



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2011

Sl. No.	PARTICULARS	All amounts in Indian Rupees Lakhs				
		Quarter Ended		Half Year Ended		Year Ended
		30.09.11	30.09.10	30.09.11	30.09.10	31.03.11 (Audited)
1	Gross Sales	21,466.71	18,129.89	41,862.72	35,849.08	79,693.83
	Less: Excise Duty	1,172.15	634.71	2,184.73	1,231.96	2,943.37
	Net Sales / Income from operations	20,293.96	17,495.18	39,677.99	34,617.09	76,650.46
2	Sale of surplus power	98.37	347.68	335.00	779.82	1,530.81
3	Other operating income	39.68	479.32	152.18	541.49	1,082.55
4	Total income	20,432.01	18,322.18	40,365.17	35,938.40	79,263.82
5	Total expenditure	20,039.32	15,896.88	37,098.10	30,785.91	70,165.08
	a) (Increase)/ decrease in stock	(3,492.27)	(212.42)	(4,978.89)	(785.20)	1,385.99
	b) Consumption of raw materials	6,981.05	4,428.69	12,338.19	9,019.84	20,104.50
	c) Stores	5,425.03	4,428.72	10,344.87	5,289.75	17,092.10
	d) Power and fuel	2,573.68	2,346.98	5,559.23	4,272.33	9,402.62
	e) Personal costs	2,100.48	1,674.16	4,266.55	3,528.21	7,976.24
	f) Other expenditure	2,057.04	1,696.23	3,764.64	3,194.92	7,507.08
	g) Depreciation and amortisation	1,734.69	1,733.52	3,407.89	3,266.16	6,694.72
	h) Impairment of assets (Refer note 4)	2,650.62	-	2,650.62	-	-
6	Profit/(Loss) from operations before other income and interest	392.69	2,425.30	3,307.07	5,152.49	8,098.77
7	Other income	68.22	107.38	147.06	212.97	988.26
8	Profit/(Loss) before interest	460.91	2,532.68	3,454.13	5,365.46	9,087.03
9	Interest	1,500.13	1,017.03	2,047.39	1,826.28	3,999.42
10	Profit/(Loss) before tax	(1,039.22)	1,515.65	1,406.74	3,539.18	5,708.60
11	Tax expense					
	a) for the current period	183.79	500.00	598.84	706.00	1,214.38
	b) Deferred taxes relating to earlier years (Refer note 2(b))	8,046.00	-	8,046.00	-	-
12	Net profit/(Loss) for the period / year	(9,269.01)	1,215.65	(7,638.10)	2,833.18	4,494.22
13	Fold - up equity share capital (Share value Rs. 10/- each)	3,977.00	3,275.18	3,977.00	3,275.18	3,977.00
14	Reserves (Excluding revaluation reserve)					53,855.73
15	Earnings per share (Basic and Diluted) for the period / year (in Rupees) F.V of Rs.10/- share	-23.31	3.71	-19.21	8.65	12.82
16	Public share holding					
	-Number of shares (Face value Rs.10/- each)	18,510,931	15,523,768	18,510,931	15,523,768	18,510,931
	-Percentage of share holding	46.54	47.40	46.54	47.40	46.54
17	Promoters and promoter group Shareholding					
	Pledged/Unpledged					
	- Number of shares	1,409,330	971,113	1,409,330	971,113	1,409,330
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	7.05	5.64	7.05	5.64	7.05
	- Percentage of shares (as a % of the total share capital of the company)	3.77	2.97	3.77	2.97	3.77
	Non-pledged					
	- Number of shares	19,760,678	16,256,914	19,760,678	16,256,914	19,760,678
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	92.95	94.36	92.95	94.36	92.95
	- Percentage of shares (as a % of the total share capital of the company)	49.69	49.68	49.69	49.68	49.69

THE ANDHRA PRADESH PAPER MILLS LIMITED

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Regd. Office: Rajahmundry - 533105, East Godavari Dist., Andhra Pradesh, India

An ISO 9001 & 14001 and OHSAS 18001 Company



Notes:

1. During the current quarter, the Company has posted a growth of 14% in Revenues & EBITDA and a 23% growth in operational profit over the corresponding quarter of previous year.

