

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Andhra Paper Limited
Report on the Audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of **Andhra Paper Limited** ("the Company") for the year ended March 31, 2026 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2026.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibilities for the Financial Results

This Statement has been prepared on the basis of the annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the applicable Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and is in compliance with the Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise



MSK A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter:

The Statement includes the results for the quarter ended March 31, 2026, being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2026 and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)

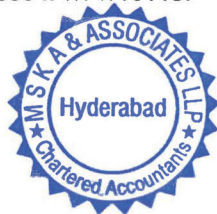
Chartered Accountants

ICAI Firm Registration No.105047W/W101187

Prakash Chandra Bhutada

Partner

Membership No.: 404621



UDIN: 26404621UFOXNC4653

Place: Hyderabad

Date: May 14, 2026



Andhra Paper Limited

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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2026

(₹ in lakhs)

Sl. No	Particulars	Quarter ended			Year ended	
		March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
		Audited (Refer Note 7)	(Unaudited)	Audited (Refer Note 7)	(Audited)	(Audited)
1	Income					
	a) Revenue from operations	52,704.77	41,868.62	40,737.20	1,70,123.38	1,54,124.10
	b) Other income	1,746.32	2,872.26	1,768.23	8,359.31	8,873.01
	Total Income	54,451.09	44,740.88	42,505.43	1,78,482.69	1,62,997.11
2	Expenses					
	a) Cost of materials consumed	28,839.38	28,916.39	26,907.83	1,09,860.49	97,465.12
	b) Changes in inventories of finished goods and work-in-progress	6,298.50	(1,838.39)	(608.11)	604.29	(4,765.36)
	c) Employee benefits expense	4,703.96	4,735.27	4,383.38	18,100.13	16,912.21
	d) Finance costs	370.59	455.38	725.56	1,822.05	1,789.47
	e) Depreciation and amortisation expense	2,710.24	2,738.95	2,452.58	10,731.05	8,832.04
	f) Other expenses					
	- Power, fuel and water	3,214.49	3,229.18	3,383.38	12,666.38	13,010.47
	- Other expenses	7,137.70	5,286.26	4,643.95	22,162.10	18,045.68
	Total Expenses	53,274.86	43,523.04	41,888.57	1,75,946.49	1,51,289.63
3	Profit before tax (1-2)	1,176.23	1,217.84	616.86	2,536.20	11,707.48
4	Tax expense					
	a) Current tax charge/(credit)	1,162.79	(351.33)	450.72	811.46	2,457.41
	b) Deferred tax charge/(credit)	(759.03)	584.28	(619.27)	(136.93)	359.00
	Total tax expense /(credit)	403.76	232.95	(168.55)	674.53	2,816.41
5	Net profit after tax (3-4)	772.47	984.89	785.41	1,861.67	8,891.07
6	Other comprehensive income/(loss)					
	Items that will not be reclassified to profit or loss:					
	(a) Remeasurement gain on the defined benefit plans	177.97	12.70	1.47	190.67	1.47
	(b) Equity instruments through other comprehensive income	(929.22)	266.40	(452.50)	(191.49)	(442.25)
	(c) Tax relating to the above items	88.09	(41.30)	64.34	(20.61)	289.99
	Total other comprehensive income/(loss)	(663.16)	237.80	(386.69)	(21.43)	(150.79)
7	Total comprehensive income (5+6)	109.31	1,222.69	398.72	1,840.24	8,740.28
8	Paid-up equity share capital (Face Value ₹ 2/- each)	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00
9	Reserves excluding revaluation reserve	-	-	-	1,89,958.10	1,90,106.36
10	Earnings per share (of ₹ 2/- each) (for the period not annualised)					
	- Basic (₹)	0.39	0.50	0.39	0.94	4.47
	- Diluted (₹)	0.39	0.50	0.39	0.94	4.47
	See accompanying notes to the financial results					



ANDHRA PAPER LIMITED

(Corporate Identity Number: L21010AP1964PLC001008)

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

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STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026 (Audited)	As at March 31, 2025 (Audited)
A. ASSETS		
1 Non-current Assets		
(a) Property, plant and equipment	99,281.32	1,01,867.81
(b) Right-of- use assets	690.87	400.97
(c) Capital work-in-progress	27,895.71	2,981.91
(d) Other Intangible assets	17.87	105.83
(e) Financial assets		
(i) Investments	14,740.10	16,460.52
(ii) Other financial assets	544.88	491.69
(f) Other non-current assets	6,637.14	7,180.95
Total non-current assets	1,49,807.89	1,29,489.68
2 Current assets		
(a) Inventories	26,306.81	32,213.60
(b) Financial assets		
(i) Investments	50,244.43	74,454.86
(ii) Trade receivables	15,606.95	10,862.51
(iii) Cash and cash equivalents	1,616.93	377.01
(iv) Bank balances other than cash and cash equivalents	234.38	393.75
(v) Loans	31.84	135.06
(vi) Other financial assets	217.71	278.07
(c) Other current assets	9,742.55	12,258.05
Total current assets	1,04,001.60	1,30,972.91
TOTAL ASSETS	2,53,809.49	2,60,462.59
B. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	3,977.00	3,977.00
(b) Other equity	1,89,958.10	1,90,106.36
Total equity	1,93,935.10	1,94,083.36
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	15,702.52	13,542.47
(ii) Lease liabilities	622.90	406.83
(b) Deferred tax liabilities (net)	8,234.59	8,398.90
Total non-current liabilities	24,560.01	22,348.20
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,676.71	14,175.45
(ii) Lease liabilities	213.16	128.11
(iii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	2,301.32	2,124.86
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	13,622.76	16,816.08
(iii) Other financial liabilities	6,237.93	4,590.34
(b) Provisions	4,423.59	3,936.16
(c) Other current liabilities	1,592.76	2,119.47
(d) Current tax liabilities (net)	246.15	140.56
Total current liabilities	35,314.38	44,031.03
Total liabilities	59,874.39	66,379.23
TOTAL EQUITY AND LIABILITIES	2,53,809.49	2,60,462.59



