



February 9, 2023

National Stock Exchange of India Limited (NSE),
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (East)
MUMBAI - 400 051

(Symbol – ANDHRAPAP Series -EQ)

Dear Sir,

Sub: Clarification with respect to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

This refers to your mail dated February 8, 2023 seeking clarifications on (a) Financial results not signed by authorized signatory/ies and (b) non-submission of consolidated Financial Results and we furnish below the required information.

a) Financial results not signed by authorized signatory/ies

In terms of Regulation 33(2)(b) of SEBI Listing Regulations, the financial results for the quarter and nine months ended December 31, 2022 have been signed by Director – Commercial & Chief Financial Officer who is a whole-time Director and hence complied with the Regulations.

b) Non-submission of consolidated Financial Results

Andhra Paper Foundation, a wholly owned subsidiary Company ("Foundation"), was incorporated under Section 25 of the Companies Act, 1956 and the excess of income over expenditure will be applied for promoting its objectives. Accordingly, the accounts of Andhra Paper Foundation were not consolidated, since *the holding Company will not derive any economic benefit from its investment in Foundation.*

Section 8 companies are formed with charitable objects and the profits of a subsidiary cannot be distributed back to the members including a holding company. Section 8 companies are formed without profit motive. However, if there is any profit/surplus, then such profit/surplus shall be applied in promoting its objects. At the time of winding up or dissolution, surplus assets, if any, shall be transferred to another company registered under Section 8 having similar objects. In case of conversion of a Section 8 company into any other kind of company (except a One Person Company), the Board of directors are required to give a declaration to the effect that no portion of the income or property of

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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

Website: www.andhrapaper.com; Email: info@andhrapaper.com

An ISO 9001:2015, ISO 14001: 2015, ISO 45001: 2018 and FSC® Certified Company

(FSC® - C084811, FSC® - C119477 & FSC® - C112308)



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the company has been or shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise to persons who are or have been members of the company or to any one or more of them or to any persons claiming through any one or more of them [Rule 22(4) of Companies (Incorporation) Rules, 2014].

A holding company of a Section 8 company is not entitled to any share in profits or income of its subsidiary. One of the primary purposes of consolidation is to reflect the correct picture of the value of investment in the subsidiary company. If the value of shares in subsidiary company is reflected through consolidation of the assets and liabilities, then it will show an incorrect picture of the net worth of the holding company as it cannot claim anything from the subsidiary.

Accordingly, we have been filing only standalone financial results of the Company since incorporation of Andhra Paper Foundation, subsidiary Company in 2013.

This is for your information and please take the above on record.

Thanking you,

Yours faithfully,

For **ANDHRA PAPER LIMITED,**



BIJAY KUMAR SANKU
COMPANY SECRETARY

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