:

(a) **Property, plant and equipment pledged as security:** Refer Note 16 and 17 for details of hypothecation of the Company's property, plant and equipment as security for borrowings taken by the Company.

(b) **Capitalised borrowing costs:** Borrowing costs capitalised during the year ended March 31, 2026, amounting to ₹ Nil (March 31,2025: 411.69 Lakhs) (Refer Note 28).

(c) **Contractual obligations:** Refer Note 32 for details on contractual commitments for acquiring property, plant and equipment.

Capital Work in Progress (CWIP) (₹ in Lakhs)

Particulars	Opening	Addition during the year	Capitalized during the year	Closing
2025-26	2,981.91	32,894.66	7,980.86	27,895.71
2024-25	11,373.32	22,452.26	30,843.67	2,981.91

Notes:

(a) **Property, plant and equipment pledged as security:** Refer Note 16 and 17 for details of hypothecation of the Company's property, plant and equipment as security for borrowings taken by the Company.

(b) **Capitalised borrowing costs:** Borrowing costs capitalised during the year ended March 31, 2026, amounting to ₹425.33 Lakhs (March 31, 2025: 95.52 Lakhs) (Refer Note 28).

(c) **Contractual obligations:** Refer Note 32 for details on contractual commitments for acquiring property, plant and equipment.

(d) **CWIP ageing schedule:**

As at March 31, 2026: (₹ 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#	26,745.51	1,057.25	-	-	**27,802.76**
Projects temporarily suspended	-	1.90	47.35	43.70	**92.95**
Total	**26,745.51**	**1,059.15**	**47.35**	**43.70**	**27,895.71**

As at March 31, 2025: (₹ 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#	2,884.38	4.58	-	-	**2,888.96**
Projects temporarily suspended	-	49.25	43.70	-	**92.95**
Total	**2,884.38**	**53.83**	**43.70**	**-**	**2,981.91**

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. There are no capital work-in progress projects, whose completion is overdue or has exceed its cost compared with its original plan as at March 31, 2026 and March 31, 2025.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Right-of-use assets

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amounts of right-of-use assets:		
Buildings	690.87	400.97
Vehicles	-	-
TOTAL - Right-of-use assets	**690.87**	**400.97**

Cost or Deemed Cost (₹ in Lakhs)

Particulars	Buildings	Vehicles	Total
Balance as at March 31, 2024	1,041.79	21.74	1,063.53
Additions	-	-	-
Deletion	-	(21.74)	(21.74)
Balance as at March 31, 2025	**1,041.79**	**-**	**1,041.79**
Additions	489.36	-	489.36
Deletion	(378.24)	-	(378.24)
Balance as at March 31, 2026	**1,152.91**	**-**	**1,152.91**

Accumulated depreciation (₹ in Lakhs)

Particulars	Buildings	Vehicles	Total
Balance as at March 31, 2024	476.72	19.75	496.47
Depreciation	164.10	1.99	166.09
Deletion	-	(21.74)	(21.74)
Balance as at March 31, 2025	**640.82**	**-**	**640.82**
Depreciation	199.46	-	199.46
Deletion	(378.24)	-	(378.24)
Balance as at March 31, 2026	**462.04**	**-**	**462.04**

4a. Other intangible assets

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amounts of:		
Computer softwares (purchased)	17.87	105.83
TOTAL - Other intangible assets	**17.87**	**105.83**

Cost or deemed Cost (₹ in Lakhs)

Particulars	Computer softwares	Total
Balance as at March 31, 2024	**1,154.39**	**1,154.39**
Additions	15.89	15.89
Disposals	-	-
Balance as at March 31, 2025	**1,170.28**	**1,170.28**
Additions	6.30	6.30
Disposals	(76.72)	(76.72)
Balance as at March 31, 2026	**1,099.86**	**1,099.86**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4a. Other intangible assets (Contd.)

Accumulated amortisation (₹ in Lakhs)

Particulars	Computer softwares	Total
Balance as at March 31, 2024	**990.06**	**990.06**
Amortisation expense	74.39	**74.39**
Disposals	-	**-**
Balance as at March 31, 2025	**1,064.45**	**1,064.45**
Amortisation expense	94.26	94.26
Disposals	(76.72)	(76.72)
Balance as at March 31, 2026	**1,081.99**	**1,081.99**

5. Investments

(₹ in Lakhs)

Particulars	Face Value ₹	As at March 31, 2026		As at March 31, 2025	
		Number of Units	Amount	Number of Units	Amount
Non-current					
Trade					
Unquoted Investments (all fully paid)					
(A) Investment in equity shares of subsidiary at cost					
Andhra Paper Private Limited (formerly known as Andhra Paper Foundation) (Refer Note 35)	10		-	50,000	5.00
Less: Loss allowance for impairment in value of investment			-		(5.00)
Total (A)			**-**		**-**
(B) Investments carried at amortised cost:					
Investments in bonds					
Government of India, 8.24%, Nov 10, 2033	100	5,00,000	552.71	5,00,000	556.37
Government of India, 8.26%, Aug 02, 2027	100	1,00,000	102.43	1,00,000	103.17
Government of India, 8.33%, July 09, 2026	100	-	-	2,00,000	206.18
Power Grid Corporation of India Limited, 9.30%, Sep 04, 2029	10,00,000	25	277.11	25	280.56
State Bank of India Series III, 7.55%, Dec 14, 2026	1,00,00,000	-	-	2	201.99
State Bank of India Perpetual, SR - I, 7.72%, Oct 18, 2026	1,00,00,000	-	-	2	205.05
State Bank of India Perpetual, 7.75%, Sep 09, 2027	1,00,00,000	15	1,573.85	-	-
Total (B)			**2,506.10**		**1,553.32**
(C) Investments in Non-Convertible Debentures at amortised cost					
Muthoot Fincorp Limited, 9.40%, Oct 30, 2026	1,000	-	-	50,000	519.57
Muthoot Fincorp Limited, 9.0%, Feb 24, 2027	1,000	-	-	50,000	500.00
Cholamandalam Investment & Fin Company Limited, 8.50%, Jan 31, 2027	1,000	-	-	1,00,000	1,019.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in Lakhs)

Particulars	Face Value ₹	As at March 31, 2026		As at March 31, 2025	
		Number of Units	Amount	Number of Units	Amount
Mahindra & Mahindra Financial Services, 9,30%, Jan 18, 2027	1,000	-	-	55,000	610.47
Muthoot Finance Limited, 8.90%, Oct 07, 2027	1,00,000	500	522.63	500	523.39
Shriram Finance Limited, 9.22%, Apr 13, 2026	10,00,000	-	-	5	54.42
TATA Capital Financial Services Limited, 9.10%, Sep 27, 2028	1,000	10,000	106.45	10,000	107.09
Nuvama Wealth and Investment Limited, 9.20%, Dec 20, 2027	1,00,000	600	641.83	-	-
Total (C)			**1,270.91**		**3,334.37**
(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	1,538.37
Less: Loss allowance for impairment in value of investment			(1,538.37)		(1,538.37)
Total (D)			-		-
(E) Quoted Investments					
Investments in Equity Instruments at FVTOCI:					
- Axis Bank Limited	2	-	-	10,840	119.52
- Bharat Electronic Limited	1	1,17,040	469.02	1,17,040	352.77
- Bharat Petroleum Corporation Limited	10	1,15,973	326.07	1,14,403	318.76
- Canara Bank	2	2,00,510	247.64	1,78,610	159.06
- Chennai Petroleum Corporation	10	34,014	329.17	34,014	209.36
- Coal India Limited	10	2,50,964	1,130.86	2,44,529	974.10
- Exide Industries Limited	1	39,915	114.99	39,915	143.94
- GAIL (India) Limited	10	88,470	121.93	74,210	135.92
- HDFC Bank Limited	1	84,196	616.26	42,098	769.96
- Hindustan Petroleum Corporation	10	65,260	219.00	65,260	235.28
- ICICI Bank Limited	2	22,980	277.23	22,580	304.57
- Indian Oil Corporation Limited	10	2,42,755	328.87	2,42,755	310.18
- Indian Renewable Energy Development Agency Limited	10	48,140	52.52	48,140	77.37
- Infosys Limited	5	6,710	83.97	6,985	109.76
- Inter Globe Aviation Limited	10	3,814	150.49	3,814	195.18
- ITC Hotels Limited	1	15,251	21.03	15,251	30.12
- ITC Limited	1	1,57,143	452.41	1,52,518	625.24
- JIO Financial Services Limited	10	14,620	32.78	12,970	29.53
- JSW Steels Limited	1	-	-	26,580	282.71
- Life Insurance Corporation of India	10	44,339	321.75	44,339	354.45
- Mahanagar Gas Limited	10	21,515	199.74	21,515	298.55
- NHPC Limited	10	1,29,135	95.26	1,29,135	106.21
- NMDC Limited	1	8,45,160	644.79	8,38,170	577.60
- NTPC Limited	10	1,44,940	537.38	1,43,540	513.46
- Oil and Natural Gas Corporation	5	1,10,885	315.76	1,06,935	263.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in Lakhs)

Particulars	Face Value ₹	As at March 31, 2026		As at March 31, 2025	
		Number of Units	Amount	Number of Units	Amount
- Oil India Limited	10	1,24,875	593.87	1,23,850	479.14
- Power Finance Corporation Limited	10	1,86,860	709.28	1,86,860	774.21
- Power Grid Corporation Limited	10	1,39,569	413.41	1,39,569	405.39
- REC Limited	10	2,04,410	623.79	2,04,410	877.46
- Reliance Industries Limited	10	24,156	324.79	23,736	302.81
- RITES Limited	10	15,000	26.57	70,930	158.53
- State Bank of India	1	64,970	636.53	64,290	496.21
- Steel Authority of India Limited	10	-	-	36,450	42.01
- Sun Pharmaceutical Industries Limited	1	7,005	123.15	6,410	111.25
- Tata Consultancy Services Limited	1	3,556	83.95	2,706	97.63
- Tata Motors Passengers Vehicles Limited	2	49,033	145.27	49,033	331.03
- Tata Motors Commercial Vehicles Limited	2	49,033	193.58	-	-
Total (E)			**10,963.09**		**11,572.83**
Aggregate carrying value of quoted and unquoted non-current investments (F) = (A) + (B) + (C) + (D)+ (E)			**14,740.10**		**16,460.52**

(₹ in Lakhs)

