

Ref: APPM/SES/UFR/11
Dt : 8th August, 2011

1) Department of Corporate Services,
Bombay Stock Exchange Limited,
P.J.Towers,
Dalal Street,
MUMBAI :: 400 001.

2) Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
MUMBAI :: 400 051.

BSE Scrip Code No.502330

(Symbol – APPAPER; Series - EQ)

Dear Sir (s),

Pursuant to Clause 41 of the Listing Agreement, we send herewith the Unaudited Financial Results for the quarter ended 30th June, 2011 which were approved by the Board of Directors at their Meeting held on 8th August, 2011.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,

For THE ANDHRA PRADESH PAPER MILLS LTD.,



C. Prabhakar

C.PRABHAKAR
SR.VICE PRESIDENT (CORPORATE AFFAIRS) &
COMPANY SECRETARY

Encl: as above.

THE ANDHRA PRADESH PAPER MILLS LIMITED

Corporate Office: # 501 - 509, Swapnalok Complex, 92/93, Sarojini Devi Road, Secunderabad - 500 003, India

Tel : +91-40-27813715 / 625; 30482614 Fax: +91-40-27813717 e-mail: appmcorp@andhrpaper.com Website: www.andhrpaper.com

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

An ISO 9001 & 14001 and OHSAS 18001 Company

UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 30TH JUNE, 2011

Amounts in Rupees Lakhs

Sl. No.	PARTICULARS	Quarter Ended		Year Ended
		30.06.11	30.06.10	31.03.11 (Audited)
1	Gross Sales	20,396.61	17,731.15	79,593.83
	Less : Excise Duty	1,012.58	597.25	2,943.37
	Net Sales / Income from operations	19,384.03	17,133.90	76,650.46
2	Sale of surplus power	436.63	432.14	1,530.81
3	Other operating income	112.50	68.57	1,082.55
4	Total income	19,933.16	17,634.61	79,263.82
5	Total expenditure	17,018.78	14,907.42	70,165.05
	a] (Increase)/ decrease in stock	(1,481.62)	27.22	1,385.99
	b] Consumption of raw materials	5,257.14	4,190.15	20,104.30
	c] Stores	4,919.84	3,861.03	17,092.10
	d] Power and fuel	2,785.55	1,925.25	9,402.62
	e] Personnel costs	2,157.07	1,854.05	7,976.24
	f] Other expenditure	1,707.60	1,517.08	7,507.08
	g] Depreciation and amortisation	1,673.20	1,532.64	6,696.72
6	Profit from operations before other income and interest	2,914.38	2,727.19	9,098.77
7	Other income	78.84	105.59	598.26
8	Profit before interest	2,993.22	2,832.78	9,697.03
9	Interest	947.26	809.55	3,988.43
10	Profit before tax	2,045.96	2,023.23	5,708.60
11	Tax expense	415.05	406.00	1,214.38
12	Net profit for the period / year	1,630.91	1,617.23	4,494.22
13	Paid - up equity share capital (face value Rs.10/- each)	3,977.00	3,275.18	3,977.00
14	Reserves (Excluding revaluation reserve)	-	-	53,855.73
15	Earnings per share for the period (in Rupees) per Rs.10/- share			
	- Basic	4.10	4.94	12.82
	- Diluted	4.10	4.07	12.82
16	Public share holding			
	-Number of shares (Face value Rs.10/- each)	18,510,031	15,618,768	18,510,031
	-Percentage of share holding	46.54	47.69	46.54
17	Promoters and promoter group Shareholding			
a	Pledged/Encumbered			
	- Number of shares	1,499,330	971,115	1,499,330
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	7.05	5.67	7.05
	- Percentage of shares (as a % of the total share capital of the company)	3.77	2.97	3.77
b	Non-encumbered			
	- Number of shares	19,760,678	16,161,914	19,760,678
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	92.95	94.33	92.95
	- Percentage of shares (as a % of the total share capital of the company)	49.69	49.34	49.69



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Notes:

- 1 The Company had achieved highest ever bleached pulp production of 15,006 BDMT in Unit:APPM during June, 2011.
- 2 During the current quarter, planned mandatory maintenance shutdown of pulp mill for 6 days was taken up in Unit:APPM. A one time Boiler 4 and Turbine shutdown for 20 days in Unit:CP was also taken up during this period.
- 3 The Company is in the business of manufacture and sale of pulp, paper and paper board. As sale of surplus power is less than 10% of the total sales, it has not been considered as a reportable segment.
- 4 The Company has since the inception of Accounting Standard 22 on Accounting for Taxes on Income, recognised 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 has subsequently transferred to Calcutta High Court. The writ petition has been admitted and is currently pending resolution. The quantification of the deferred tax liability, and consequential impact on the accompanying Statement, which may arise due to the above, has been held in abeyance pending disposal of the writ petition. The Auditors have drawn attention to this matter in their report.
- 5 The Promoters of the Company, LN Bangur Group informed the Company on 29 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 receiving the necessary approvals from regulatory authorities in India by the Acquirer. The Acquirer is an unlisted company incorporated under the Laws of Singapore. International Paper Company, USA is a global paper and packaging company and is listed on the New York Stock Exchange.
- 6 The Statutory Auditors have carried out limited review of the above financial results.
- 7 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th August 2011.
- 8 The figures for the previous periods/ year have been re-grouped/re-classified, wherever necessary, to confirm to the current period presentation.
- 9 During the quarter ended on 30th June 2011, the company received 2 investor complaints which have been resolved. There were no complaints pending at the beginning and end of the quarter.

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



Place: Secunderabad
Date: 08th August, 2011


M. K. TARA
Managing Director & CEO

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