



“There are not many industries around the world that can aspire to becoming genuinely sustainable. The pulp and paper industry however, is one of them. It is inherently sustainable.”

– **Hon. Jonathon Espie Porritt,**  
Chairman, Sustainable Development Commission, U.K.

## **The Andhra Pradesh Paper Mills Limited**

46th Annual Report 2009-2010

## ON THE COVER

### Paper industry is inherently sustainable:

- ✓ Paper industry worldwide plants 1.7 million trees every single day, more than 3 times what is harvested.
- ✓ As per US Department of Energy, carbon sequestered on forest lands is greater than the carbon released from harvesting wood over the same period.
- ✓ Its primary raw materials are renewable.
- ✓ Paper is truly sustainable, with waste fully recoverable, ready for recycling into new paper.
- ✓ Pulp and paper industry is one of the biggest users of low carbon energy in the world.
- ✓ Paper is biodegradable, recyclable and reusable.
- ✓ Paper manufacturing is a truly sustainable process.

APPM has taken great strides in reducing the environmental impact. It helps plant more than twice the number of trees that are utilised. Energy consumption has hugely reduced, with minimum use of fossil fuels. Use of water has been reduced every year and waste generation nearly eliminated. Overall, the Company benchmarks itself with the best in the industry.

---

## CONTENTS

---

Corporate Information	1	Profit and Loss Account	37
Notice	2	Cash Flow Statement	38
Directors' Report	9	Schedules	39
Management Discussion & Analysis	16	Balance Sheet Abstract	59
Report on Corporate Governance	25	Five Years at a Glance	60
Auditors' Report	33	Attendance Slip/Proxy	IBC
Balance Sheet	36		

---

## FORWARD LOOKING STATEMENTS

---

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

# Corporate Information

(As on 27th May, 2010)

## BOARD OF DIRECTORS

**Shri L.N. Bangur**, Executive Chairman

**Smt. Alka Bangur**

**Shri N. Srinivasan**

**Shri R.C. Sarin**

**Shri P.J.V. Sarma**

**Shri P. K. Paul**

**Shri Rajiv Kapasi**

**Shri M.K. Tara**, Managing Director & Chief Executive Officer

**Ms. Sheetal Bangur**, Director (Commercial)

**Shri Shreeyash Bangur**, Director (Corporate)

**Shri P.K. Suri**, Director (Operations)

## EXECUTIVES

### CORPORATE OFFICE

**Shri E. Sairam**

Senior Vice President (Finance & Accounts) &  
Chief Finance Officer

**Shri C. Prabhakar**

Senior Vice President (Corporate Affairs) &  
Company Secretary

**Shri Amit Mehta**

Principal Executive to Chairman

**Shri Jaspal Singh**

Vice President (Marketing)

**Shri Hemant Kumar Singh**

Chief Information Officer

**Shri Yogesh Jain**

General Manager (Commercial)

**Shri C. Sankar**

General Manager (Accounts)

**Shri Y. Uday Shankar**

General Manager (Product Development &  
Technical Services)

**Shri Shalab Agarwal**

General Manager (Marketing)

**Shri S. Vasudevan**

General Manager (Marketing Support)

### DELHI OFFICE

**Dr. Alok Prakash**

Associate Vice President (Marketing)

### WORKS

**Shri C.S. Murty**

Senior Vice President (Projects)

**Shri J.K. Jain**

Vice President (Raw Materials)

**Shri V.V.B. Vasantha Rao**

Associate Vice President (Works)  
(Unit:APPM)

**Shri R.G. Mandhanja**

Associate Vice President (Works)  
(Unit:CP)

**Shri K.M. Kasetty**

General Manager (Paper)

### REGISTERED OFFICE

Rajahmundry - 533 105  
East Godavari District  
Andhra Pradesh, India  
Tel. : +91(883) 247 1831 to 247 1838  
Fax : +91(883) 246 1764  
E-mail: appmrjy@andhrapaper.com

