



November 2, 2022

BSE Limited,
14th Floor,
P.J. Towers, Dalal Street,
MUMBAI :: 400 001.

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
MUMBAI :: 400 051.

(BSE Scrip Code No.502330)

(Symbol – ANDHRAPAP Series – EQ)

Dear Sir (s),

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Unaudited Financial Results for the quarter and six months ended September 30, 2022 which were approved by the Board of Directors at their Meeting held on November 2, 2022.

The Meeting of Board of Directors of the Company commenced at 2.15 P.M. and concluded at 4.35 P.M.

We also enclose Independent Auditor's Review Report dated November 2, 2022 issued by M/s. MSKA & Associates, Auditors of the Company on the Unaudited Financial Results for the quarter and six months ended September 30, 2022 which was placed before the Board of Directors.

Please acknowledge receipt.

Thanking you,

Yours faithfully,
For ANDHRA PAPER LIMITED

BIJAY KUMAR SANKU
COMPANY SECRETARY



ANDHRA PAPER LIMITED

(Corporate Identity Number: L21010AP1964PLC001008)

Regd. Office: Rajamahendravaram – 533 105, East Godavari District, India. Tel: +91-883-2471831

Corp. Office: 31, Chowringhee Road, Park Street, Kolkata – 700 016, India. Tel: +91-33-71500500

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(₹ in lakhs)

Sl. No	Particulars	Quarter ended			Six Months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	48,462.98	45,200.69	34,939.69	93,663.67	60,781.87	1,38,023.38
	b) Other income	1,321.18	870.67	925.63	2,191.85	2,138.40	4,488.37
	Total Income	49,784.16	46,071.36	35,865.32	95,855.52	62,920.27	1,42,511.75
2	Expenses						
	a) Cost of materials consumed	13,497.62	13,865.19	11,286.88	27,362.81	22,926.86	46,769.73
	b) Changes in inventories of finished goods and work-in-progress	291.40	(653.81)	3,535.17	(362.41)	(1,635.52)	1,813.55
	c) Consumption of stores, spares and chemicals	7,255.91	7,542.46	5,379.24	14,798.37	10,362.63	22,513.88
	d) Power, fuel and water	5,305.89	4,474.26	2,812.06	9,780.15	5,501.81	12,646.32
	e) Employee benefits expense	3,736.86	3,908.72	3,931.30	7,645.58	7,816.95	15,707.32
	f) Finance costs	120.11	116.98	108.48	237.09	210.92	544.61
	g) Depreciation and amortisation expense	1,509.60	1,680.47	1,823.11	3,190.07	3,583.63	7,200.91
	h) Other expenses	3,808.52	3,700.69	4,451.90	7,509.21	8,095.25	16,479.79
	Total Expenses	35,525.91	34,634.96	33,328.14	70,160.87	56,862.53	1,23,676.11
3	Profit before tax (1-2)	14,258.25	11,436.40	2,537.18	25,694.65	6,057.74	18,835.64
4	Tax expense						
	a) Current tax	3,674.42	3,126.13	774.05	6,800.55	1,820.39	5,603.18
	b) Deferred tax	(759.38)	(184.62)	(124.19)	(944.00)	(264.18)	(740.74)
	Total tax expense	2,915.04	2,941.51	649.86	5,856.55	1,556.21	4,862.44
5	Net profit after tax (3-4)	11,343.21	8,494.89	1,887.32	19,838.10	4,501.53	13,973.20
6	Other comprehensive income						
	<i>Items that will not be reclassified to profit or loss:</i>						
	(a) Remeasurements of the defined benefit plans	-	-	-	-	-	(159.46)
	(b) Equity instruments through other comprehensive income	(127.27)	-	-	(127.27)	-	29.00
	(c) Tax relating to the above items	29.12	-	-	29.12	-	33.49
	Total other comprehensive income	(98.15)	-	-	(98.15)	-	(96.97)
7	Total comprehensive income (5+6)	11,245.06	8,494.89	1,887.32	19,739.95	4,501.53	13,876.23
8	Paid-up equity share capital (Face Value ₹ 10/- each)	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00
9	Reserves excluding revaluation reserve	-	-	-	-	-	1,05,432.24
10	Earnings per share (of ₹ 10/- each) (for the period not annualised)						
	- Basic (₹)	28.52	21.36	4.75	49.88	11.32	35.14
	- Diluted (₹)	28.52	21.36	4.75	49.88	11.32	35.14
	See accompanying notes to the financial results						