Particulars	Face Value ₹	As at March 31, 2026		As at March 31, 2025	
		Number of Units	Amount	Number of Units	Amount
Current					
Unquoted investments carried at amortised cost					
Investments in Bonds					
State Bank of India, SR -I, 7.74%, Sep 08, 2025	10,00,000	-	-	50	523.36
Bharati Telecom Limited, 8.60%, Dec 12, 2025	10,00,000	-	-	100	1,025.20
National Bank For Agriculture and Rural Development, 7.40%, Jan 30, 2026	10,00,000	-	-	100	1,012.84
Government of India, 8.33%, July 09, 2026	100	2,00,000	204.36	-	-
State Bank of India Perpetual, 7.72%, Sept 09, 2026	1,00,00,000	3	313.64	-	-
State Bank of India Series III, 7.55%, Dec 14, 2026	1,00,00,000	2	203.40	-	-
State Bank of India Perpetual, SR - I, 7.72% , Oct 18, 2026	1,00,00,000	2	206.25	-	-
Power Finance Corporation Limited, 7.60%, Feb 20, 2027	10,00,000	106	1,068.88	-	-
Total (A)			**1,996.53**		**2,561.40**
Investments in Non-Convertible Debentures					
Kotak Mahindra Investments Limited, 8.0415%, Sep 26, 2025	1,00,000	-	-	1,000	1,040.88
Aditya Birla Finance Limited, 7.60%, Jun 06, 2025	10,00,000	-	-	100	1,061.84
Housing Development Finance Corporation Limited, 7.40%, Jul 02, 2025	10,00,000	-	-	100	1,061.19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in Lakhs)

Particulars	Face Value ₹	As at March 31, 2026		As at March 31, 2025	
		Number of Units	Amount	Number of Units	Amount
Aditya Birla Finance Limited, 7.90%, Sep 19, 2025	10,00,000	-	-	100	1,036.49
Mahindra & Mahindra Financial Services Limited, 8,90%, Oct 27, 2025	10,00,000	-	-	10	104.44
Muthoot Finance Limited, 7.75%, Sep 30, 2025	10,00,000	-	-	100	1,036.76
Shriram Finance Limited, 8.95%, Apr 28, 2025	10,00,000	-	-	10	100.03
Shriram Finance Limited, 9.25%, Dec 19, 2025	10,00,000	-	-	100	1,028.53
Kotak Mahindra Investments Limited SR III, 0%, Jan 29, 2026	10,00,000	-	-	35	327.72
HDFC Credila Financial Services, 9.03%, Mar 04, 2026	1,00,000	-	-	1,000	1,010.35
Shriram Finance Limited, 9.22%, Apr 13, 2026	10,00,000	5	54.44	-	-
Cholamandalam Investment & Fin Company Limited, 8.50%, Mar 27, 2026	1,00,000	-	-	500	501.61
Muthoot Fincorp Limited, 9.40%, Oct 30, 2026	1,000	50,000	519.57	-	-
Mahindra & Mahindra Financial Services, 9,30%, Jan 18, 2027	1,000	55,000	605.57	-	-
Muthoot Fincorp Limited, 9.00%, Feb 24,2027	1,000	50,000	500.00	-	-
Cholamandalam Investment & Fin Company Limited, 8.50%, Jan 31, 2027	1,000	1,00,000	1,016.62	-	-
Nuvama Wealth Finance Limited, 9.6177%, Apr 23, 2026	1,00,000	1,000	1,042.59	-	-
Muthoot Finance Limited, 8.85%, Dec 07, 2026	1,00,000	500	517.88	-	-
Total (B)			**4,256.67**		**8,309.84**
Investments in Commercial papers					
Piramal Enterprises Limited, Jan 14, 2026	5,00,000	-	-	100	468.09
Standard Chartered Capital Limited, Jan 15, 2026	5,00,000	-	-	300	1,406.45
Mirae Asset Financials Service India Pvt Limited, Jul 11, 2025	5,00,000	-	-	500	2,441.71
Total (C)			**-**		**4,316.25**
PNB Housing Finance Limited, 7.40%, June 12, 2026		-	500.00	-	-
Total (D)			**500.00**		**-**

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Units	Amount	Number of Units	Amount
Unquoted instruments at FVTPL				
Investments in Mutual funds				
Abakkaus Diversified Alpha Fund	19,906	311.29	19,906	307.23
Aditya Birla Sun life Crisil IBX AAA NBFC HFC Index Sep 2026 fund	-	-	89,27,653	927.01
Aditya Birla Sun life Crisil IBX Gilt Apr 2033 Index fund	-	-	1,43,95,707	1,624.81
Aditya Birla Sun life Crisil IBX Financial Services 9 to 12 Months Debt Index Fund	1,59,05,403	1,703.13	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Units	Amount	Number of Units	Amount
Aditya Birla Sun life NIFTY SDL Sep 2027 Index fund - Direct Growth	-	-	9,99,950	117.92
Aditya Birla India Equity Services Fund - Class C1	99,695	113.51	99,695	127.10
Aditya Birla Sun Life Banking & PSU Debt Fund	-	-	1,10,159	409.97
Aditya Birla Sun Life Crisil IBX Financial Services 9 to 12 Months Debt Index Fund	-	-	1,54,13,787	1,547.19
Aditya Birla Sun Life Debt Plus Arbitrage FOF Fund	17,75,442	728.18	-	-
Aditya Birla Sun Life Liquid Fund	9,90,337	4,407.50	-	-
Aditya Birla Sun Life Long Duration Fund	-	-	1,04,45,971	1,339.54
Aditya Birla Sun Life Money Manager Fund	76,654	300.61	-	-
Aditya Birla Sun Life Structured Opportunities Fund Series 2	11,38,045	1,181.16	-	-
Aditya Birla Sun Life Savings Fund	2,48,556	1,454.04	1,37,323	750.68
Aditya Birla Sun Life Corporate Bond Fund	-	-	29,88,621	3,360.77
Aditya Birla Sun Life Fixed Term plan - Series UB (1224days) - Direct Growth	49,99,750	627.03	49,99,750	589.08
Aditya Birla Sun Life Fixed Term plan - Series UJ (1110 days) - Direct Growth	89,99,550	1,110.42	89,99,550	1,043.61
Aditya Birla Sun Life Low Duration Fund	2,90,923	2,213.86	2,12,026	1,508.92
Alphamine Absolute Return Fund	-	-	15,00,008	1,605.89
AXIS Crisil IBX AAA Bond Financial Services Sep 2027 Index Fund	-	-	29,99,850	308.89
AXIS Treasury Advantage Fund	-	-	25,281	802.73
Bajaj Finserv Banking and PSU Fund	-	-	64,78,052	728.24
Bajaj Finserv Low Duration Fund	1,10,961	1,114.48	-	-
Bajaj Finserv Money Market Fund	49,507	601.41	9,693	110.32
Baroda BNP Paribas Liquid Fund	18,923	601.01	-	-
Baroda BNP Paribas Low Duration Fund	-	-	11,84,935	509.14
Baroda BNP Paribas Corporate Bond Fund	-	-	38,38,490	1,091.99
Baroda BNP Paribas Gilt Fund	-	-	70,46,907	3,238.74
Buoyant OS Nov 19, 2022 class A1	2,59,765	362.28	2,59,765	346.87
DSP Corporate Bond Fund	-	-	40,83,445	647.71
DSP Equity Savings Fund	18,35,819	448.97	-	-
DSP Income Plus Arbitrage Fund of Fund	79,30,285	1,840.71	-	-
DSP Low Duration Fund	4,84,746	103.55	81,17,597	1,628.83
DSP Strategic Bond Fund	-	-	18,930	672.28
DSP Ultra Short Fund- Direct plan - Growth	-	-	15,358	557.94
Emkay Emerging Star Fund - V	-	-	4,01,055	444.08
Emkay Emerging Star Fund - VI	3,57,840	357.91	3,57,840	387.48
HDFC Long Duration Debt Fund	-	-	99,15,275	1,218.26
HDFC Nifty G-Sec APR 2029 Index Direct Growth	-	-	40,04,691	477.56
HDFC Ultra Short Duration Fund	-	-	26,50,753	402.47
Helios India Long Short Fund	-	-	4,99,975	487.65
ICICI Prudential All Seasons Fund	-	-	9,37,846	366.29
ICICI Prudential Banking & Financial Services Fund-Direct Plan-Growth	3,56,204	470.44	3,56,204	490.39
ICICI Prudential Corporate Bond Fund	-	-	32,32,097	987.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Units	Amount	Number of Units	Amount
ICICI Prudential Crisil IBX Financial Services 3-6 Months Debt Index Fund	-	-	34,99,825	351.28
ICICI Prudential Equity Savings Fund	-	-	13,03,149	304.81
ICICI Prudential Gilt Fund	26,395	29.54	18,48,612	2,004.86
ICICI Prudential Large & Midcap Fund - Direct Plan - Growth	69,570	718.64	69,570	717.66
ICICI Prudential Long Term Bond Fund	-	-	3,42,510	332.29
ICICI Savings Fund	-	-	93,564	504.89
InCred Liquid Alternative Fund - I	-	-	9,318	109.31
Kotak Emerging Equity Fund - Direct plan- Growth	6,60,726	939.51	6,60,726	900.89
Kotak Flexicap Fund - Direct Growth	9,15,322	794.81	9,15,322	795.77
Kotak Iconic Fund Class D1	373	460.54	373	470.14
Kotak Liquid Fund	44,998	2,504.32	-	-
Kotak Long Duration Fund	-	-	49,99,750	550.81
Kotak Low Duration Fund	-	-	29,033	1,035.47
Kotak Nifty g-sec Apr 2033 Index Fund	-	-	19,99,900	230.98
Mirae Asset Money Market Fund	26,223	350.44	47,992	601.15
Mirae Asset Large Cap Fund - Direct Plan - Growth	6,42,275	726.55	6,42,275	755.35
Mirae Asset Long Duration Fund	-	-	29,99,850	309.28
Mirae Asset Low Duration Fund	84,204	2,164.33	1,07,155	2,579.26
Mirae Asset Liquid Fund	96,380	2,804.95	-	-
Mirae Asset Nifty SDL Jun 2027 Index Fund Direct Plan - Growth	-	-	79,13,889	953.57
Mirae Asset Ultra Short Duration Fund	-	-	2,47,379	3,207.61
Nippon India Corporate Bond Fund	-	-	8,32,271	511.54
Nippon India Crisil IBX Financial Services 9-12 Months Debt Index Fund	29,99,850	301.08	-	-
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9066950676)	5,000	521.64	5,000	511.23
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9106953555)	5,958	619.69	4,500	450.78
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9106950332)	10,000	1,042.76	10,000	1,022.00
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9036948403)	5,000	522.65	5,000	512.43
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9106949455)	5,000	520.16	5,000	509.93
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9106956692)	6,981	718.07	-	-
Nippon India Credit Opportunities AIF - Scheme 1 (folio 9106957384)	1,495	154.19	-	-
Nippon India Credit Opportunities AIF - Scheme 2 (folio 9106960845)	1,273	129.30	-	-
Nippon India Credit Opportunities AIF - Scheme 2 (folio 9106961344)	250	25.35	-	-
Nippon India Credit Opportunities AIF - Scheme 9 (folio 9106951035)	1,99,990	167.82	1,99,990	184.30
Nippon India Digital Innovation AIF - Scheme 2A (folio 9106958076)	84	78.80	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Units	Amount	Number of Units	Amount
Nippon India Digital Innovation AIF - Scheme 2A (folio 9106958472)	112	106.24	-	-
Nippon India Digital Innovation AIF - Scheme 2A (folio 9106960025)	56	53.12	-	-
Nippon India Digital Innovation AIF - Scheme 2A (folio 9106958643)	56	53.12	-	-
Nippon India ETF Nifty Bees	73,000	185.01	73,000	192.14
Nippon India Equity Opportunities AIF - Scheme 10 (folio 9106959426)	1,79,991	156.98	-	-
Nippon India Equity Opportunities AIF - Scheme 10 (folio 9106953871)	1,72,416	165.57	-	-
Nippon India Equity Opportunities AIF - Scheme 10 (folio 9106954712)	56,226	53.99	-	-
Nippon India Equity Opportunities AIF - Scheme 10 (folio 9106954305)	56,748	54.49	-	-
Nippon India Equity Opportunities AIF - Scheme 10 (folio 9106955593)	55,078	52.89	-	-
Nippon India Equity Opportunities AIF - Scheme 10 (folio 9106959095)	1,64,851	158.30	-	-
Nippon India Equity Opportunities AIF - Scheme 11 (folio 9106956896)	1,24,994	111.22	-	-
Nippon India Low Duration Fund	-	-	13,102	509.05
Nippon India Nifty g sec Jun 2036 Maturity Index Fund	-	-	1,13,47,250	1,401.60
Nippon India Nivesh Lakshya Fund	-	-	24,37,980.77	441.08
Northern Arc Money Market Alpha Trust Cat3Class A6	-	-	16,19,785	1,736.48
Nuvama Crossover Opportunities Fund Series III	30,35,071	289.66	30,44,210	332.18
SBI ETF Nifty and Open ended	1,00,000	239.35	1,00,000	248.83
SBI Fixed Maturity Plan (FMP)- Series 66 (1361 days) Dir Growth	89,99,550	1,162.04	89,99,550	1,093.00
SBI Liquid Fund	58,158	2,504.33	-	-
SBI Magnum Low Duration Fund	21,234	805.46	11,274	401.10
Sundaram Money Market Fund	-	-	27,26,294	403.48
Tata Digital India Fund Direct Plan Growth	17,83,660	782.51	17,83,660	925.85
Union MF Low Duration Fund	20,26,939	210.29	-	-
Total (E)		**43,491.23**		**59,267.37**
Aggregate carrying value of unquoted current investments (F) = (A)+(B)+(C)+(D)+(E)		**50,244.43**		**74,454.86**
Aggregate book value of:				
Quoted investments		10,963.09		11,572.83
Unquoted Investments		54,021.44		79,342.55
Aggregate market value of:				
Quoted Investments		10,963.09		11,572.83
Aggregate amount of impairment in value of Investments		1,538.37		1,538.37