### Auditors

Brahmayya & Co.,  
Chartered Accountants  
Visakhapatnam

### Cost Auditors

Narasimha Murthy & Co.,  
Cost Accountants  
Hyderabad

### Bankers

State Bank of India  
Canara Bank  
Axis Bank Limited  
IDBI Bank Limited

### CORPORATE OFFICE

501-509, Swapnalok Complex,  
5th Floor, 92/93 Sarojini Devi Road  
Secunderabad - 500 003,  
Andhra Pradesh, India  
Tel. : +91 40 3048 2614, 2781 3715  
Fax : +91 40 2781 3717  
E-mail: appmcorp@andhrapaper.com

### WORKS

#### Unit:APPM

Rajahmundry - 533 105  
East Godavari District,  
Andhra Pradesh, India  
Tel. : +91(883) 247 1831 to 247 1838  
Fax : +91(883) 246 1764  
E-mail: appmrjy@andhrapaper.com

#### Unit:CP

Industrial Area, MR Palem - 533 126  
Kadiyam Mandalam, East Godavari District,  
Andhra Pradesh, India  
Tel. : +91(883) 245 4651  
Fax : +91(883) 245 3538  
E-mail: appmcp@andhrapaper.com

Website: [www.andhrapaper.com](http://www.andhrapaper.com)

# Notice

NOTICE is hereby given that the 46th Annual General Meeting of the Members of The Andhra Pradesh Paper Mills Limited will be held **on Thursday, the 15th day of July, 2010 at 3.00 p.m. at Sri Venkateswara Anam Kala Kendram, Rajahmundry - 533 104**, East Godavari District, Andhra Pradesh to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2010, Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Shri P.J.V. Sarma who retires by rotation under Article 142 of the Articles of Association of the Company and is eligible for re-appointment.
4. To appoint a Director in place of Shri P.K. Paul who retires by rotation under Article 142 of the Articles of Association of the Company and is eligible for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs B S R & Co. (Firm Registration No.101248W), Chartered Accountants, Hyderabad, be and are hereby appointed as Auditors of the Company, in place of the retiring auditors Messrs Brahmaya & Co., Chartered Accountants, who are not seeking re-appointment, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors of the Company."

## SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following Resolution as a **Special Resolution**:
- "RESOLVED THAT pursuant to the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Directors of the Company, other than the Managing/Whole-time Director(s) be paid annually such sum, by way of commission, not exceeding in aggregate such percentage of the net profits of the Company prescribed under the provisions of Section 309 of the Companies Act, 1956 and calculated in accordance with the provisions of Sections 198, 349 and 350 of

the Companies Act, 1956 or any amendment or modification thereof, to be divided amongst the Directors, who are not in whole time employment of the Company, in such manner and subject to such limitations as the Board of Directors of the Company may from time to time determine and that such payment be made for each of five financial years commencing from 1st April, 2010 and further that the payment of the sum in the above manner shall be in addition to the fee per meeting of the Board/Committee of Board which each such Director is entitled to receive under the provisions of the Articles of Association of the Company."

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the re-appointment of Ms. Sheetal Bangur as a Whole-time Director designated as Director (Commercial) of the Company, who will not be liable to retire by rotation, for a further period of five years from 1st April, 2010 and to the payment of remuneration to Ms. Sheetal Bangur, Director (Commercial) during her tenure of re-appointment on the terms and conditions set out below:

- i. **Salary:** Rs.2,75,000 per month with such annual increments as may be determined by the Board of Directors of the Company from time to time in the salary range of Rs.2,00,000 to Rs.5,00,000 per month.
- ii. **Personal Allowance:** 30% of the salary per month.
- iii. **Special Allowance:** 15% of the salary per month.
- iv. **Perquisites:**
  - a. **Housing**

The expenditure incurred by the Company in providing furnished/unfurnished accommodation to the Director (Commercial) shall not exceed 60% of her salary per month. In case no accommodation is provided by the Company, she shall be entitled to House Rent Allowance at 60% of salary per month.
  - b. **Security, Gardner, Helper Allowance and Food Coupons:** Actuals subject to a ceiling of Rs.10,000 per month.
  - c. **Conveyance:** Car with petrol and driver to be provided by the Company.

