



# PRESERVING A CHERISHED LEGACY



**Andhra Paper Limited**

58<sup>th</sup> Annual Report

2021-22

# At Andhra Paper, we continue to make progress through a focused pursuit of excellence and steady growth. A prudent strategic framework has enabled us strengthen our operations and build on our legacy.

The year, marked by continued Covid-19 disruption, rising inflationary prices and supply-chain challenges pulled down the economic recovery. This prompted us to protect our liquidity and respond with agility. Backed by our capacities and robust operations, we remain among the most competitive paper companies in the country today. The strength in our business model and cherished legacy of our promoters, enabled us weather the challenges of volatile markets and deliver sustainable value for stakeholders at large.

## Five Year Highlights

	UOM	FY22	FY21	FY20	FY19	FY18
<b>PAPER PRODUCTION</b>	MT	235,155	164,408	227,600	238,700	228,900
<b>PAPER SALES</b>	MT	240,479	175,659	213,600	238,700	230,900
<b>OPERATING RESULTS</b>						
Turnover	₹/Lakhs	136,692	87,949	125,722	140,950	125,982
EBITDA	₹/Lakhs	26,581	7,170	31,702	39,317	22,676
Gross Profit (PBDT)	₹/Lakhs	26,037	7,160	31,170	38,462	20,064
Depreciation & Amortisation	₹/Lakhs	7,201	7,338	7,590	6,787	6,581
Exceptional items	₹/Lakhs	-	-441	-	-543	-837
Taxation	₹/Lakhs	5,603	549	6,790	11,330	3,279
Deferred Tax	₹/Lakhs	-741	-709	-4,502	-205	1,060
Net Profit/Loss	₹/Lakhs	13,973	-460	21,292	20,008	8,306
<b>FINANCIAL POSITION</b>						
Gross Block	₹/Lakhs	97,510	94,291	92,672	91,436	87,697
Depreciation	₹/Lakhs	39,082	32,804	26,080	19,847	13,112
Net Block	₹/Lakhs	58,428	61,487	66,592	71,588	74,585
Paid up Capital	₹/Lakhs	3,977	3,977	3,977	3,977	3,977
Reserves & Surplus	₹/Lakhs	105,432	93,545	93,608	72,404	52,424
Networth	₹/Lakhs	109,409	97,522	97,585	76,381	56,401
Borrowings	₹/Lakhs	1,159	1,149	1,282	1,480	20,752
Capital Employed	₹/Lakhs	110,568	98,670	98,867	77,860	77,152
<b>OTHER KEY PARAMETERS</b>						
Earnings per share(FV ₹ 10)	₹	35.14	-1.16	53.54	50.31	20.89
Book Value per share	₹	275.10	245.21	245.37	192.06	141.82
Dividend	%	75	50	-	-	-
Dividend	₹/Lakhs	2,983	1,989	-	-	-
Debt Equity Ratio		0.01	0.01	0.01	0.02	0.37

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# COMPANY OVERVIEW

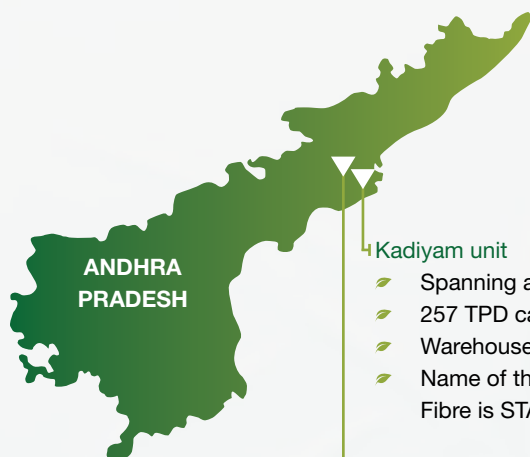
We, Andhra Paper Limited (Andhra Paper) – one of the largest integrated paper and pulp manufacturers in India – are delivering the right products for right applications at cost effective price for more than five decades.

We manufacture writing, printing, and cut-size papers for both local and international markets, and offers a comprehensive range of high-quality speciality grade materials for a variety of uses. The papers are created with elemental chlorine free (ECF) pulp technology and come in the best-in-class brightness. We understand our responsibility towards the environment and invest in sustainable business growth and innovate products that enable us to reduce not only ours but also our customers' environmental footprints.