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STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
A. ASSETS		
1 Non-current Assets		
(a) Property, plant and equipment	58,082.19	57,341.85
(b) Right-of- use assets	766.35	841.35
(c) Capital work-in-progress	1,522.32	767.65
(d) Intangible assets	278.50	318.22
(e) Financial assets		
(i) Investments	26,536.77	13,822.92
(ii) Other financial assets	341.90	426.27
(f) Other non-current assets	3,567.69	3,761.10
Total non-current assets	91,095.72	77,279.36
2 Current assets		
(a) Inventories	14,498.32	14,508.75
(b) Financial assets		
(i) Investments	33,812.03	24,446.05
(ii) Trade receivables	11,809.28	10,255.17
(iii) Cash and cash equivalents	2,184.89	2,453.92
(iv) Other bank balances	2,396.07	3,027.14
(v) Loans	5,227.28	10,439.34
(vi) Other financial assets	499.11	482.06
(c) Other current assets	5,492.46	6,770.15
Assets classified as held for sale	75,919.44	72,382.58
	129.68	129.68
Total current assets	76,049.12	72,512.26
TOTAL ASSETS	1,67,144.84	1,49,791.62
B. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	3,977.00	3,977.00
(b) Other equity	1,22,189.44	1,05,432.24
Total equity	1,26,166.44	1,09,409.24
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	638.69	786.36
(ia) Lease liabilities	735.21	794.28
(ii) Other financial liabilities	145.23	174.28
(b) Provisions	187.29	141.86
(c) Deferred tax liabilities (net)	7,127.48	8,100.62
Total non-current liabilities	8,833.90	9,997.40
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,189.39	4,140.43
(ia) Lease liabilities	136.15	137.63
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	1,891.40	2,557.21
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	15,318.96	13,710.30
(iii) Other financial liabilities	3,835.53	3,561.24
(b) Provisions	3,494.86	3,586.97
(c) Other current liabilities	2,718.08	2,619.03
(d) Current tax liabilities (net)	560.13	72.17
Total current liabilities	32,144.50	30,384.98
Total liabilities	40,978.40	40,382.38
TOTAL EQUITY AND LIABILITIES	1,67,144.84	1,49,791.62



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UNAUDITED STATEMENT OF CASH FLOWS

(₹ in lakhs)