- d. *Telephone:* Provision of telephone at residence and cell phone.
  - e. *Leave:* Leave in accordance with the Rules applicable to the senior staff of the Company.
  - f. *Production Bonus, Leave Travel Concession, Medical reimbursement, contribution to Provident Fund, Gratuity and other monetary benefits:* As applicable to the senior staff of the Company.
  - g. *Club Fees:* Fees of clubs subject to a maximum of two clubs.
  - h. *Personal Accident Insurance Premium:* Not exceeding Rs.7,500 per annum.
  - i. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Director (Commercial).
  - v. Use of Company's car for official purposes, cellphone, telephone at residence and encashment of leave at the end of the tenure and contribution to Provident Fund and Gratuity will not be considered as perquisites.
  - vi. In the event of loss or inadequacy of profits in any financial year, the Director (Commercial) shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended or re-enacted from time to time.
  - vii. The Director (Commercial) shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
  - viii. The re-appointment of five years may be determined by either party by giving six months' notice in writing to the other party."
8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution:**
- "RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the appointment of Shri L.N. Bangur as Executive Chairman of the Company, who will be liable to retire by rotation, for a period of 5 years from 27th May, 2010 and to the payment of remuneration to Shri L.N. Bangur during his tenure of appointment on the terms and conditions set out below:
- i. *Salary:* Rs.8,00,000 per month with such annual increments as may be determined by the Board of Directors from time to time in the salary range of Rs.8,00,000 to Rs.16,00,000 per month.
  - ii. *Personal Allowance:* 200% of the salary per month.
  - iii. *Perquisites*
    - a. *Conveyance:* Car with petrol and driver to be provided by the Company.
    - b. *Telephone:* Provision of telephone at residence and cell phone.
    - c. *Leave:* Leave in accordance with the Rules applicable to the senior staff of the Company.
    - d. *Contribution to Provident Fund, Superannuation Fund, Gratuity and other monetary benefits:* As applicable to the senior staff of the Company.
    - e. *Club Fees:* Fees of clubs subject to a maximum of two clubs.
    - f. *Personal Accident Insurance Premium:* Not exceeding Rs.7,500 per annum.
    - g. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Executive Chairman.
  - iv. Use of Company's car for official purposes, cell phone, telephone at residence and encashment of leave at the end of the tenure and contribution to Provident Fund, Superannuation Fund and Gratuity will not be considered as perquisites.
  - v. In the event of loss or inadequacy of profits in any financial year, the Executive Chairman shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended or re-enacted from time to time.
  - vi. The Executive Chairman shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
  - vii. The appointment of five years may be determined by either party by giving six months' notice in writing to the other party."

9. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Shri M.K. Tara, Managing Director for the remainder of the tenure of his office as per the details given below:

- i. *Salary Range*: Rs.5,00,000 to Rs.10,00,000 per month with effect from 1st April, 2009 with such annual increments as may be determined by the Board of Directors of the Company within the said range.
- ii. *Personal Allowance*: 35% of salary per month with effect from 1st November, 2008.

FURTHER RESOLVED THAT the other terms of his remuneration package remain unchanged."

10. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable by way of Personal Allowance (in place of gas, electricity and water) at 30% of salary per month to Ms. Sheetal Bangur, Director (Commercial) for the period from 1st April, 2008 to 31st March, 2010.

FURTHER RESOLVED THAT the other terms of her remuneration package remain unchanged."

11. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Shri Shreeyash Bangur, Director (Corporate) for the remainder of the tenure of his office as per the details given below:

- i. *Salary Range*: Rs.2,00,000 to Rs.5,00,000 per month with effect from 1st April, 2010 with such

annual increments as may be determined by the Board of Directors of the Company within the said range.