## State-of-the-art manufacturing facilities



### Kadiyam unit

- Spanning across ~150 acres of land
- 257 TPD capacity of finished products
- Warehouse with capacity of 3000 tonnes
- Name of the product manufactured using recycled Fibre is STAR WHITE

### Rajahmundry Unit

- Spanning across ~300 acres of land
- 550 TPD of refining capacity
- Average 506 TPD capacity of finished products
- Warehouse with capacity of 3500 tonnes
- Product range includes Reflection Copier, Millenium Copier, Skytone, Kraft Paper, Poster Paper, Cup Stock, Wrappers, Carry bags



### Vision

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



### Values

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



### Business Objectives

- Meet our financial objectives
- Become the preferred choice of customers
- Create a great place to work



### Operating Principles

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

# BUILDING ON OUR LEGACY OF...



## Innovation

By producing new and improved products and solutions



## Value creation

By ensuring consistent growth in value for all stakeholders



## Sustainable practises

By ensuring ecological balance



## Delivering superior experience

By offering the right product at cost effective price



## Community upliftment

By ensuring improved quality of lives in our areas of operations

**56%**

YoY growth in Revenue



**271%**

YoY growth in EBITDA



**3138%**

YoY growth in net profit



**37%**

YoY growth in sales volume



**18.5%**

YoY Reduction in specific water consumption



**20%**

YoY increase in Forest Management Units (FMU's)



**240%**

YoY increase in CSR spend



**...TO DELIVER SUPERIOR  
PERFORMANCE IN FY22  
AND BEYOND**



## MESSAGE FROM THE CHAIRMAN

**Shree Kumar Bangur**  
Chairman & Managing Director

“ *At Andhra Paper, we have always taken pride on our sustainability efforts which go beyond regulatory compliance, since we believe, sustainability is not just a legal responsibility but a shared responsibility we all have towards our planet.* ”

### Dear Shareholders,

The year 2021 has been a transition year for the world, following a year that was marred by COVID-19 and falling economies, the economies recovered. As a result, the global growth rate turned upward. As we go forward in 2022, although the road blocks are many, there is a strong likelihood that the economic recovery will continue with a GDP growth above trend.

The Indian economy has demonstrated immense resilience with its fast-paced recovery. Upholding the title of the fastest growing economy, India is continuing to contribute significantly to the global growth. Although inflationary pressures and rising crude oil prices might pose a short-term limitation on growth, the government's pro-growth budget have paved a way for a promising future for the country.

During the year under review, despite subdued macroeconomic conditions, our strong operational principles have helped us to deliver an outstanding financial performance. Our revenue from operations stood at ₹1,38,023 lakhs in FY22 as compared to ₹88,675 lakhs in FY21, registering a robust growth of 56%. We registered an EBITDA of ₹26,581 lakhs with a strengthened margin of 19% as against ₹7,170 lakhs with a margin of 8% in FY21. Our profit after tax for the year stood at ₹13,973 lakhs as against loss of ₹460 lakhs in the previous year.

Our stellar financial performance was on the back of a strong customer focus, cost competitiveness, optimisation of machines and operational efficiencies which increased the production, coupled with an excellent serviceability. The pandemic unlock theme is also working good for paper mills as demand for paper has gone upward after reopening of schools and other



# 30%

volume growth in the cup stock segment.

*“ Combined with committed, hard-working colleagues led by a talented and experienced leadership team, I believe we are well placed for the future. ”*

educational institutions. There is also a quantum jump in the consumption of cup stock and the market has exhibited a strong growth during the year. During the year we have witnessed a volume growth of 30% in the cup stock segment.

At Andhra Paper, we have always taken pride on our sustainability efforts which go beyond regulatory compliance, since we believe, sustainability is not just a legal responsibility but a shared responsibility we all have towards our planet. We have stood on the firm foundations of sustainable business operations. Our endeavour to drive the change through sustainable manufacturing of our products and our continuing efforts to reduce the environmental implications of our operations are exemplified by the innovation driven methods we employ to do this.

Along with the planet, for us sustainability is also about our responsibility towards our people working across the entire value chain and also the communities we operate in. We

therefore listen, act and strive to be an example in our industry. Our social initiatives are directed towards the welfare of the communities we operate in. Aligning our actions to our 'Vision 2030' sustainability goals, we are ensuring to uphold our role as a responsible paper company.

Given that most of our business is driven by trees, it is our responsibility to return the favour. To this end, we have initiated a forestry programme. While this program has helped us achieve a total reliance in the sourcing of raw material, it has also helped us improve the lives of small farmers by providing them a means of survival, and improve the socio-economic standing of their communities. Since the inception of this program until date, we are happy that we have been able to bring visible changes.

We are entering the fiscal 2022-23 with a strong balance sheet, we have the right strategy in place and a clear roadmap for the year ahead. Combined with committed, hard-working colleagues led by a talented and experienced leadership team, I believe we are well placed for the future.

In closing, I want to express my gratitude to our team members for their unwavering dedication to our mission and to our shareholders for their continued trust in Andhra Paper. We hope to keep being worthy of it in the years to come.

Warm Regards,

**Shree Kumar Bangur**  
Chairman & Managing Director

## OUR PRODUCT OFFERINGS

At Andhra Paper Limited, we focus on creating innovative, sustainable and recyclable products that enable our customers to meet their requirements and keep evolving on product development to meet the changing consumer demands. We produce a wide range of papers suiting writing, printing, photocopying and speciality applications for both the domestic and international markets.



### Writing & Printing

We offer a comprehensive range of superior quality products suitable for note books, text books, journals, reference books, calendars and commercial printing usage through our distinctive brands including Primavera, Primavera White, Truprint Ivory, CCS, Truprint Ultra, Starwhite, Deluxe Maplitho (RS), Sapphire Star, Skytone and Write Choice