Refer Note 41 for fair value measurements and Note 44 for information about the Company's exposure to financial risks.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. Loan

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Considered good - Unsecured		
Loans to employees	31.84	135.06
TOTAL	**31.84**	**135.06**

Note: Refer Note 41 for fair value measurements and Note 44 for information about the Company's exposure to financial risks.

7. Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits		
- Unsecured, considered good	544.88	491.69
TOTAL	**544.88**	**491.69**
Current		
a) Security deposits		
- Unsecured, considered good	123.03	97.16
b) Advances to employees	3.35	2.67
c) Derivative Financial Instruments (at fair value through Statement of Profit and Loss)	4.37	49.24
d) Interest accrued on deposits and others	86.96	129.00
TOTAL	**217.71**	**278.07**

Note: Refer Note 41 for fair value measurements and Note 44 for information about the Company's exposure to financial risks.

8. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
a) Capital advances	2,840.77	3,930.37
b) Prepaid expenses	43.24	45.76
c) Balances with statutory / government authorities	3,753.13	3,204.82
TOTAL	**6,637.14**	**7,180.95**
Current		
a) Advances recoverable in cash or in kind		
Considered good	2,953.52	2,343.69
Considered credit impaired	18.03	18.03
	2,971.55	2,361.72
Less: Provision for credit impaired loans and advances	18.03	18.03
	2,953.52	2,343.69
b) Prepaid expenses	185.40	301.09
c) Balances with statutory / government authorities	6,598.59	9,591.24
d) Others		
- Export benefits receivable	5.04	2.06
- Balance with DEMAT Broker	-	19.97
TOTAL	**9,742.55**	**12,258.05**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(at lower of cost and net realisable value)		
(a) Raw materials	13,202.92	17,211.24
(b) Work-in-progress	2,817.35	2,217.44
(c) Finished goods	4,001.95	5,206.15
(d) Stores and spares (includes fuel)	5,913.20	7,386.10
Add : Goods in transit (includes Raw materials and Stores and spares)	371.39	192.67
TOTAL	**26,306.81**	**32,213.60**

Notes:

(i) The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss.

(ii) There are no inventories expected to be recovered after more than twelve months.

(iii) Write-down of inventories to net realisable value amounted to ₹642.79 lacs (March 31, 2025: ₹1,296.71 lacs). These were recognised as an expense during the year and included in 'Changes in inventories of finished goods, stock-in-trade and work-in-progress' in the statement of profit and loss (Refer Note 26).

10. Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
(a) Secured - Considered good	2,397.65	2,304.75
(b) Unsecured - Considered good	13,209.30	8,557.76
(c) Which have significant increase in Credit risk	-	-
(d) Credit impaired	-	-
Less: Impairment loss on credit impaired trade receivables	-	-
TOTAL	**15,606.95**	**10,862.51**

Ageing for trade receivables outstanding as at March 31, 2026 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	15,606.55	-	0.40	-	-	-	15,606.95
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL	**15,606.55**	**-**	**0.40**	**-**	**-**	**-**	**15,606.95**
Less: Impairment loss on credit impaired trade receivables							-
							15,606.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. Trade receivables (Contd.)

Ageing for trade receivables outstanding as at March 31, 2025 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	10,861.96	0.51	0.04	-	-	-	10,862.51
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL	**10,861.96**	**0.51**	**0.04**	**-**	**-**	**-**	**10,862.51**
Less: Impairment loss on credit impaired trade receivables							-
							10,862.51

* There are no unbilled dues, hence the same is not disclosed in the ageing schedule.

Notes:

(i) The general credit period on sale is 0-30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 18% per annum on the outstanding balance.

(ii) 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, ₹2,535.32 Lakhs (as at March 31, 2025: ₹2,104.44 Lakhs) is due from customers who represent more than 5% of the total balance of trade receivables.

(iii) The Company maintains an allowance of credit impaired accounts based on financial condition of the customer, ageing of customer receivable and overdue, 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.

(iv) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

(v) Refer Note 44 for information about the Company’s exposure to financial risks, and details of impairment losses for trade receivables and fair values.

(vi) Movement in the Impairment loss on credit impaired trade receivables (₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	-	86.71
Movement in the Impairment loss on credit impaired trade receivables (Net)	-	(86.71)
Balance at end of the year	-	-

The Concentration of credit risk is limited to the fact that the customer base is large and unrelated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Cash on hand	11.08	1.50
b) Balances with Banks		
-in Current accounts	1,110.59	356.09
-in Exchange Earner's Foreign Currency (EEFC) accounts	95.26	19.42
-in demand deposit accounts with original maturity of less than 3 months	400.00	-
TOTAL	**1,616.93**	**377.01**

Note: Refer Note 44 for information about the Company's exposure to financial risks.

12. Bank balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
In earmarked accounts:		
- Unclaimed / unpaid dividend account	46.21	39.32
- Balances held as margin money or security against guarantees and other commitments	188.17	354.43
TOTAL	**234.38**	**393.75**

Note: Refer Note 44 for information about the Company's exposure to financial risks.

13. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Tax assets		
Advance tax (including TDS receivable)	45,808.76	45,054.90
Tax liabilities		
Provision for income tax	46,054.91	45,195.46
TOTAL	**246.15**	**140.56**

14. Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised Share capital :		
20,00,00,000 fully paid up equity shares of ₹2 each (as at March 31, 2025: 20,00,00,000 of ₹2 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:		
19,88,50,195 fully paid up equity shares of ₹2 each (as at March 31, 2025: 19,88,50,195 of ₹2 each)	3,977.00	3,977.00
	3,977.00	**3,977.00**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Equity share capital (Contd.)

Notes:

14.1 Reconciliation of the authorised equity shares at the beginning and at the end of the year: (₹ in Lakhs)

	Number of shares	Share capital (Amount)
Balance at April 01, 2024 (Face Value of ₹10 each)	**4,00,00,000**	**4,000.00**
Changes during the year:		
Sub-division of 1 share of face value ₹10 each into 5 shares of face value ₹2 each effective September 11, 2024 (Increase in number of shares on account of sub-division)*	16,00,00,000	-
Balance at March 31, 2025 (Face Value of ₹2 each)	**20,00,00,000**	**4,000.00**
Changes during the year	-	
Balance at March 31, 2026 (Face Value of ₹2 each)	**20,00,00,000**	**4,000.00**

14.2 Reconciliation of equity shares outstanding at the beginning and at the end of the year: (₹ in Lakhs)

	Number of shares	Share capital (Amount)
Balance at April 01, 2024 (Face Value of ₹10 each)	**3,97,70,039**	**3,977.00**
Changes during the year:		
Sub-division of 1 share of face value ₹10 each into 5 shares of face value ₹2 each effective September 11, 2024 (Increase in number of shares on account of sub-division)*	**15,90,80,156**	-
Balance at March 31, 2025 (Face Value of ₹2 each)	**19,88,50,195**	**3,977.00**
Changes during the year	-	
Balance at March 31, 2026 (Face Value of ₹2 each)	**19,88,50,195**	**3,977.00**

* The Shareholders of the Company at the 60th Annual General Meeting held on August 12, 2024, had approved the sub-division of one equity share of face value ₹10 each into 5 equity shares of face value ₹2 each. The record date for the said sub-division was set at September 11, 2024.

14.3 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 ₹2 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.

14.4 Equity shares held by the holding company

Name of the Shareholder	As at March 31, 2026	As at March 31, 2025
West Coast Paper Mills Limited, fully paid up equity shares of ₹2 each (as at March 31, 2025: face value of ₹2 each)	14,40,63,000	14,40,63,000

14.5 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, 2026		As at March 31, 2025	
	Number of shares	% holding of equity shares	Number of Shares	% holding of equity shares
West Coast Paper Mills Limited	14,40,63,000	72.45	14,40,63,000	72.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Equity share capital (Contd.)