- ii. *Personal Allowance*: 30% of salary per month with effect from 1st April, 2009 (in place of gas, electricity and water)
- iii. *Special Allowance*: 15% of salary per month with effect from 1st April, 2010 (in place of contribution to Superannuation Fund)

FURTHER RESOLVED THAT the other terms of his remuneration package remain unchanged."

12. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Shri P.K. Suri, Director (Operations) for the remainder of the tenure of his office as per the details given below:

- i. *Salary Range*: Rs.2,00,000 to Rs.5,00,000 per month with effect from 1st April, 2010 with such annual increments as may be determined by the Board of Directors of the Company within the said range.
- ii. *Personal Allowance*: 20% of salary per month with effect from 1st April, 2009 (in place of gas, electricity and water).

FURTHER RESOLVED THAT the other terms of his remuneration remain unchanged."

**By Order of the Board  
For The Andhra Pradesh Paper Mills Limited**



**C. Prabhakar**

Sr. Vice President (Corporate Affairs) &  
Company Secretary

Registered Office:  
Rajahmundry - 533 105  
East Godavari District,  
Andhra Pradesh  
27th May, 2010

## Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos.6 to 12 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21st June, 2010 to 25th June, 2010 (both days inclusive).
4. Trading in equity shares and detachable warrants of the Company through stock exchanges is permitted only in dematerialised form. Members can dematerialise their Equity Shares and Detachable Warrants in the Company through their Depository Participant(s). The ISIN in respect of Equity Shares is INE435A01028 and ISIN in respect of Detachable Warrants is INE435A13015.
5. Dividend, as recommended by the Board, if declared, at this Annual General Meeting will be payable on and from 26th July, 2010, to those Members holding shares in physical form whose names appear in the Company's Register of Members as on 19th June, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by NSDL and CDSL as on that date for this purpose. Members holding shares in electronic form may please note that their bank account details as furnished by their depositories to the Company will be printed on the dividend warrants and the Company will not entertain any direct request from such Members for deletion/change in such bank details. **Members who wish to change their bank account details are advised to intimate to their Depository Participants (DPs) about such change with complete details of bank accounts.**
6. Members holding shares in physical form are requested to notify any change in their address immediately to the Registrars/Company and those Members holding shares in electronic form should inform change in their address to their Depository Participant(s).
7. Members are requested to bring their copies of Annual Report to the Meeting.
8. As per provisions of the amended Companies Act, 1956 facility for making nomination is available to the investors in respect of the shares/detachable warrants

held by them in physical form. The investors holding shares/detachable warrants in physical form can download the nomination form as prescribed under the Companies Act, 1956 from our Website: [www.andhrapaper.com](http://www.andhrapaper.com). In respect of shares/detachable warrants held in electronic form, the nomination should be recorded with the respective Depository Participants. The Company would not accept any nomination in respect of the shares/detachable warrants held in electronic form.

9. ECS Mandate form is also placed on our website. Interested Members can download this form from the website.

### 10. INFORMATION REQUIRED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

#### 1. Shri P.J.V. Sarma

Shri P.J.V. Sarma, a Non-Executive Independent Director, is a Graduate in Chemical Engineering from Andhra University, Associate Member of Institute of Cost and Works Accountants of India and Management Graduate from IFMR, Chennai. He had served ICICI group for over 25 years in various managerial capacities. His areas of specialization include corporate finance, project finance, corporate banking, marketing & relationship management, leasing and other financial products, M&A, restructuring and general insurance, structured products, design, credit enhancement and financial products, strategy formulation, corporate planning and risk management. He was General Manager of corporate banking and presently he is heading the general insurance business of ICICI group based at Hyderabad. During the entire period of his continuing service with ICICI group besides providing banking and other financial and advisory services, he got associated with major industrial groups such as L&T, Jindal, Videocon etc. He has sound knowledge of finance and marketing and has evolved major strategies for some of the larger corporates at the board level. He is a Director on the board of Regency Ceramics Limited, Chairman of its Audit Committee and is also member of Share Transfer Committee.

He does not hold any shares in the Company.



