
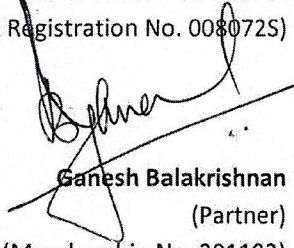


# FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	The Andhra Pradesh Paper Mills Limited
2.	Annual <b>standalone</b> financial statements for the year ended	Fifteen month period ended March 31, 2013
3.	Type of Audit observation	<p><b>Emphasis of Matter:</b></p> <p>We draw attention to:</p> <p>a) Note 41 to the Financial Statements which describes that Central Government approval is awaited for the payment of remuneration amounting to ₹ 141.83 lakhs (December 31, 2011 ₹ 194.64 lakhs) to certain directors being in excess of the limits specified under Schedule XIII, to the Companies Act, 1956, during the previous financial period awaiting Central Government approval; and</p> <p>b) Note 42 to the Financial Statements, which describes that the Company had made a provision of ₹ 1,619.32 lakhs towards certain disputed matters relating to prior years, based on the opinion received from the legal advisors.</p> <p>Our opinion is not qualified in respect of these matters.</p>
4.	Frequency of observation	Not Applicable
5	Signed by	
	Mr. Rampraveen Swaminathan Managing Director & CEO	
	Ms. Jayashree Satagopan Chief Financial Officer	
	Statutory Auditors of the company Deloitte Haskins & Sells Mr. Ganesh Balakrishnan	<p>Refer our Audit Report dated April 23, 2013 on the standalone financial statements of the Company</p> <p>For <b>DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (Firm Registration No. 008072S)</p>  <p> <b>Ganesh Balakrishnan</b> (Partner) (Membership No. 201193)</p>
	Mr. Milind Shripad Sarwate Chairman of Audit Committee	