14.6 Details of shareholding of Promoters

Promoter name	As at March 31, 2026		% Change during the year
	Number of shares	% of total shares	
West Coast Paper Mills Limited	14,40,63,000	72.45	0.00%

Promoter name	As at March 31, 2025		% Change during the year
	Number of shares	% of total shares	
West Coast Paper Mills Limited	14,40,63,000	72.45	0.19%

14.7 There are no shares issued for consideration other than cash, no bonus shares allotted and no shares bought back during the period of five years immediately preceding the reporting date.

15. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium	18,211.13	18,211.13
Reserve for equity instruments through other comprehensive income	1,724.88	1,888.99
Retained earnings	1,69,706.77	1,69,833.60
Reserve for remeasurement of net defined benefit plan	(282.68)	(425.36)
Capital redemption reserve	598.00	598.00
TOTAL	**1,89,958.10**	**1,90,106.36**

Notes:

15.1 Securities premium

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
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 ("the Act").

15.2 Reserve for equity instruments through other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at beginning of year	1,888.99	2,040.88
Net fair value gain on investments in equity instruments at FVTOCI	(191.49)	(442.25)
Income tax on net fair value gain on investments in equity instruments at FVTOCI	27.38	290.36
Balance at end of year	**1,724.88**	**1,888.99**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Other equity (Contd.)

15.3 Retained earnings

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at beginning of year	1,69,833.60	1,64,919.53
Profit for the year	1,861.67	8,891.07
Dividend on equity shares	(1,988.50)	(3,977.00)
Balance at end of year	**1,69,706.77**	**1,69,833.60**

Retained earnings represent the Company's undistributed earnings after taxes.

In respect of the year ended March 31, 2026, the directors in their meeting held on May 14, 2026 have proposed a dividend of ₹0.50 per equity share of face value of ₹2 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 ₹994.25 Lakhs.

In respect of the year ended March 31, 2025, the directors proposed a final dividend of ₹1 per equity share of face value of ₹2 each which was approved by the shareholders in the Annual General meeting (AGM) held on August 07, 2025. The total amount of such dividend paid is ₹1,988.50 Lakhs.

15.4 Reserve for remeasurement of net defined benefit plan

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at beginning of year	(425.36)	(426.46)
Remeasurement of defined benefit plan	190.67	1.47
Related income tax	(47.99)	(0.37)
Balance at end of year	**(282.68)**	**(425.36)**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit and loss.

15.5 Capital redemption reserve

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Non-current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured – at amortised cost		
Term loans from banks [Refer Notes below]	22,379.23	19,442.81
Unsecured – at amortised cost		
Deferred payment liabilities	-	282.02
	22,379.23	19,724.83
Less: Current maturities of long-term borrowings	6,676.71	6,182.36
TOTAL	**15,702.52**	**13,542.47**

Notes:

(i) Term loan from IDBI bank of ₹6,824.18 lacs (March 31, 2025: ₹8,922.23 lacs) is secured by way of first pari passu charge by way of hypothecation on specific moveable plant and machinery procured out of the term loan and is repayable in 20 equal quarterly instalments starting from August 01, 2024 to May 01, 2029.

(ii) Term loan from IDBI bank of ₹2,889.78 lacs (March 31, 2025: ₹3,501.49 lacs) is secured by way of first pari passu charge by way of hypothecation on specific moveable plant and machinery procured out of the term loan and is repayable in 18 equal quarterly instalments starting from February 01, 2025 to May 01, 2029.

(iii) Term loan from IDBI bank of ₹1,352.77 lacs (March 31, 2025: ₹412.34 lacs) is secured by way of first pari passu charge by way of hypothecation on specific moveable plant and machinery procured out of the term loan and is repayable in 17 equal quarterly instalments starting from February 01, 2025 to May 01, 2029.

(iv) Term loan from State Bank of India of ₹ Nil (March 31, 2025: ₹4,456.75 lacs) was secured by way of first pari passu charge by way of hypothecation on specific moveable plant and machinery procured out of the term loan. The loan has been prepaid fully during the year.

(v) Term loan from Standard Chartered Bank of ₹ Nil (March 31, 2025: ₹2,150.00 lacs) is secured by way of exclusive charge by way of hypothecation on existing and future moveable property plant and equipments relating to Tissue Paper Project. The loan has been prepaid fully during the year.

(vi) Term loan from HDFC bank of ₹10,240.00 lacs (March 31, 2025: ₹ Nil) from a bank is secured by way of first pari passu charge by way of hypothecation on existing and future moveable property plant and equipments relating to Tissue Paper Project and is repayable in 14 equal quarterly instalments starting from June 29, 2026 to September 27, 2029.

(vii) Term loan from HDFC bank of ₹1,072.50 lacs (March 31, 2025: ₹ Nil) from a bank is secured by way of first pari passu charge by way of hypothecation on moveable property plant and equipments relating to Paper Machine-RJ3 Project and is repayable in 20 structured quarterly instalments starting from December 29, 2025 to September 29, 2030.

(viii) Refer Note 41 for fair value measurements and Note 44 for information about the Company's exposure to financial risks.

17. Current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured – at amortised cost		
Buyers Credit from Banks [Refer Note (i) below]	-	1,438.16
Unsecured – at amortised cost		
Working capital demand loan [Refer Note (ii) below]	-	3,000.00
Suppliers Credit from Banks [Refer Note below (iii)]	-	3,554.93
Current maturities of long-term debt	6,676.71	6,182.36
TOTAL	**6,676.71**	**14,175.45**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. Current borrowings (Contd.)

Notes:

(i) Buyers Credit from IDBI bank of ₹ Nil (March 31, 2025: ₹1,438.16 lacs) is secured by means of first pari passu charge by way of hypothecation on specific moveable plant and machinery procured out of the buyers credit. The loan has been fully repaid during the year.

(ii) Working capital demand loan availed from Yes Bank during the previous financial year and has been fully repaid during the Year.

(iii) Suppliers Credit of ₹ Nil (March 31, 2025: ₹3,554.93 lacs) is availed from Standard Chartered Bank and has been fully repaid during the year.

(iv) Refer Note 41 for fair value measurements and Note 44 for information about the Company's exposure to financial risks.

18. Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Lease liabilities (Refer Note 36)	622.90	406.83
TOTAL	**622.90**	**406.83**
Current		
Lease liabilities (Refer Note 36)	213.16	128.11
TOTAL	**213.16**	**128.11**

19. Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer Note 39)	2,301.32	2,124.86
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13,622.76	16,816.08
TOTAL	**15,924.08**	**18,940.94**

Notes:

(a) Trade payables are non-interest bearing and are normally settled in agreed terms with the parties.

(b) Refer Note 44 for information about the Company's financial risks management process.

(c) Ageing for trade payables outstanding as at March 31, 2026 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	-	1,349.65	892.56	34.70	11.89	12.52	2,301.32
(ii) Others	9,432.96	3,661.73	463.46	20.05	12.44	32.12	13,622.76
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	**9,432.96**	**5,011.38**	**1,356.02**	**54.75**	**24.33**	**44.64**	**15,924.08**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. Trade payables (Contd.)

Ageing for trade payables outstanding as at March 31, 2025 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	-	1,393.20	625.37	58.31	13.18	34.81	2,124.86
(ii) Others	12,023.91	3,970.18	645.69	58.02	19.93	98.36	16,816.08
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	**12,023.91**	**5,363.37**	**1,271.06**	**116.33**	**33.10**	**133.17**	**18,940.94**

20. Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
a) Current maturities of deferred government grant	-	58.09
b) Interest accrued but not due on borrowings	69.25	119.30
c) Interest on MSME payables (Refer Note 39)	24.98	24.71
d) Others :-		
(i) Trade / security deposits received	2,585.17	2,766.48
(ii) Payables on purchase of property, plant and equipment	3,512.32	1,581.52
(iii) Contractually reimbursable expenses	-	0.92
e) Unpaid dividend	46.21	39.32
TOTAL	**6,237.93**	**4,590.34**

21. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Employee benefits: (Refer Note 33)		
- Gratuity	660.36	276.02
- Compensated absences	315.15	212.06
Provisions:		
For contingencies (Refer Note 40)	1,090.66	1,090.66
For others (disputed dues) (Refer Note 45)	2,357.42	2,357.42
TOTAL	**4,423.59**	**3,936.16**

22. Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Advances from customers	132.02	159.47
b) Other payables		
-Statutory remittances	264.94	312.99
-Corporate Social responsibility (Refer Note 47)	73.19	554.06
-Others*	1,122.61	1,092.95
TOTAL	**1,592.76**	**2,119.47**

* 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

23. Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (net)	8,234.59	8,398.90
Deferred tax liabilities (net)	**8,234.59**	**8,398.90**

(₹ in Lakhs)

2025-26	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	(7,915.44)	(68.05)	-	(7,983.49)
Disallowances under Income-tax Act, 1961, allowed on payment basis	682.37	(333.36)	-	349.01
Long-term capital loss carried forward	22.75	-	-	22.75
Financial assets at FVTOCI	(315.19)	-	27.38	(287.81)
Provision for credit impaired balances	4.55	-	-	4.55
Financial assets at FVTPL	(1,150.67)	544.93	-	(605.74)
Right-of-use assets	35.96	3.15	-	39.11
Others	236.77	(9.74)	-	227.03
Total	**(8,398.90)**	**136.93**	**27.38**	**(8,234.59)**

(₹ in Lakhs)

2024-25	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	(7,776.05)	(139.39)	-	(7,915.44)
Disallowances under Income-tax Act, 1961, allowed on payment basis	616.98	65.39	-	682.37
Long-term capital loss carried forward	22.75	-	-	22.75
Financial assets at FVTOCI	(605.55)	-	290.36	(315.19)
Provision for credit impaired balances	26.25	(21.70)	-	4.55
Financial assets at FVTPL	(1,016.53)	(134.14)	-	(1,150.67)
Right-of-use assets	39.34	(3.38)	-	35.96
Others	362.55	(125.78)	-	236.77
Total	**(8,330.26)**	**(359.00)**	**290.36**	**(8,398.90)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Sale of products - [Refer Note (i) below]	1,69,298.32	1,52,226.85
(b) Other operating revenues - [Refer Note (ii) below]	825.06	1,897.25
TOTAL	**1,70,123.38**	**1,54,124.10**
Notes:		
(i) Sale of products comprise of sale of paper and paperboard		
(ii) Other operating revenues comprises:		
Export incentives	20.15	66.98
Sale of scrap	804.91	1,830.27
TOTAL	**825.06**	**1,897.25**