## 2. Shri P.K. Paul

Shri P.K. Paul, a Non-Executive Independent Director, is a graduate in Chemical Engineering with Post Graduate Diploma in Pulp & Paper Technology. He had rich experience in different facets of manufacturing, pulp and paper companies. He was associated with Phoenix Pulp & Paper Public Company Limited, Thailand and Panjapol Pulp and Paper Company Limited, Thailand as Managing Director for 10 years. He was the Executive Director for 12 years with European Overseas Development Corporation (Asia) and was Chairman of Evergreen Pulp & Paper Company Limited, Thailand for 2 years. He is the Chairman of Ospak International Private Limited, Ospak Cyfox Paper Company Private Limited, Cyfox Paper India (Private) Limited, and Cyfox Paper PTE. Limited and Director of International Venture and Travel (India) Private Limited.

He does not hold any shares in the Company.

## 3. Ms. Sheetal Bangur

Ms. Sheetal Bangur, Promoter Director, is a Post Graduate in Commerce and Business Administration. She has been associated with the Company as Director since 28th January, 2002 and as Director (Commercial) since 1st April, 2005.

She is a Director of Samay Books Limited, The Swadeshi Commercial Co., Limited, Apurva Export Private Limited, and also Managing Committee Member of Mugneeram Ramcoowar Bangur Charitable & Religious Co.

She does not hold any shares in the Company.

## 4. Shri L.N. Bangur

Shri L.N. Bangur, Promoter Director, has been associated with the Company as Director from May, 1985 and as Chairman from September, 1992. He hails from the Bangur family well-known in the trade and industry for over a century. He is a commerce graduate having experience in the field of trade and industry for more than three decades. He has a long and varied experience with many industrial undertakings pertaining to industries like paper, plantations, textiles apart from trading and investment activities.

He is the Chairman of Digvijay Investments Limited, The Kishore Trading Company Limited, Shree Krishna Agency Limited, Maharaja Shree Umaid Mills Limited (Chairman & Managing Director), The Peria Karamalai Tea & Produce Company Limited, and is also Director of The Swadeshi Commercial Company Limited, The General Investment Company Limited, Peria Karamalai Tea (India) Limited, M.B. Commercial Company Limited, Amalgamated Development Limited, Placid Limited, Samay Books Limited, Allied Dealcomm Limited, Apurva Export Private Limited, and The Marwar Textiles (Agency) Private Limited. In addition, he is also a Managing Committee Member of Mugneeram Ramcoowar Bangur Charitable & Religious Company and also Committee Member of Federation of Indian Chambers of Commerce & Industry. He is also Chairman of Audit Committee of Digvijay Investments Limited and Chairman of Investors' Grievance Committee and Remuneration Committee of The Peria Karamalai Tea & Produce Company Limited.

He holds 2,27,627 Equity Shares of Rs.10 each in the Company.



# Explanatory Statement

## pursuant to Section 173 (2) of the Companies Act, 1956

### Item No.6

Section 309 of the Companies Act, 1956 provides for payment of commission to Directors, who are not in whole time employment of the Company, if authorised by a Special Resolution. As per provisions of this Section, commission can be paid to all the Directors in aggregate not exceeding 1% of the net profits of the Company where there is a Managing Director/Whole Time Director and 3% of the net profits of the Company where there is no Managing Director/Whole Time Director(s).

The earlier Resolution passed by the Members at the Annual General Meeting held on 16th September, 2005 expired on 31st March, 2010.

It is, therefore, proposed that Non-Executive Directors be paid, in aggregate, a commission not exceeding such percentage per annum of the net profits of the Company prescribed under Section 309 of the Companies Act, 1956 and computed as per provisions Sections 198, 349 and 350 of the Companies Act, 1956, as may be determined by the Board of Directors from time to time for a further period of 5 years for each financial year commencing from 1st April, 2010. The proportion of such payment and distribution amongst the eligible Directors is proposed to be left to the discretion of the Board of Directors.

All the Directors of the Company except Shri L.N. Bangur, Shri M.K. Tara, Ms. Sheetal Bangur, Shri Shreeyash Bangur and Shri P.K. Suri are interested or concerned in the said Resolution.

