

Part I

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FIFTEEN MONTHS PERIOD ENDED MARCH 31, 2013

(In Indian rupees lakhs, except per share data and unless otherwise stated)

Sl. No	Particulars	Three months ended			Fifteen months period ended	Nine months period ended
		March 31, 2013 (Audited)	December 31, 2012 (Unaudited)	March 31, 2012 (Unaudited)	March 31, 2013 (Audited)	December 31, 2011 (Audited)
(Refer Notes Below)		(Refer Note 8)			(Refer Note 6)	(Refer Note 7)
1	<b>Income from operations</b>					
	(a) Net sales / Income from operations (Net of excise duty)	26,156.42	24,420.89	29,913.66	123,050.35	59,522.76
	(b) Other operating income	247.20	188.39	269.45	1,318.21	324.73
	<b>Total income from operations (Net)</b>	<b>26,403.62</b>	<b>24,609.28</b>	<b>30,183.11</b>	<b>124,368.56</b>	<b>59,847.49</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	10,613.06	8,684.79	6,848.08	40,531.16	20,893.62
	(b) Purchase of stock-in-trade	36.41	234.50	-	602.35	76.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(16.10)	1,080.34	6,114.86	7,735.73	(7,991.61)
	(d) Stores and spares consumed	5,000.94	5,230.40	5,480.20	24,987.96	15,196.21
	(e) Power and Fuel expenses	1,943.38	2,451.08	2,215.07	11,478.26	7,783.64
	(f) Employee benefits expense	2,347.85	2,408.18	2,066.07	11,233.85	6,566.08
	(g) Depreciation and amortisation expense	1,897.17	1,833.66	1,629.31	8,793.72	5,062.13
	(h) Loss on discarded assets	1.07	24.78	14.55	272.21	3,112.02
	(i) Other expenses (Refer Note 4)	3,107.51	4,114.93	2,334.97	14,643.42	7,167.33
	<b>Total expenses</b>	<b>24,931.29</b>	<b>26,062.66</b>	<b>26,703.11</b>	<b>120,278.66</b>	<b>57,866.17</b>
3	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,472.33</b>	<b>(1,453.38)</b>	<b>3,480.00</b>	<b>4,089.90</b>	<b>1,981.32</b>
4	Other income	101.18	254.85	158.50	993.05	312.77
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,573.51</b>	<b>(1,198.53)</b>	<b>3,638.50</b>	<b>5,082.95</b>	<b>2,294.09</b>
6	Finance costs	901.27	1,043.06	1,326.43	5,536.25	3,610.34
7	<b>Profit/(Loss) from ordinary activities after finance costs but before Exceptional items &amp; Tax expense (5-6)</b>	<b>672.24</b>	<b>(2,241.59)</b>	<b>2,312.07</b>	<b>(453.30)</b>	<b>(1,316.25)</b>
8	Exceptional items (Refer Note 3)	-	1,619.32	-	1,619.32	-
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>672.24</b>	<b>(3,860.91)</b>	<b>2,312.07</b>	<b>(2,072.62)</b>	<b>(1,316.25)</b>
10	Tax expense	973.86	(1,046.24)	739.65	297.61	8,464.97
11	<b>Net Profit/(Loss) for the period (9-10)</b>	<b>(301.62)</b>	<b>(2,814.67)</b>	<b>1,572.42</b>	<b>(2,370.23)</b>	<b>(9,781.22)</b>
12	Paid-up equity share capital (face value ₹ 10 each)	3977.00	3977.00	3977.00	3977.00	3977.00
13	Reserves excluding revaluation reserve	-	-	-	41,704.28	44,074.51
14	Earnings per share (Basic & Diluted) of ₹10 each (Not annualised)	(0.76)	(7.08)	3.95	(5.96)	(24.59)
	See accompanying notes to the financial results					



## THE ANDHRA PRADESH PAPER MILLS LIMITED

(A Subsidiary of IP Holding Asia Singapore Pte.Ltd.)