25. Other income

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Interest income earned on financial assets that are not designated as fair value through profit or loss	1.35	1.08
b) Interest income	1,489.33	2,196.90
c) Unwinding of discount on deferred payment liabilities	58.09	58.09
d) Profit on sale of current investments	4,391.94	4,451.67
e) Net gain on financial assets designated on FVTPL	-	739.52
f) Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	4.37	39.37
g) Liabilities / provisions no longer required written back	1,918.37	884.93
h) Dividend income on equity shares	382.80	339.56
i) Interest on income tax refund	-	71.06
j) Miscellaneous income	113.06	90.83
TOTAL	**8,359.31**	**8,873.01**

26 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Inventories at the beginning of the year		
- Work-in-progress	2,217.44	1,374.64
- Finished goods	5,206.15	1,283.59
	7,423.59	2,658.23
Inventories at the end of the year		
- Work-in-progress	2,817.35	2,217.44
- Finished goods	4,001.95	5,206.15
	6,819.30	7,423.59
Changes in inventories	**604.29**	**(4,765.36)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	15,466.70	15,007.70
Provident and family pension funds (Refer Note 33A)	777.50	737.21
Employee state insurance (Refer Note 33A)	12.84	16.32
Gratuity fund (Refer note: 33B)	851.03	279.34
Superannuation fund (Refer Note 33A)	10.13	11.82
Employee group insurance	262.32	253.32
Compensated absences	315.15	212.06
Staff welfare expense	372.46	362.44
Cost of deputed personnel	32.00	32.00
TOTAL	**18,100.13**	**16,912.21**

28. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on bank overdrafts and loans	1,900.85	1,770.85
Other interest expense	155.77	177.52
Exchange differences adjusted to borrowing costs	76.26	222.80
Interest on lease liabilities	61.78	39.47
Interest cost on deferred payment liabilities	22.31	39.49
Bank and finance charges	30.41	46.55
	2,247.38	2,296.68
Less: Interest capitalised (Refer Note 3)	425.33	507.21
TOTAL	**1,822.05**	**1,789.47**

29. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment (Refer Note 3)	10,437.33	8,591.56
Amortisation of right-of-use assets (Refer Note 4)	199.46	166.09
Amortisation of intangible assets (Refer Note 4a)	94.26	74.39
TOTAL	**10,731.05**	**8,832.04**

30. Other expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Power, fuel and water	12,666.38	13,010.47
Consumption of stores, spares	5,215.04	4,475.31
Repairs and maintenance		
- Buildings	925.00	797.14
- Plant and machinery	3,451.52	2,728.54
- Others	325.49	347.63
Operating service expenses	4,312.10	3,676.94
Conversion / processing charges	418.03	402.39
Forwarding, transportation and other sales expenses	791.48	705.83
Rates and taxes	278.12	375.30
Rent	200.00	165.16
Insurance	587.19	496.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Other expenses (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Research and development	230.76	172.46
Legal and professional charges	528.54	634.10
Cost auditor's remuneration and expenses	4.65	4.25
Directors' sitting fees	17.75	19.00
Net loss on foreign currency transactions / translations	10.49	11.53
Net loss on financial assets designated on FVTPL	2,167.05	-
Auditors remuneration (Refer Note 38)	40.79	40.70
Travelling and conveyance	135.68	170.60
Corporate social responsibility expenses (Refer Note 47)	835.26	881.07
Loss on sale / scrap of property, plant and equipment's (net)	119.95	487.18
Miscellaneous expenses	1,567.21	1,454.20
TOTAL	**34,828.48**	**31,056.15**

31. Tax expense

A. Amounts recognised in Statement of profit or loss

i) Income tax recognised in the Statement of profit or loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current Tax	811.46	2,457.41
Deferred tax	(136.93)	359.00
Total income tax expense recognised	**674.53**	**2,816.41**

ii) Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Tax related to items recognised in OCI		
Deferred tax expenses on fair value gain on investments in equity instruments through OCI	27.38	290.36
Current tax expenses / benefit on remeasurements of defined benefit plans	(47.99)	(0.37)
Income tax recognised in OCI	**(20.61)**	**289.99**

B. The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit before tax (A)	**2,536.20**	**11,707.48**
Enacted tax rate (B)	25.17%	25.17%
Expected Tax Expenses (C=A * B)	638.31	2,946.54
Adjustments		
Effect of change in tax rate on capital gain	-	138.84
Adjustment relating to prior year taxation	(66.44)	(187.86)
Deferred tax assets not recognised on various items during the previous year	-	(222.17)
Effect of expenses that are not deductible in determining taxable profit	113.25	226.71
Tax effects of other adjustments	(10.59)	(85.66)
Total Adjustments - D	**36.22**	**(130.13)**
Tax expense recognised in profit or loss (E=C+D)	**674.53**	**2,816.41**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Contingent Liabilities and Commitments

A. Contingent Liabilities (to the extent not provided for):

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Claims against the Company not acknowledged as debt: - Matters under litigation			
a.	Income tax matters	291.09	77.34
b.	Excise duty claims disputed by the Company relating to issues of applicability, classification and valuation	566.24	1,559.93
c.	Sales tax claims disputed by the Company relating to issues of applicability, royalty and discounts	600.29	600.29
d.	Electricity duty towards consumption of energy generated by captive power unit (Refer Note 45)	1,571.62	1,571.62
e.	Other matters (third party claims, interest on royalty, ex-employees claims, PF trust, etc.,)	2,890.79	2,362.23

The Company cannot determine the timing of any cash outflows related to the above until the proceedings are resolved and judgements/decisions are received from different forums/authorities.

The Company has carefully examined all of its ongoing legal cases and has made appropriate provisions where necessary. The Company believes that the outcome of these cases will not significantly impact its financial position. Additionally, the Company does not expect any reimbursements in respect of the above contingent liabilities.

B. Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	12,348.34	19,708.04

C. Other Commitments:

The Company has applied for benefits under Export Promotion Capital Goods (EPCG) scheme to import capital goods by availing customs duty exemption as per terms of Notification of the Government of India in the Ministry of Finance (Department of Revenue) No: 16/2015 dated 01.04.2015 under which it has an export obligation of six times the duty saved on import of capital goods on Free on Board (FOB) basis within a period of six years. In the event of failure of the export obligation as specified in the said notification and license, the Company is liable to pay duties of customs proportionate to duty saved amount on total unfulfilled Export Obligation and also interest @ 15% P.a. The management believes that it will be able to comply with aforesaid regulations and hence no adjustments have been made to the financial statements.

33. Employee Benefits

A. Defined contribution plans:

Provident fund:

The Company contributed ₹96.13 Lakhs (Previous year: ₹126.33 Lakhs) to the Provident Fund Trust maintained by the Company and ₹681.37 Lakhs (Previous year: ₹610.88 Lakhs) to Regional Provident Fund Commissioner, which was recognised as an expense in Statement of Profit and Loss during the year.

Superannuation:

The Company recognized ₹10.13 Lakhs (Previous year: ₹11.82 Lakhs) as an expense towards contribution as superannuation in the Statement of Profit and Loss during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Employee Benefits (Contd.)

Employee State Insurance:

The Company recognised ₹12.84 Lakhs (Previous year: ₹16.32 Lakhs) as an expense towards Employee State Insurance 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 this defined benefit i.e. Gratuity plan is as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	301.75	267.02
Past service cost	520.22	-
Net interest expense	29.06	12.32
Components of defined benefit costs recognised in statement of profit and loss	**851.03**	**279.34**
Re-measurement on the net defined benefit liability:		
- Return on plan assets (greater)/less than discount rate	28.68	(35.25)
- Actuarial (gains)/losses arising from experience adjustments	(119.34)	(38.11)
- Actuarial (gains)/losses arising from changes in financial assumptions	(100.01)	71.89
Components of defined benefit costs recognised in other comprehensive income	**(190.67)**	**(1.47)**
Total	**660.36**	**277.87**

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.

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, 2026	As at March 31, 2025
Present value of defined benefit obligation	3,924.48	3,496.02
Fair value of plan assets	3,264.12	3,220.00
Net liability arising from defined benefit obligation	**(660.36)**	**(276.02)**

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening defined benefit obligation	**3,496.02**	**3,256.33**
Current service cost	301.75	267.02
Past service cost	520.22	-
Interest cost	239.98	219.29
Actuarial gains arising from experience adjustments	(119.34)	(38.11)
Actuarial (gains)/losses arising from changes in financial assumptions	(100.01)	71.89
Benefits paid	(414.14)	(280.40)
Closing defined benefit obligation	**3,924.48**	**3,496.02**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Employee Benefits (Contd.)

Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening fair value of plan assets	**3,220.00**	**3,010.24**
Interest income	210.92	206.97
Contributions from the employer	276.02	247.94
Return on plan assets (greater)/less than discount rate	(28.68)	35.25
Benefits paid	(414.14)	(280.40)
Closing fair value of plan assets	**3,264.12**	**3,220.00**

Composition of plan assets:

Particulars	As at March 31, 2026	As at March 31, 2025
Insurer managed funds	100.00%	100.00%
	100.00%	**100.00%**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2026		March 31, 2025	
Discount rate	7.25%		6.95%	
Estimated rate of return on plan assets	7.00%		7.00%	
Salary escalation rate	7.00%		7.00%	
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. Modified			
Attrition rate	**Age**	**Rate p.a**	**Age**	**Rate p.a**
	21-30 31-40 41 & Above	5% 3% 2%	21-30 31-40 41 & Above	5% 3% 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	
	March 31, 2026	March 31, 2025
Sensitivity Analysis – DBO at the end of the year		
Discount rate + 100 basis points	(304.89)	(273.17)
Discount rate – 100 basis points	350.59	314.60
Salary rate + 1%	347.98	311.32
Salary rate – 1%	(308.24)	(275.46)

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Employee Benefits (Contd.)

There has been no change in the process used by the Company to manage its risks from prior periods.

(₹ in Lakhs)

Particulars	Gratuity plan	
	March 31, 2026	March 31, 2025
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	502.83	456.12
Year 2	353.15	269.08
Year 3	351.83	329.67
Year 4	244.14	305.75
Year 5	352.76	239.27
Beyond 5 years	2119.77	1,896.13

C. Compensated Absences

The Leave Benefit Scheme is treated as an other long-term benefit under Ind AS 19 and the actuarial gain/loss are recognised immediately through the statement of Profit and Loss

Particulars	March 31, 2026		March 31, 2025	
Discount rate	7.25%		6.95%	
Salary escalation rate	7.00%		7.00%	
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. Modified			
Attrition rate	**Age**	**Rate p.a**	**Age**	**Rate p.a**
	21-30 31-40 41 & Above	5% 3% 2%	21-30 31-40 41 & Above	5% 3% 2%

34. 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.