2(a). Statement of Assets and Liabilities

All amounts in Indian Rupees Lakhs

PARTICULARS	As at 30.09.11 (Unaudited)	As at 30.09.10 (Unaudited)	As at 31.03.11 (Audited)
Share Holders' funds			
Share capital	3,977.00	3,975.18	3,977.00
Reserves and Surplus (note 2(b))	46,217.63	49,852.23	53,855.73
Loan Funds	41,445.44	46,959.37	43,596.72
Deferred Tax liability (note 2(b))	12,916.04	3,781.25	4,271.25
Total	1,04,556.11	1,03,868.03	1,05,700.70
Fixed Assets	87,760.93	89,606.05	89,505.68
Investments	1,611.34	1,664.34	1,664.34
Current Assets, Loans and Advances			
Inventory	16,174.52	11,546.64	12,106.85
Sundry debtors	3,517.27	3,395.64	5,629.36
Cash and bank balances	1,995.32	1,852.17	2,068.09
Loans and advances	9,959.54	8,295.55	9,181.98
Less: Current liabilities and provisions			
Current liabilities	16,429.81	12,271.46	13,993.38
Provisions	42.00	220.90	462.22
Net current assets	15,174.84	12,597.64	14,530.68
Total	1,04,556.11	1,03,868.03	1,05,700.70

- 2(b) The Company has since the inception of Accounting Standard 22 on Accounting for Taxes on Income, recognized the deferred tax expense, which arises primarily from depreciation on tangible fixed assets on the basis of the currently applicable enacted Minimum Alternate Tax rate rather than the regular tax rates specified by paragraph 21 of Accounting Standard 22. The Company has challenged the provisions of Accounting Standard 22, insofar as it relates to the above matter and has accordingly filed a writ petition in June 2003 before the Andhra Pradesh High Court. The case was subsequently transferred to Calcutta High Court. The writ petition has been admitted and is currently pending resolution. In view of the long pending of the case, the Board of Directors has decided to provide for arrears of deferred tax liability of Rs 8046 lakhs in the Profit and loss account. The deferred tax liability for the current half year ended 30 September 2011 of Rs.598.84 lakhs has been debited to the profit and loss account in accordance with the provision of AS22. The Statutory Auditors have drawn attention of this matter in their limited review report.

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3. The Company is in the business of manufacture and sale of pulp, paper and paper board. Management views manufacture and sale of pulp, paper and paper boards as a single reportable business segment.
4. Following an internal technical review by the management, during the current quarter, the impairment in the value of certain assets aggregating to Rs.2650.62 lakhs have been charged to Profit & Loss Account which has also been referred to in the limited review report by the Statutory Auditors.
- 5(a) The Promoters of the Company L.N.Bangur Group informed the Company on 29th March, 2011 that they had entered into an agreement to sell their entire shareholding of 2,12,60,008 equity shares of Rs.10/- each held by them in the Company to IP Holding Asia Singapore PTE LTD (Acquirer), a subsidiary of International Paper Company, USA. The transfer of the aforesaid shares will take place after completion of open offer and receiving the necessary approvals from regulatory authorities in India by the Acquirer.
- 5(b) Lazard India Pvt. Ltd., Manager to the Open Offer appointed by the Acquirer had given a certificate dated 11th October, 2011 to the Company confirming that IP Holding Asia Singapore PTE LTD (Acquirer) along with International Paper Company (person acting in concert) complied with all applicable provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations and completed their obligations in relation to the Open Offer made in accordance with the Interim Order dated 11th August, 2011 to Securities Appellate Tribunal. They have also confirmed that despatch of payment consideration to the shareholders whose equity shares have been accepted in the Open Offer was completed by 8th October, 2011. The Board approved transfer of 35,762 equity shares of Rs.10/- each in physical form to the Acquirer and noted the acquisition of 85,31,759 equity shares in electronic form from public shareholders by the Acquirer.
6. As per the notification issued by the Ministry of Corporate Affairs vide notification dated 31 March 2009, the Company has adjusted foreign exchange differences arising on long term foreign currency loans to the cost of the asset, where the long term foreign currency monetary items relates to acquisition of a depreciable capital asset (whether purchased within or outside India), and has depreciated such foreign exchange gain / losses over the asset's balance useful life. The Government vide notification dated G.S.R. 378(e) dated 11th May 2011 has extended the period up to 31 March 2012. As a result, the Company has capitalised foreign exchange loss of the current period amounting to Rs 1216.65 lakhs. The depreciation arising out of capitalisation during the quarter amounts to Rs 36.60 lakhs. If the option is not exercised, the profit for the current quarter would have been reduced by Rs 1180.05 lakhs.
7. The Statutory Auditors have carried out a limited review of the above financial results.
8. During the quarter ended on 30 September 2011, the Company received 10 investor complaints which have been resolved. There were no complaints pending at the beginning and end of the quarter.

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9. The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13 October 2011.
10. The figures for the previous periods/ year have been re-grouped/re-classified, wherever necessary, to conform to the current period's presentation.

By order of the Board
For The Andhra Pradesh Paper Mills Limited

Place: Hyderabad
Date: 13 October 2011


M. K. TARA
Managing Director & CEO

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