AUDITED STATEMENT OF CASH FLOWS



(₹ In lakhs)

Particulars	Year ended	
	March 31, 2026	March 31, 2025
A. Cash flow from operating activities		
Profit before tax	2,536.20	11,707.48
Adjustments for:		
Depreciation and amortisation expense	10,731.05	8,832.04
Loss on sale / scrap of property, plant and equipment's (net)	119.95	487.18
Profit on sale of current investments	(4,391.94)	(4,451.67)
Net (gain) / loss on financial assets designated on FVTPL	2,167.05	(739.52)
Finance costs	1,822.05	1,789.47
Unwinding of discount on deferred payment liabilities	(58.09)	(58.09)
Interest income	(1,490.68)	(2,197.98)
Liabilities / provisions no longer required written back	(1,918.37)	(884.93)
Dividend income on equity investments	(382.80)	(339.56)
Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	(4.37)	(39.37)
Net unrealised foreign exchange loss	0.35	61.81
Operating profit before working capital changes	9,130.40	14,166.86
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	5,906.79	(8,515.21)
Trade receivables	(4,744.44)	(4,769.83)
Loans	103.22	13.40
Other assets	1,969.71	(2,514.25)
Other financial assets	(80.99)	(18.33)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,167.13)	(2,912.03)
Other financial liabilities	(64.66)	(251.05)
Other liabilities	(526.71)	(269.89)
Provisions	678.10	(8.56)
Cash (used in) / generated from operations	11,204.29	(5,078.89)
Income tax paid (net of refund)	(753.86)	(460.57)
Net cash flow from / (used in) operating activities (A)	10,450.43	(5,539.46)
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, and intangible assets)	(29,874.26)	(26,501.99)
Purchase of current investments	(1,38,052.62)	(1,39,871.20)
Purchase of non-current investments	(2,374.57)	(6,785.64)
Proceeds from sale/redemption of current investments	1,66,888.99	1,62,440.52
Proceeds from sale/redemption of non-current investments	607.49	-
Proceeds from sale of property, plant and equipment	3.75	5.69
Term / margin money deposits matured during the year (net)	166.26	1,141.17
Dividend income on equity investments	382.80	339.56
Interest received	2,426.33	3,115.65
Net cash flow from / (used in) investing activities (B)	174.17	(6,116.24)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	13,267.24	17,877.87
Repayment of long-term borrowings (including current maturities)	(10,632.58)	(3,672.00)
Proceeds / (Repayment) of short-term borrowings (net)	(8,000.21)	2,556.45
Dividend paid	(1,988.50)	(3,977.00)
Finance costs	(1,787.74)	(1,654.71)
Repayment of principal portion of the lease liability	(185.67)	(166.92)
Repayment of interest portion of the lease liability	(61.78)	(39.47)
Net cash flow from / (used in) financing activities (C)	(9,389.24)	10,924.22
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,235.36	(731.48)
Cash and cash equivalents at the beginning of the year	377.01	1,105.38
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	4.56	3.11
Cash and cash equivalents at the end of the year	1,616.93	377.01
Reconciliation of Financial Liabilities - Borrowings and lease liabilities:		
Opening balance	28,252.86	11,449.30
Add: Lease liabilities recognised during the year	489.36	-
Add: Proceeds of long term borrowings	13,267.24	17,877.87
Less: (Repayments) of long term borrowings	(10,632.58)	(3,672.00)
Add: Proceeds / (Repayments) of short term borrowings (net)	(8,000.21)	2,556.45
Less: (Repayment) of principal portion of the lease liability	(185.67)	(166.92)
Less: (Repayment) of interest portion of the lease liability	(61.78)	(39.47)
Less: Fair value changes	86.07	247.63
Closing Balance	23,215.29	28,252.86

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Notes:

- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on May 14, 2026. The result for the year ended March 31, 2026 has been audited by the statutory auditors and have issued an unmodified report thereon.
- 2 The Board of Directors at their meeting held on May 14, 2026 have recommended a final dividend of ₹ 0.50 per share (25% on face value of ₹ 2 per share).
- 3 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.
- 4 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules and FAQs. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.
- 5 Subsequent event disclosure: Subsequent to the period end, operations of the manufacturing facility at Kadiyam ("plant") was interrupted due to an illegal strike by a section of contract workmen from April 27, 2026, primarily in relation to demands concerning revision of their contractual terms with their respective employers. Consequently, the Company has announced lockout at the plant on May 01, 2026 at 10 PM to safeguard the assets and personnel which is ongoing on the date of Board meeting.
- 6 The Company does not have any subsidiary, associate or joint venture company(ies) for the period ended March 31, 2026.
- 7 The figures for the quarter ended March 31, 2026 and corresponding quarter ended March 31, 2025 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.
- 8 The figures for the previous periods have been regrouped / rearranged wherever necessary.



Place : Rajahmundry
Date : May 14, 2026

By order of the Board
For Andhra Paper Limited



Mukesh Jain
Mukesh Jain
Executive Director
(Whole-time Director)

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