(₹ in Lakhs)

Revenue from Operations	Year ended March 31, 2026	Year ended March 31, 2025
India	1,69,103.06	1,51,031.69
Outside India	1,020.32	3,092.41
Total	**1,70,123.38**	**1,54,124.10**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. Related party disclosures

a. List of related parties and relationships

(i) Holding Company

West Coast Paper Mills Limited

(ii) Subsidiary Company

Andhra Paper Private Limited (APPL) (Formerly Known as Andhra Paper Foundation) filed Form STK-2 with the Registrar of Companies, Vijayawada, to strike off its name from the Register of Companies under Section 248 of the Companies Act, 2013 and the same was approved by the Ministry of Corporate Affairs on June 04, 2025.

(iii) Entity where the KMP is in a position to exercise control

Veer Enterprises Limited

Gloster Cables Limited

(iv) Entity where the Company is in a position to exercise control

The Employees Provident Fund of the Andhra Pradesh Paper Mills Limited#

#During the year, The Employees Provident Fund of the Andhra Pradesh Paper Mills Limited, vide resolution dated 26th March, 2026 decided to surrender w.e.f. 30th April, 2026. Currently surrender process is in progress.

(v) Key Management Personnel

- Mr. Shree Kumar Bangur – Chairman & Non- Executive Director
- Mr. Virendraa Bangur – Vice Chairman & Non-Executive Director
- Mr. Saurabh Bangur – Managing Director
- Mr. Mukesh Jain – Executive Director
- Mr. Rajesh Bothra – Chief Financial Officer
- Mr. Bijay Kumar Sanku – Company Secretary
- Mr. Sudarshan Vijaynarain Somani - Independent Director@
- Mr. Arun Kumar Sureka - Independent Director@
- Mr. Ramesh Kumar Aggarwal – Independent Director*
- Mr. Deepak Jalan – Independent Director*
- Mr. Virendra Sinha – Independent Director
- Mrs. Papia Sengupta – Independent Director

@Ceased from the Directorship w.e.f. October 29, 2025.

*Directors w.e.f. October 29, 2025

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. Related party disclosures (Contd.)

b. Transactions during the year

(₹ in Lakhs)

Particulars	Name of the related party	Year ended March 31, 2026	Year ended March 31, 2025
Contribution towards provident fund	The Employees Provident Fund of The Andhra Pradesh Paper Mills Limited	96.13	126.33
Rental Income	West Coast Paper Mills Limited	10.04	9.61
Rent and Maintenance Expenses	West Coast Paper Mills Limited	45.93	46.14
Professional charges - Management contracts	West Coast Paper Mills Limited	37.87	36.80
Rent and Maintenance Expenses	Veer Enterprises Limited	30.07	18.91
Purchase of Hard wood pulp	West Coast Paper Mills Limited	77.26	-
Purchase of cables	Gloster Cables Limited	61.23	209.82
Director's sitting fee	Key Managerial Personnel	17.75	19.00
Remuneration*	Key Managerial Personnel	367.74	321.98
Commission	Key Managerial Personnel(Managing Director)	77.57	176.00

*Note: Remuneration represents short term employee benefits to Managing Director, Executive Director and Company Secretary.

c. Amounts due from / due to related parties

(₹ in Lakhs)

Particulars	Name of the related party	As at March 31, 2026	As at March 31, 2025
Due to related parties			
Trade Payables	Gloster Cables Limited	65.51	172.53
Due from related parties			
Security Deposits	Veer Enterprises Limited	8.52	3.78

36. Ind AS 116 - Leases where company is a lessee

i) The following is the breakup of current & non-current lease liabilities as at March 31, 2026 and March 31, 2025:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	213.16	128.11
Non-current lease liabilities	622.90	406.83
Total	**836.06**	**534.94**

ii) The following is the movement in lease liabilities during the year ended:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	534.94	701.86
Add: Lease liabilities recognised during the year	486.79	-
Add: Interest cost accrued during the year	61.78	39.47
Less: Payment of lease liabilities including interest	(247.45)	(206.39)
Balance at the end	**836.06**	**534.94**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. Ind AS 116 - Leases where company is a lessee (Contd.)

iii) Maturity analysis of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one Year	259.17	158.11
Later than 1 year and not later than five years	498.49	239.08
Later Than five Years	245.00	299.30
Total lease liabilities	**1,002.66**	**696.49**

37. 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, 2026	Year ended March 31, 2025
Profit for the year (In ₹ Lakhs)	1,861.67	8,891.07
Weighted average number of equity shares outstanding during the year (Nos.) - Basic and Diluted	19,88,50,195	19,88,50,195
Earnings per share (Face value ₹2 per share) Basic and Diluted (₹)	0.94	4.47

Note: There are no items giving raise to dilutive equity share. Hence basic EPS is considered as diluted EPS.

38. Auditors' remuneration (net of applicable taxes)

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Statutory audit fees	28.50	27.00
Limited Review fees	7.00	6.00
Tax audit fees	2.00	1.50
Certification fees	-	2.00
Out of pocket expenses and others	3.29	4.20
TOTAL	**40.79**	**40.70**

39. 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:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to supplier at the end of the year	2,301.32	2,124.86
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	24.98	24.71
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	6.24	3.42
(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)	24.98	24.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40. 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 21.

The movement of this provision account is as under:

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
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

41. Category-wise classification of Financial Instruments

The carrying value of financial instruments by categories as at March 31, 2026 and March 31, 2025 is as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	Carrying Value #	
		As at March 31, 2026	As at March 31, 2025
FINANCIAL ASSETS			
Measured at amortised cost			
(i) Cash and cash equivalents	Level 2	1,616.93	377.01
(ii) Other bank balances	Level 2	234.38	393.75
(iii) Trade receivables	Level 2	15,606.95	10,862.51
(iv) Loans	Level 2	31.84	135.06
(v) Investments	Level 2	10530.21	20,075.18
(vi) Other financial assets	Level 2	758.22	720.52
Measured at FVTOCI			
Investments in equity instruments-Quoted	Level 1	10,963.09	11,572.83
Investments in equity instruments-Unquoted	Level 3		
Measured at FVTPL			
(i) Investments in mutual funds	Level 1	43,491.23	59,267.37
(ii) Fair value of foreign exchange derivative assets	Level 2	4.37	49.24
TOTAL FINANCIAL ASSETS		**83,237.22**	**1,03,453.47**
FINANCIAL LIABILITIES			
Measured at Amortised cost			
(i) Borrowings (including current maturities of long-term debt)	Level 2	22,379.23	27,717.92
(ii) Lease liabilities	Level 2	836.06	534.94
(iii) Trade payables	Level 2	15,924.08	18,940.94
(iv) Other financial liabilities	Level 2	6237.93	4,590.34
TOTAL FINANCIAL LIABILITIES		**45,377.30**	**51,784.14**

also represents fair value

Note: Carrying amount of cash and cash equivalents, trade receivables, trade payables, other financial assets and liabilities as at March 31,2026, March 31,2025 approximate their fair values because of their short term nature.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. 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, 2026, 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.

43. 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.

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.

Note: 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.

44. Financial Risk Management and Capital Management

The Company’s business activities are exposed to a variety of financials 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 analyze 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 analysis 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 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, 2026, would decrease/increase by ₹111.90 Lakhs (for the year ended March 31, 2025: decrease/increase by ₹101.46 Lakhs). This is mainly attributable to the Company’s exposure to interest rates on its variable rate borrowings.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Financial Risk Management and Capital Management (Contd.)

B. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in 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, 2026 and March 31, 2025. 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, 2026 and March 31, 2025:

(₹ in Lakhs)

Particulars	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, 2026					
Trade payables	15,924.08	15,924.08	-	-	-
Payables for purchase of property, plant and equipment	3,512.32	3,512.32	-	-	-
Borrowings	22,379.23	6,676.71	6,613.48	5,968.71	3,120.33
Lease liabilities	836.06	213.16	161.81	114.05	347.04
Other financial liabilities*	2,725.61	2,725.61	-	-	-
March 31, 2025					
Trade payables	18,940.94	18,940.94	-	-	-
Payables for purchase of property, plant and equipment	1,581.52	1,581.52	-	-	-
Borrowings	27,717.92	14,175.45	5,488.00	5,488.00	2,566.47
Lease liabilities	534.94	128.11	55.47	25.27	326.09
Other financial liabilities*	3,008.82	3,008.82	-	-	-

* Other financial liabilities include deposits received from customers and vendors amounting to ₹2,585.17 Lakhs (March 31, 2025: ₹2,766.48 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Financial Risk Management and Capital Management (Contd.)

D. Financing facilities

The Company has access to financing facilities (Fund and non-fund based) of which ₹59,771.21 Lakhs (March 31, 2025: ₹8,237.12 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, 2026:

Particulars	As at March 31, 2026 (All figures in Lakhs)					
	GBP	USD	Euro	JPY	SEK	₹
Assets						
Cash and cash equivalents	-	1.00	-	-	-	95.25
Liabilities						
Trade payables	0.01	6.79	0.21	-	-	668.82
Capital Payables	-	-	14.61	-	-	1,592.36

As at March 31, 2025:

Particulars	As at March 31, 2025 (All figures in Lakhs)					
	GBP	USD	Euro	JPY	SEK	₹
Assets						
Trade Receivables	-	0.16	-	-	-	14.0
Cash and cash equivalents	-	0.23	-	-	-	19.4
Liabilities						
Trade payables	0.02	2.51	0.16	-	-	231.59
Capital Payables	-	-	1.11	-	-	102.18
Interest payable	-	0.99	-	-	-	84.5
Buyers Credit	-	58.41	-	-	-	4,993.1

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 ₹6.00 Lakhs profit in the Statement of Profit and Loss (Year ended March 31, 2025 - ₹62.91 Lakhs profit). 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.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank. These derivative financial instruments are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Financial Risk Management and Capital Management (Contd.)

Outstanding as at March 31, 2026:

Derivatives	Buy/Sell	No. of Contracts	Amount in Foreign Currency (USD)	Amount in INR Lakhs
Forward Contracts – USD	Buy	1	1,21,000	114.89

Outstanding as at March 31, 2025:

Derivatives	Buy/Sell	No. of Contracts	Amount in Foreign Currency (USD)	Amount in INR Lakhs
Forward Contracts – USD	Buy	8	59,63,459	5,174.35

In respect of the company's forward contracts an impact of INR increase / decrease in the respective exchange rates of each of the currency underlying such contracts would have resulted in:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Impact of ₹1 INR weakening against USD	1.21	59.63
Impact of ₹1 INR strengthening against USD	(1.21)	(59.63)

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 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:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Long term borrowings and current maturities of long-term debt	22,379.23	19,724.83
Short-term borrowings	-	7,993.09
Cash and cash equivalents (including other bank balances)	(1,851.31)	(770.76)
Net Debt- (A)	**20,527.92**	**26,947.16**
Equity – (B)	**1,93,935.10**	**1,94,083.36**
Net Debt to equity ratio – (A)/(B)	0.11	0.14

45. 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 paisa 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 45 (Contd.)