The Board commends the Resolution as set out at Item No. 6 of the Notice for approval by the Members.

### Item No.7

The Members of the Company at the 41st Annual General Meeting held on 16th September, 2005 accorded their consent for appointment of Ms. Sheetal Bangur as a Whole time Director, designated as Director (Commercial) of the Company for a period of five years from 1st April, 2005 and her term expired on 31st March, 2010.

The Board of Directors of the Company at the meeting held on 30th January, 2010 re-appointed Ms. Sheetal Bangur as Director (Commercial) for a further period of 5 years from 1st April, 2010 in accordance with the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 on the terms set out in Resolution given in Notice. Her remuneration package for the period of reappointment was approved by the Board at the meeting held on 20th May, 2010 on the recommendation of Remuneration Committee.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Ms. Sheetal Bangur for re-appointment as Director (Commercial) of the Company.

Ms. Sheetal Bangur is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956. The Company has received from Ms. Sheetal Bangur

the necessary declaration under Section 274(1)(g) of the Companies Act, 1956 confirming her eligibility for such appointment.

The above may be treated as an abstract of the terms of re-appointment of Ms. Sheetal Bangur, Director (Commercial), under Section 302 of the Companies Act, 1956.

None of the Directors except Ms. Sheetal Bangur, Shri L.N. Bangur, Smt. Alka Bangur and Shri Shreeyash Bangur are concerned or interested in the said Resolution.

The Board commends the Resolution as set out at Item No.7 of the Notice for approval by the Members.

### Item No.8

The Board of Directors of the Company at the meeting held on 20th May, 2010 appointed Shri L.N. Bangur as Executive Chairman for a period of five years from 27th May, 2010 pursuant to the provisions of Section 269 read with Schedule XIII and any other applicable provisions of Companies Act, 1956 and also his remuneration package on the recommendation of Remuneration Committee.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Shri L.N. Bangur for appointment as Executive Chairman of the Company.

Shri L.N. Bangur is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956. The Company has received from Shri L.N. Bangur the necessary declaration under Section 274(1)(g) of the Companies Act, 1956 confirming his eligibility for such appointment.

Shri L.N. Bangur has been receiving remuneration as Chairman & Managing Director from Maharaja Shree Umaid Mills Limited and he will draw remuneration from Maharaja Shree Umaid Mills Limited or The Andhra Pradesh Paper Mills Limited or both companies provided that the total remuneration does not exceed the higher limit admissible from any one of the Companies of which he is a managerial person.

The above may be treated as an abstract of the terms of appointment of Shri L.N. Bangur, Executive Chairman, under Section 302 of the Companies Act, 1956.

None of the Directors except Shri L.N. Bangur, Smt. Alka Bangur, Ms. Sheetal Bangur and Shri Shreeyash Bangur are concerned or interested in the said Resolution.

The Board felt that his appointment as Executive Chairman will provide immense value to the Company and commends the Resolution as set out at Item No.8 of the Notice for approval by the Members.

### Item No.9

The Members of the Company at the Annual General Meeting held on 27th September, 2008 appointed Shri M.K. Tara as Managing Director of the Company for a period of five years from 7th November, 2007 and for the payment of remuneration as mentioned therein.

The Board of Directors of the Company at their meeting held on 20th May, 2010 revised the remuneration payable to Shri M.K. Tara, Managing Director with effect from 1st April, 2009 on the recommendation of Remuneration Committee as mentioned in the Resolution included in the notice convening this Annual General Meeting subject to the approval of Members. The revised remuneration is within the limits laid down in the Schedule XIII of the Companies Act, 1956.

The above may be treated as an abstract of the variation of the terms of appointment of Shri M.K. Tara, Managing Director, under Section 302 of the Companies Act, 1956.

None of the Directors except Shri M.K. Tara is concerned or interested in the said Resolution.

The Board commends the Resolution as set out at Item No. 9 of the Notice for approval by the Members.

