

Quarterly Compliance Report on Corporate Governance

Name of the Company: THE ANDHRA PRADESH PAPER MILLS LIMITED

Quarter ended: 30th September, 2011

Particulars	Clause of Listing Agreement	Compliance Status Yes/No.	Remarks
I. Board of Directors	49 (I)		
(A) Composition of Board	49 (IA)	Yes	The shortfall of one independent director caused by the resignation will be filled up within 180 days from 8.8.2011 as provided in clause 49(IC) (iv) of Listing Agreement.
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees.	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)		
To lay down a code of conduct for all Board members and senior management	49 (ID) (i)	Yes	
Board members and senior management to affirm compliance with the code on an annual basis. Annual report to contain declaration to this effect signed by CEO	49 (ID)(ii)	Yes	included in the Annual Report for the financial year 2010-11
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (II A)	Yes	
(B) Meeting of Audit Committee	49 (II B)	Yes	
(C) Powers of Audit Committee	49 (II C)	Yes	
(D) Role of Audit Committee	49 (II D)	Yes	
(E) Review of Information by Audit Committee	49 (II E)	Yes	
III. Subsidiary Companies	49 (III)	N.A.	
IV. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	included in the Annual Report for the financial year 2010-11
(C) Board Disclosures – Risk Management	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, Preferential issues etc.	49 (IV D)	NA	
E) Remuneration of Directors	49 (IVE)		
Disclosure of all pecuniary relationship or transactions of the non-executive directors in Annual Report and disclosure of Remuneration of Directors in the Corporate Governance of the Annual Report.	49 (IVE) (i) & (ii)	Yes	included in the Annual Report for the financial year 2010-11

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
Criteria of making payments to non-Executive Directors in Annual Report.	49 (IVE) (iii)	Yes	included in the Annual Report for the financial year 2010-11
Disclosure of number of shares and convertible instruments held by non-executive directors, in the annual report/notice of general meeting.	49 (IVE) (iv & v)	Yes	included in the Annual Report for the financial year 2010-11
(F) Management	49 (IVF)		
Management Discussion and Analysis Report forms part of the Annual Report to the Shareholders.	49 (IVF)(i)	Yes	included in the Annual Report for the financial year 2010-11
Disclosure to the Board of all material financial and commercial transactions by Senior Management, where they have personal interest.	49(IVF) (ii)	N.A	There have been no material financial and commercial transactions entered into by Senior Management for the quarter ended 30.09.2011 where they have personal interest.
(G) Shareholders	49 (IV G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)		
Annual Report to contain Separate Section on Corporate Governance.	49 (VI) (i)	Yes	included in the Annual Report for the financial year 2010-11
Quarterly compliance report to Stock Exchanges	49 (VI)(ii)	Yes	
VII. Compliance	49 (VII)	Yes	included in the Annual Report for the financial year 2010-11