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.

46. New Labour code:

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

47. 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, 2026	Year ended March 31, 2025
1	Gross amount required to be spent by the company during the year.	835.26	881.07
2	Amount required to be set-off for the financial year, if any	-	-
3	Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	762.07	327.01
4	Surplus / (Shortfall) at the end of the year *	(73.19)	(554.06)
5	Total of previous years shortfall (net of incurred during the year)	-	-
6	Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
7	Nature of CSR activities	Education, Health & Wellness and Community engagement	
8	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	-	-
9	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 has transferred the unspent amount to a separate bank account of ₹73.19 lacs on 28.04.2026 for the year ended March 31, 2026 and unspent CSR amount of ₹554.06 lacs were spent during the FY 2025-26 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

48. 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.

49. Ratios

S. No.	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% of increase or decrease	Reasons
1	Current Ratio (in times)	Current assets	Current liabilities	2.95	2.97	-1%	No major change
2	Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.12	0.14	-19%	No major change
3	Debt Coverage Ratio (in times)	Earnings available for debt service (1)	Debt Service (2)	1.20	4.05	-70%	Due to lower earnings and higher loan repayments during the year
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Average Shareholder's Equity	0.96%	4.64%	-79%	Due to substantial decrease in net profit during the year
5	Inventory Turnover Ratio (in days)	Sales	Average Inventory	5.81	5.51	5%	No major change
6	Trade Receivables turnover ratio (in times)	Revenue	Average Trade Receivable	12.85	18.18	-29%	Due to substantial increase in trade receivable inspite of higher sales value
7	Trade payables turnover ratio (in times)	Purchases of goods & Services and other expenses	Average Trade Payables	17.46	12.75	37%	Due to substantial increase in purchase value as well as pdecrease in trade payables
8	Net capital turnover ratio (in times)	Revenue	Working Capital	2.48	1.77	40%	Due to increase in sales value as well as decrease in working capital
9	Net profit ratio (in %)	Net Profits after taxes	Revenue	1.09%	5.77%	-81%	Due to substantial decrease in net profit during the year
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed(3)	1.94%	5.86%	-67%	Due to substantial decrease in earnings during the year
11	Return on investment (in %)	Income generated from investments	Average invested funds in treasury investments	4.63%	7.52%	-38%	Due to impact of market dynamics

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Interest and Lease Payments + Principal Repayments

(3) Net worth + Deferred tax liability + Lease liability + Total Debt

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

50. Other Statutory Information:

a) The Company does not have any Benami property, where any proceeding 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.

h) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) to the financial statements, are held in the name of the company.

i) Quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

j) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

k) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current year and previous year.

l) The Company has utilised the Borrowings for the purpose for which it has obtained as mentioned in the agreement.

51. The previous year's figures have been regrouped / rearranged, wherever necessary.

52. The Board of Directors approves the financial statements for issue on May 14, 2026.

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No.:105047W/W101187

For and on behalf of the Board of Directors
of Andhra Paper Limited
CIN: L21010AP1964PLC001008

S. K. Bangur
Chairman and Non-Executive Director
(DIN: 00053237)

Prakash Chandra Bhutada
Partner
Membership No:404621

Saurabh Bangur
Managing Director
(DIN:00236894)

Mukesh Jain
Executive Director
(DIN: 09380039)

Rajesh Bothra
Chief Financial Officer

Bijay Kumar Sanku
Company Secretary
Membership No: 15449

Place: Hyderabad
Date : May 14, 2026

Place: Rajahmundry / Kolkata
Date : May 14, 2026

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 62nd Annual General Meeting of the Members of Andhra Paper Limited ("The Company") will be held on Tuesday, August 11, 2026 at 11.30 AM **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, 2026 and the Reports of Board of Directors and Auditors thereon.

2. To declare a final dividend of ₹ 0.50 per equity share of face value of ₹ 2/- each, of the Company for the financial year ended March 31, 2026.

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 a Managing Director of the Company.**

   To consider and, if thought fit, to pass with or without modification(s), the following Resolution, as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 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], the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and enabling provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, approval of the members of the Company be and is hereby accorded for reappointment of Mr. Saurabh Bangur (DIN: 00236894) as the Managing Director of the Company for a further period of 05 years with effect from October 01, 2026 to September 30, 2031, liable to retire by rotation, on the terms and conditions including 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, 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.

   RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Saurabh Bangur as Managing Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration to Mr. Saurabh Bangur by way of salary, perquisites, allowances and other benefits as minimum remuneration, subject to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and subject to the approval of the shareholders and/or such other approvals, permissions or sanctions as may be required under the applicable laws from time to time.

   RESOLVED FURTHER THAT Mr. Mukesh Jain, Executive Director, Mr. Rajesh Bothra, Chief Financial Officer, Mr. Sanjay Kumar Agarwal – AVP Finance & Accounts and Mr. Bijay Kumar Sanku, Company Secretary be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above Resolution, including but not limited to updating the Register of Directors of the Company, filing the prescribed forms, returns, documents, applications and deeds with all authorities including with the Registrar of Companies along with the requisite fees, Securities and Exchange Board of India, intimation to the relevant Stock Exchanges in respect of this appointment, and to comply with all other requirements in this regard."

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 ₹ 4.50 Lakhs plus applicable taxes and 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, 2027 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT Saurabh Bangur, Managing Director, Mukesh Jain, Executive Director, Rajesh Bothra, Chief Financial Officer, Sanjay Kumar Agarwal, AVP – Finance & Accounts and Bijay Kumar Sanku, Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed 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 and Compliance Officer
M.No. 15449

Registered Office:
Rajahmundry - 533 105
East Godavari District, Andhra Pradesh, India
May 14, 2026

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("**The Act**") in respect of Item Nos. 3 and 4 setting out the details relating to Special business and information as per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**The SEBI LODR Regulations**"), 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. The Ministry of Corporate Affairs, Government of India ("MCA"), vide its General Circular No. 03/2025 dated September 22, 2025, and the Circulars issued from time to time by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

3. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CFD-PoD -2/P/CIR/2023/167 dated October 07, 2023, Notice of the 62nd AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/RTA/ Depositories. Members may note that the Notice and Annual Report 2025-26 shall also be available on the Company's website: https://www.andhrapaper.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.

   Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 a letter containing the web-link including exact path where complete details of 62nd Annual Report is available, will be circulated to those shareholders who have not registered their email ids as on Friday, July 17, 2026 i.e. Benpos date.

   However, the Company shall send a hard copy of the Notice of 62nd AGM along with Annual Report 2025-26 to those Shareholders who request for the same. Shareholders who require a hard copy of the 62nd AGM Notice and Annual Report may send their requests to the E-mail ID: aplinvestorrelations@andhrapaper.com.

4. KFin Technologies Limited will be providing facilities for voting through remote e-voting, for participation in the

62nd AGM through VC/OAVM and e-voting during the AGM ("Insta Poll").

5. 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 the AGM is being held through VC/ OAVM, the facility for the appointment of proxies by the members will not be available.

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. 9886'

7. The register of directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. August 11, 2026. Members seeking to inspect such documents can send an email to aplinvestorrelations@andhrapaper.com

8. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

9. SEBI has mandated that all requests for transfer, transmission, transposition and deletion of name 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 INE435A01051.

10. Securities and Exchange Board of India (SEBI) rescinding all it previous circulars, issued Master circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026, updated standardized Common and Simplified Norms for processing Investors' service request by RTAs and norms for furnishing PAN, KYC details and Nomination inter alia mandated:

    a. Furnishing of PAN, contact details, 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;

    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	ISR-1
2	Address	
3	E-mail address	
4	Mobile Number	
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.

11. **Payment of dividend in case of Non KYC compliant Folios:**

    SEBI vide circulars mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible to receive dividend only through electronic mode with effect from April 01, 2024.

    Shareholders are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website path of the RTA i.e. https://ris.kfintech.com/clientservices/investors/isrs.aspx

    Dividend, if declared at the AGM, will be paid within the prescribed timeline of 30 days only through electronic mode. Shareholders whose bank particulars are not updated are requested to update the same with the Company's Registrar and Transfer Agent (for physical holdings) or with their Depository Participant (for demat holdings).

12. The Securities Exchange Board of India ("SEBI") has introduced a common Online Dispute Resolution Portal ("ODRP") to facilitate online resolution of all kinds of disputes arising in the Indian Securities Market. The ODRP provides members with an additional mechanism to resolve their grievances. Any unresolved issues pertaining to any service related complaints between members and listed entity including its Registrar & Share Transfer Agents in the securities market, will be resolved in accordance with the abovementioned SEBI Circular.

    In order to make members aware about the ODR mechanism, the process is given below:

    Level 1 - Raise with the Company / KFin Technologies Limited [Registrar and Transfer Agent ("RTA"): Initially, all grievances/ disputes/ complaints against the Company/RTA are required to be directly lodged with the Company / RTA. Members may lodge the same by sending an email to einward.ris@kfintech.com / aplinvestorrelations@andhrapaper.com or by sending physical correspondence at: KFin Technologies Limited Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 Toll Free No. : 1800 309 4001 E-mail Address : einward.ris@kfintech.com Website : www.kfintech.com.

    Level 2 - SEBI Complaints Redress Systems ("SCORES"): The grievances/ disputes/ complaints which remain unresolved at Level 1, or if the member is not satisfied with the resolution provided by the Company/ RTA, then a complaint may be raised on SCORES platform of SEBI which can be accessed at https://www.scores.gov.in.

    Level 3 - ODR Platform: In case the member is not satisfied with the resolution provided at Level 1 or 2, then the online dispute resolution process can be initiated through the ODR portal.

    Important notes with respect to ODR portal are as under:

    a) The link to access the ODR Portal as well as modalities and operational guidelines of the ODRP including timelines for review/resolution of complaints filed through the portal, manner of proceedings to be conducted by the ODR institutions, roles and responsibilities of Market Infrastructure Intermediaries, Code of conduct for Conciliators and Arbitrators etc. as provided in the SEBI Circular(s) are hosted on Company's website at https://andhrapaper.com/wp-content/uploads/2026/06/SEBI-Master-Circular-for-Online-Dispute-Resolution-dated-31.07.2023.pdf

    b) It may be noted that the dispute resolution through the ODR portal can be initiated only if such complaint / dispute is not pending before any arbitral process, court, tribunal or consumer forum or if the same is non-arbitrable under Indian Law.

    c) There shall be no fees for registration of a complaint/dispute on the ODR portal, and the fees for conciliation or arbitration process including applicable GST, stamp duty etc. shall be borne by the Investor /Company/other market participant as the case may be. d) For any queries on the above matter, investors may contact the Company's Registrar & Share Transfer Agent, KFin Technologies Limited at einward.ris@kfintech.com or the Company at: aplinvestorrelations@andhrapaper.com.