#### **Item No. 10**

The Members of the Company at the Annual General Meeting held on 16th September, 2005 appointed Ms. Sheetal Bangur as Wholtime Director designated as Director (Commercial) of the Company for a period of five years from 1st April, 2005 and for the payment of remuneration as mentioned therein. The Members of the Company at the Annual General Meeting held on 27th September, 2008 revised the remuneration payable to Ms. Sheetal Bangur, Director (Commercial) from Rs.1,00,000 to Rs.2,00,000 with effect from 1st April, 2007 for the remainder of the tenure of her office.

The Board of Directors of the Company at their meeting held on 20th May, 2010 further revised the remuneration payable to Ms. Sheetal Bangur as Whole-time Director with effect from 1st April, 2008 on the recommendation of Remuneration Committee as mentioned in the Resolution included in the notice convening this Annual General Meeting subject to the approval of Members. The revised remuneration is within the limits laid down in the Schedule XIII of the Companies Act, 1956.

The above may be treated as an abstract of the variation of the terms of appointment of Ms. Sheetal Bangur, Director (Commercial), under Section 302 of the Companies Act, 1956.

None of the Directors except Ms. Sheetal Bangur, Shri L.N. Bangur, Smt. Alka Bangur, and Shri Shreeyash Bangur are concerned or interested in the said Resolution.

The Board commends the Resolution as set out at Item No.10 of the Notice for approval by the Members.

#### **Item No.11**

The Members of the Company at the Annual General Meeting held on 21st September, 2007 appointed Shri Shreeyash Bangur as Wholtime Director designated as Director (Corporate) for a period of five years from 19th February, 2007 and for the payment of remuneration as mentioned therein. The Members at the Annual General Meeting held on 27th September, 2008 revised the remuneration payable to Shri Shreeyash Bangur

from Rs.1,00,000 to Rs.2,00,000 with effect from 1st February, 2008.

The Board of Directors at their meeting held on 20th May, 2010 further revised the remuneration payable to Shri Shreeyash Bangur, Director (Corporate) with effect from 1st April, 2010 on the recommendation of Remuneration Committee as mentioned in the Resolution included in the Notice convening this Annual General Meeting subject to the approval of Members. The revised remuneration is within the limits laid down in the Schedule XIII of the Companies Act, 1956.

The above may be treated as an abstract of the variation of the terms of appointment of Shri Shreeyash Bangur, Director (Corporate), under Section 302 of the Companies Act, 1956.

None of the Directors except Shri Shreeyash Bangur, Shri L.N. Bangur, Smt. Alka Bangur and Ms. Sheetal Bangur are concerned or interested in the said Resolution.

The Board commends the Resolution as set out at Item No.11 of the Notice for approval by the Members.

#### **Item No.12**

The Members of the Company at the Annual General Meeting held on 27th September, 2008 appointed Shri P.K. Suri as Whole-time Director designated as Director (Operations) for a period of five years from 12th May, 2008 and for the payment of remuneration as mentioned therein.

The Board of Directors at their meeting held on 20th May, 2010 revised the remuneration payable to Shri P.K. Suri, Director (Operations) with effect from 1st April, 2010 on the recommendation of Remuneration Committee as mentioned in the Resolution included in the notice convening this Annual General Meeting subject to the approval of Members. The revised remuneration is within the limits laid down in the Schedule XIII of the Companies Act, 1956.

The above may be treated as an abstract of the variation of the terms of appointment of Shri P.K. Suri, Director (Operations), under Section 302 of the Companies Act, 1956.

None of the Directors except Shri P.K. Suri is concerned or interested in the said Resolution.

The Board commends the Resolution as set out at Item No.12 of the Notice for approval by the Members.

**By Order of the Board  
For The Andhra Pradesh Paper Mills Limited**



**C. Prabhakar**  
Sr. Vice President (Corporate Affairs) &  
Company Secretary

Registered Office:  
Rajahmundry - 533 105  
East Godavari District,  
Andhra Pradesh  
27th May, 2010