Particulars	Six Months ended	
	September 30, 2022	September 30, 2021
A. Cash flow from operating activities		
Profit / (Loss) before tax after exceptional items	25,694.65	6,057.74
<u>Adjustments for:</u>		
Depreciation and amortisation expense	3,190.07	3,583.63
Loss on sale / scrap of property, plant and equipment's (net)	222.97	59.60
Profit on sale of current investments	82.50	(78.71)
Net gain on financial assets designated on FVTPL	(191.20)	(221.22)
Finance costs	237.09	210.92
Unwinding of discount on deferred payment liabilities	(29.05)	(29.05)
Interest income	(1,441.30)	(1,064.66)
Provision/write off for credit impaired trade receivables and advances	-	(0.20)
Liabilities / provisions no longer required written back	(331.09)	(524.25)
Net unrealised foreign exchange loss	108.44	22.65
Operating profit before working capital changes	27,543.08	8,016.45
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	10.43	1,890.34
Trade receivables	(1,556.13)	(1,169.00)
Loans	59.06	107.12
Other assets	1,278.53	(6.44)
Other financial assets	33.85	26.38
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	944.12	1,078.72
Other financial liabilities	538.15	319.73
Other liabilities	99.05	(110.87)
Provisions	(46.68)	46.40
Cash generated from operations	28,903.46	10,198.83
Income tax paid / refund received (net of refunds / paid)	(6,312.59)	(2,267.32)
Net cash flow from operating activities (A)	22,590.87	7,931.51
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, Intangible assets and intangible assets under development)	(4,556.04)	(1,653.14)
Purchase of current investments	(88,467.43)	(27,942.35)
Purchase of non-current investments	(16,116.98)	(5,981.97)
Proceeds from sale/redemption of current investments	80,493.47	25,239.45
Proceeds from redemption of non-current investments	-	3,175.12
Proceeds from sale/redemption of non-current investments	1,920.65	3,785.02
Proceeds from sale of property, plant and equipment (including assets held for sale)	-	39.87
Inter-corporate deposits given	-	(5,233.00)
Inter-corporate deposits matured	5,153.00	500.00
Term / margin money deposits placed during the year	-	(796.00)
Term / margin money deposits matured during the year	796.00	3,191.00
Interest received	1,415.73	194.12
Net cash flow used in investing activities (B)	(19,361.60)	(5,481.88)
C. Cash flow from financing activities		
Proceeds from short-term borrowings	8,000.00	9,000.00
Repayment of long-term borrowings (including current maturities)	(130.16)	-
Repayment of short-term borrowings	(8,000.00)	(6,000.00)
Dividend paid	(2,982.75)	(1,988.50)
Finance costs	(195.52)	(176.00)
Repayment of lease liability	(98.71)	(295.29)
Net cash flow (used in) / from financing activities (C)	(3,407.14)	540.21
Net increase in Cash and cash equivalents (A+B+C)	(177.87)	2,989.84
Cash and cash equivalents at the beginning of the year	2,453.92	1,529.43
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	(91.16)	(11.05)
Cash and cash equivalents at the end of the year	2,184.89	4,508.22
Reconciliation of Financial Liabilities - Borrowings and lease liabilities:		
Opening balance	5,858.70	4,362.10
Add: Lease liabilities recognised during the year	8.62	357.50
Add: Proceeds of borrowings	8,000.00	9,000.00
Less: (Repayments) of borrowings	(8,130.16)	(6,000.00)
Less: (Extinguishment) of lease liabilities	-	(72.17)
Less: (Repayments) of lease liabilities	(98.71)	(295.29)
Less: Fair value changes	60.99	69.61
Closing balance	5,699.44	7,421.75

Note: The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"



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Notes:

- 1 The above unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on November 2, 2022. The statutory auditors have carried out a limited review of these financial results and have issued an unmodified report on these results.
- 2 The Company is engaged in the business of manufacture and sale of pulp, paper and paperboards, which in the context of Indian Accounting Standard (Ind AS) - 108 - Operating Segments, is considered as the single operating segment of the Company.
- 3 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.

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 unfavourable 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.

- 4 During the current quarter, Rajahmundry manufacturing facility had a planned Annual Outage of 12 days impacting in volume by approximately 6000 MT and the Outage was carried out without any safety incidents.

Place : Rajahmundry
Date : November 02, 2022



By order of the Board
For Andhra Paper Limited

Mukesh Jain
Director - Commercial & CFO

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Independent Auditor's Review Report on unaudited quarterly and year to date financial results of ANDHRA PAPER LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To The Board of Directors of ANDHRA PAPER LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of ANDHRA PAPER LIMITED ('the Company') for the quarter ended September 30, 2022 and the year to-date results for the period April 1, 2022 to September 30, 2022 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India . Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 3 to the Statement with regard to the ongoing litigation with respect to the levy of electricity duty by the State Government on consumption of electricity by captive generating



MSKA & Associates

Chartered Accountants

units and the interim orders of the Hon'ble Supreme Court of India on hearing the Special Leave Petition filed by the Company, in respect of which the Company on grounds of prudence and abundant

caution created a provision amounting to ₹ 2357.43 lakhs during the year ended March 31, 2017, in view of the inherent uncertainty in predicting the final outcome of the above litigation. Additionally, an amount of ₹ 1571.62 lakhs has been treated as contingent liability. In the opinion of the Management no further provision would be required in relation to this disputed matter.

Our conclusion is not modified in respect of the matter.

6. The Statement for the quarter ended June 30, 2022, was reviewed by another reviewer whose report dated July 29, 2022 expressed an unmodified conclusion on that Statement.

Our conclusion is not modified in respect of the above matter.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Amit Kumar Agarwal

Partner

Membership No.: 214198

UDIN: 22214198BBUKHM3978



Place: Hyderabad

Date: November 2, 2022