Corp. Office : Krishe Sapphire Building, 8<sup>th</sup> Floor, 1-89/3/B40 to 42/KS/801,  
Hi-tech City Main Road, Madhapur, Hyderabad - 50 081 (A.P.) India.  
Tel: +91-40-33121000 Fax: +91-40-33121010 Website: www.andhrpaper.com  
Regd. Office : Rajahmundry - 533 105, East Godavari Dist., Andhra Pradesh, India.  
**An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company**

**Part II**  
**SELECT INFORMATION FOR THE QUARTER AND FIFTEEN MONTH PERIOD ENDED MARCH 31, 2013**

Sl. No	Particulars	Three months ended			Fifteen months period ended	Nine months period ended
		March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	December 31, 2011
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>					
1	Public shareholding					
	- Number of shares	9,942,510	9,942,510	9,942,510	9,942,510	9,942,510
	- Percentage of share holding	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter Group Shareholding					
	Non-encumbered					
	- Number of shares	29,827,529	29,827,529	29,827,529	29,827,529	29,827,529
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	75.00	75.00	75.00	75.00	75.00

Particulars	Three months ended March 31, 2013
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	-
Received during the quarter	6
Disposed of during the quarter	6
Remaining unresolved at the end of the quarter	-

(In Indian rupees lakhs, except per share data and unless otherwise stated)

C	STATEMENT OF ASSETS AND LIABILITIES	As at March 31, 2013	As at December 31, 2011
<b>a</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	(a) Share capital	3,977.00	3,977.00
	(b) Reserve and surplus	41,704.28	44,074.51
	<b>Sub-total - Shareholders' funds</b>	<b>45,681.28</b>	<b>48,051.51</b>
2	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	32,184.35	35,209.54
	(b) Deferred tax liabilities (net)	12,431.63	12,166.70
	(c) Other long-term liabilities	98.94	254.23
	(d) Long-term provisions	18.51	-
	<b>Sub-total - Non-current liabilities</b>	<b>44,733.43</b>	<b>47,630.47</b>
3	<b>Current liabilities</b>		
	(a) Short-term borrowing	5,480.53	3,279.58
	(b) Trade payables	10,705.81	12,227.38
	(c) Other current liabilities	14,155.40	14,365.01
	(d) Short-term provisions	-	176.60
	<b>Sub-total - Current liabilities</b>	<b>30,341.74</b>	<b>30,048.57</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>120,756.45</b>	<b>125,730.55</b>
<b>b</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Fixed assets		
	Tangible assets	81,621.56	80,648.07
	Intangible assets	465.66	12.52
	Capital work-in-progress	2,237.18	6,121.36
	(b) Non-current investments	1,602.64	1,605.34
	(c) Long-term loans and advances	8,700.73	5,529.67
	<b>Sub-total - Non-current assets</b>	<b>94,627.77</b>	<b>93,916.96</b>
2	<b>Current Assets</b>		
	(a) Inventories	14,479.31	21,191.77
	(b) Trade receivables	4,557.88	3,525.95
	(c) Cash and bank balances	1,656.40	2,415.41
	(d) Short-term loans and advances	5,338.67	4,524.11
	(e) Other current assets	96.42	156.35
	<b>Sub-total - Current assets</b>	<b>26,128.68</b>	<b>31,813.59</b>
	<b>TOTAL - ASSETS</b>	<b>120,756.45</b>	<b>125,730.55</b>



*[Handwritten Signature]*



## THE ANDHRA PRADESH PAPER MILLS LIMITED

(A Subsidiary of IP Holding Asia Singapore Pte.Ltd.)

Corp. Office : Krishe Sapphire Building, 8<sup>th</sup> Floor, 1-89/3/B40 to 42/KS/801,  
Hi-tech City Main Road, Madhapur, Hyderabad - 50 1081 (A.P.) India.  
Tel: +91-40-33121000 Fax: +91-40-33121010 Website: www.andhrpaper.com  
Regd. Office : Rajahmundry - 533 105, East Godavari Dist., Andhra Pradesh, India.  
**An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company**