13. 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).

14. 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.

15. **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, 2026, if approved at the AGM, is Tuesday, August 04, 2026.

    ii. The dividend, as recommended by the Board of Directors, if declared at the 62nd 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 Tuesday, August 04, 2026 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 Tuesday, August 04, 2026

iii. Members may note that in terms of the Income Tax Act, 2025, as amended by the Finance Act, 2026, brought into force with effect from April 1, 2026, dividend income will be taxable in the hands of shareholders 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 Income Tax Act, 2025. 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. 121, 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 Tuesday, August 04, 2026. 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 41, and any other document which may be required to avail the tax treaty benefits by uploading the documents on or before Tuesday, August 04, 2026 on the link https://ris.kfintech.com/form15/. No communication would be accepted from Members after Tuesday, August 04, 2026 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.

16. 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. Tuesday, August 04, 2026.

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. Tuesday, August 04, 2026 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 Saturday, August 08, 2026,
End of remote e-voting:	At 5.00 P.M. (IST) on Monday, August 10, 2026

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	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com. II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". 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. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com. II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in points 1. **3. Alternatively, by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/. II. Click on the icon "Login" which is available under 'Shareholder/Member' section. 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. 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. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in demat mode with CDSL</td><td>1. Existing user who have opted for Easi / Easiest
I. Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or
URL: www.cdslindia.com
II. Click on New System Myeasi.
III. Login with your registered User ID and Password.
IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.
V. Click on e-Voting service provider name to cast your vote.
2. User not registered for Easi/Easiest
I. Option to register is available at
https://web.cdslindia.com/myeasitoken/Home/EasiRegistration
II. Proceed with completing the required fields.
III. Follow the steps given in point 1.
3. Alternatively, by directly accessing the e-Voting website of CDSL
I. Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin.
II. Provide your Demat Account Number and PAN No.
III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.
IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.</td></tr>
<tr><td>Individual Shareholder login through their demat accounts / Website of Depository Participant</td><td>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
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.
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.</td></tr>
</table>

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, other than Individual shareholders, holding securities in demat mode and shareholders holding securities in physical 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) 9886, 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., '9886 - 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) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently on whom, the Annual Report, Notice of AGM and e-voting instructions cannot be served, will have to follow the following process:

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.

17. 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. 16.

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 Saturday, August 08, 2026 to Sunday, August 09, 2026. 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. Tuesday, August 04, 2026.

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 Saturday, August 08, 2026 to Sunday, August 09, 2026.

h) 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).

18. 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.

19. 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.andhrapaper.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 & INFORMATION AS PER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Item No. 4

The Members of the Company at the 59th Annual General Meeting held on August 11, 2023 approved the appointment of Mr. Saurabh Bangur (DIN: 00236894) as Joint Managing Director of the Company for a period of three years and four months with effect from June 1, 2023 to September 30, 2026, liable to retire by rotation. In accordance with succession plan, he was elevated to the position of Managing Director effective November 4, 2024 which was subsequently approved by the Members through Postal Ballot. His present term of office as the Managing Director is due to expire on September 30, 2026.

The Nomination and Remuneration Committee (“NRC”), at its meeting held on May 14, 2026, after considering the performance evaluation, qualifications, experience, leadership capabilities, industry knowledge and overall contribution of Mr. Saurabh Bangur to the growth and development of the Company, recommended his re-appointment as Managing Director for a further term of five (5) years with effect from October 1, 2026 to September 30, 2031. Based on the recommendation of the NRC, the Board of Directors at its meeting held on May 14, 2026 approved his re-appointment, subject to the approval of the Members.

Mr. Saurabh Bangur has deep understanding of the paper and pulp industry and has demonstrated strong leadership in steering the Company through a dynamic business environment. Since assuming executive leadership responsibilities and subsequently being elevated as Managing Director, he has played a pivotal role in strengthening the Company’s operational performance, strategic direction and long-term growth initiatives.

Under his leadership, the Company has undertaken various modernization and capacity enhancement initiatives aimed at improving operational efficiency, productivity and sustainability. He has also been instrumental in driving the implementation of the Tissue Machine Project, a significant strategic initiative intended to diversify the Company’s product portfolio, expand market opportunities and create long-term value for stakeholders.

The Board and the NRC have noted Mr. Saurabh Bangur’s strategic leadership in driving the Company’s business objectives, operational excellence and long-term growth initiatives. He has provided direction in key areas including production strategy, market development, cost competitiveness, capital allocation and customer engagement, while fostering a high-performance culture centered on accountability, employee engagement and merit-based performance across the organization. His pragmatic and people-centric leadership has helped maintain cordial industrial relations and strengthen relationships with employees, customers, lenders, suppliers and other stakeholders of the Company. Through effective leadership and strategic oversight, he has enhanced the Company's operational resilience, organizational agility and long-term competitiveness, thereby supporting sustainable value creation for all stakeholders.

Having regard to his experience, expertise, strategic vision, leadership capabilities and significant contributions to the Company, the Board is of the opinion that the continued association of Mr. Saurabh Bangur as Managing Director would be of immense value to the Company and accordingly recommends his re-appointment. The proposed re-appointment would ensure continuity of leadership and execution of the Company's long-term strategic initiatives. The proposed re-appointment and remuneration are in accordance with the Nomination and Remuneration Policy of the Company

While approving the re-appointment and remuneration, the NRC and the Board considered, inter alia, his qualifications, experience, responsibilities, industry benchmarks, prevailing market practices, the size and complexity of the Company's operations and the overall performance and future growth prospects of the Company and were of the view that the proposed remuneration is fair, reasonable and commensurate with his role and responsibilities.

The Company has received from Mr. Saurabh Bangur his consent to act as Managing Director together with the requisite declarations and confirmations, including confirmation that he is not disqualified from being appointed as a Director under the provisions of the Companies Act, 2013, is not debarred from holding the office of Director by virtue of any order passed by SEBI, the Ministry of Corporate Affairs or any other competent authority and satisfies all conditions prescribed under Part I of Schedule V to the Companies Act, 2013.

In accordance with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members by way of Special Resolution is required where the remuneration payable to a promoter executive director exceeds the prescribed limits in any financial year during the tenure of appointment. Accordingly, approval of the Members is being sought by way of a Special Resolution.

Except Mr. Saurabh Bangur, being the appointee, Mr. Shree Kumar Bangur, Chairman & Non-Executive Director, and Mr. Virendraa Bangur, Non-Executive & Non-Independent Director, being relatives of the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Terms & Conditions:

Pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Rules made thereunder and the Articles of Association of the Company, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, has re-appointed Mr. Saurabh Bangur as the Managing Director of the Company for a further period of five (5) years with effect from October 1, 2026 to September 30, 2031, liable to retire by rotation, on the following terms and conditions:

Particulars	Details
Remuneration including salary, allowances, perquisites and benefits such as Provident Fund and Gratuity	a) Gross remuneration of ₹2,24,64,864/- per annum comprising salary, allowances, perquisites and other benefits, with authority to the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, to grant annual increments and revisions from time to time, provided that such increase in fixed remuneration shall not exceed 15% per annum of the last drawn annual fixed remuneration. b) Commission at the rate of 2% of the net profits of the Company for each financial year computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and subject to the limits prescribed under Sections 197 and 198 of the Companies Act, 2013 and applicable provisions of Schedule V.
Mediclaim, 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.

Particulars	Details
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

Note: Contribution to Provident Fund, Superannuation Fund and Gratuity shall be payable in accordance with the applicable laws and shall not be included in the computation of limits to the extent exempt under the Companies Act, 2013

Note: Increased remuneration is effective from June 1, 2026

Item No. 5

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, on the recommendation of the Audit committee the Board of Directors at its Meeting held on May 14, 2026, subject to 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, 2027 and also payment of remuneration of ₹ 4.50 Lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses as recommended by the Audit Committee at its Meeting held on May 14, 2026.

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 and Compliance Officer
M.No. A15449

Registered Office:
Rajahmundry - 533 105
East Godavari District,
Andhra Pradesh, India
May 14, 2026

Annexure 1

Particulars of Director Seeking Re-appointment as Director Liable to Retire by Rotation under Item No. 3 and Re-appointment as Managing Director under Item No. 4 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)).

Name of the Director	**Mr. Saurabh Bangur**
DIN	00236894
Date of Birth & Age	December 27, 1976 & 49 years
Qualification	B.Com
Experience (including expertise in specific functional area) / Brief Resume	Industrialist & Entrepreneur, he has varied experience in operations, finance, human resource, marketing, expertise in sustainability, stakeholder engagement, change management, turnaround strategy.
Terms and Conditions of Appointment	Proposed to be re-appointed for a term of 05 years. He is liable to retire by rotation. Remuneration is provided in explanatory statement.
Remuneration Last drawn	Rs. 2.06 Crores plus Commission on Net Profit 1.5%
Date of first appointment on the Board	June 01, 2020
Shareholding in the Company including shareholding as a beneficial owner as on date of Annual General Notice	NIL
Relationship with other Directors / Key Managerial Personnel	Mr. Saurabh Bangur is related to Mr. Shree Kumar Bangur (Father) and Mr. Virendraa Bangur (Brother) and is unrelated to other Directors except as members of the Board, Manager and Key Managerial Personnel's.
Number of Meetings of the Board attended	Attended all the Meetings held during the year till date.
Directorships of other Boards as on date of Annual General Meeting Notice	List enclosed Below as Annexure 2
Membership / Chairmanship of Committees of other Boards as on date of Annual General Meeting Notice	List enclosed Below as Annexure 3
Listed entities from which the Director has resigned in the past three years	During the last three years, he did not resign from any of the listed Companies.
Justification for continuing the Directorship	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.

For other details such as number of Meetings of the Board of Directors attended during the year and remuneration drawn, please refer to the Corporate Governance Report which is a part of the Annual Report for the financial year 2025-26.

Annexure 2

S. No.	Name of the Company	Designation
1	Shree Satyanarayan Investments Company Limited	Director
2	West Coast Paper Mills Limited	Director
3	Shree Satyanarayan Properties Private Limited	Director
4	West Bengal Properties Ltd	Director
5	BRC Gymkhana Private Limited	Director

Annexure 3

Membership / Chairmanship of Committees of other Boards as on date of Annual General Meeting Notice.

Sl. No.	Name of the Company	Name of the Committee	Whether Chairman / Member
1	West Coast Paper Mills Limited	CSR Committee	Member
		SRC Committee	Member
		Finance & Corporate Affairs Committee	Chairman
		NRC Committee	Member

By Order of the Board
For Andhra Paper Limited
Sd/-
Bijay Kumar Sanku
Company Secretary and Compliance Office
M.No. A15449

Place: Rajahmundry
Date: May 14, 2026

Notes:

Andhra Paper Limited

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