**Notes:**

- 1 The audited results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on April 23, 2013.
- 2 During the previous period ended December 31, 2011, the Company accrued ₹ 415.99 Lakhs towards managerial remuneration paid to the erstwhile Directors, which was in excess of the maximum limits specified in Schedule XIII to the Companies Act, 1956. The excess remuneration amounted to ₹ 194.64 Lakhs. The members at the Annual General Meeting held on March 22, 2012 approved the remuneration payable to the Directors, subject to the Central Government approval. The requisite application was made to the Central Government on April 17, 2012 and the Company received approvals towards remuneration paid to certain directors aggregating to ₹ 52.81 Lakhs. The management is awaiting the Central Government approval for the balance remuneration of ₹ 141.83 Lakhs.
- 3 **Exceptional Items:**  
During the quarter ended December 31, 2012, the Company based on its internal assessment of certain disputed matters relating to prior years and based on the legal opinion obtained on such matters, made a provision of ₹ 1,619.32 Lakhs, being ₹ 1,561.31 Lakhs towards interest and ₹ 58.01 Lakhs towards taxes.
- 4 The Company entered into an arrangement with a fellow subsidiary, pursuant to which professional services were rendered. The company made an application on July 3, 2012 to the Regional Director, Ministry of Corporate Affairs for approval and pending such approval, the Company recognized and accounted a provision of ₹ 1,400.00 lakhs in the books during the quarter/twelve months period ended December 31, 2012. Subsequently, the Company had withdrawn the application on February 6, 2013 and the provision was reversed in the books during the quarter ended March 31, 2013.
- 5 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.
- 6 The Board of Directors at their meeting held on January 22, 2013 had approved the extension of the financial year from January 1, 2012 to December 31, 2012 till March 31, 2013. Hence, the current financial results is for a period of fifteen months ended March 31, 2013.
- 7 The Board of Directors at their meeting held on December 6, 2011, had approved the change of the financial year ending March to December every year. Pursuant to the change, the previous financial year, is for a period of nine months ended December 31, 2011.
- 8 The figures of the three months ended March 31, 2013 are the balancing figures between the audited figures in respect of the full financial year ( fifteen months period ended March 31, 2013) and the published year to date figures upto the twelve months period ended December 31, 2012.
- 9 The figures of the previous periods have been regrouped / reclassified, wherever considered necessary to correspond with the current period's classification / disclosure.

Place : Hyderabad  
Date: April 23, 2013



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

  
Rampraveen Swaminathan  
Managing Director & CEO

## THE ANDHRA PRADESH PAPER MILLS LIMITED

(A Subsidiary of IP Holding Asia Singapore Pte.Ltd.)

Corp. Office : Krishe Sapphire Building, 8<sup>th</sup> Floor, 1-89/3/B40 to 42/KS/801,  
Hi-tech City Main Road, Madhapur, Hyderabad - 501081 (A.P.) India.  
Tel: +91-40-33121000 Fax: +91-40-33121010 Website: www.andhrpaper.com  
Regd. Office : Rajahmundry - 533 105, East Godavari Dist., Andhra Pradesh, India.  
**An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company**

**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
THE ANDHRA PRADESH PAPER MILLS LIMITED**

1. We have audited the accompanying Statement of Audited Financial Results for the quarter and fifteen months period ended March 31, 2013 ("the Statement") of **THE ANDHRA PRADESH PAPER MILLS LIMITED** ("the Company") being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 8 of the Statement regarding figures for the three months ended March 31, 2013 being balancing figures between the audited figures in respect of the full financial period and the published year to date figures up to the twelve months period ended December 31, 2012.
4. Without qualifying our opinion, we draw attention to:
  - (a) Note 2 forming part of the Statement, which describes that Central Government approval is awaited for the payment of remuneration amounting to ₹ 141.83 lakhs (December 31, 2011 ₹ 194.64 lakhs) to certain directors being in excess of the limits specified under Schedule XIII, to the Companies Act, 1956, during the previous financial period awaiting Central Government approval; and
  - (b) Note 3 forming part of the Statement, which describes that the Company had made a provision of ₹ 1,619.32 lakhs towards certain disputed matters relating to prior years, based on the opinion received from the legal advisors.

# Deloitte Haskins & Sells

5. In our opinion and to the best of our information and according to the explanations given to us and further to our comments stated in paragraph 4 above, the Statement:
- (a) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
  - (b) gives a true and fair view of the net loss and other financial information of the Company for the fifteen months period ended March 31, 2013.
6. Further, we also report that we have traced from the details furnished by the Registrars, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged / encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No. 008072S)



**GANESH BALAKRISHNAN**  
Partner  
(Membership No. 201193)

Hyderabad, April 23, 2013