

May 2, 2018

- 1) Department of Corporate Services,
BSE 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 – IPAPPM; Series - EQ)

Dear Sir (s),

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith the Audited Financial Results for the quarter and year ended March 31, 2018 which were approved by the Board of Directors at their Meeting held on May 2, 2018.

The meeting of Board of Directors of the Company commenced at 1.30 P.M. and concluded at 4.45 P.M.

We also enclose the Independent Auditor’s Review Report dated May 2, 2018 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Audited Financial Results for the year ended March 31, 2018 which was placed before the Board of Directors.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For INTERNATIONAL PAPER APPM LIMITED



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



Encl: As above.

INTERNATIONAL PAPER APPM LIMITED

(Formerly known as The Andhra Pradesh Paper Mills Limited)

(Corporate Identity Number: L21010AP1964PLC001008)

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Sl. No	Particulars	Quarter ended			Year ended	
		March 31, 2018 (Audited)	December 31, 2017 (Unaudited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)
		Refer Note 9		Refer Note 9		
1	Income					
	a) Revenue from operations (Refer Note 6)	33,973.19	32,829.49	33,956.57	1,27,980.22	1,23,093.86
	b) Other income	75.24	228.18	178.18	529.40	596.12
	Total Income	34,048.43	33,057.67	34,134.75	1,28,509.62	1,23,689.98
2	Expenses					
	a) Cost of materials consumed	12,276.36	12,460.45	12,738.52	48,238.60	48,722.72
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	133.73	998.98	(201.73)	1,650.66	2,394.14
	c) Excise duty	-	-	1,630.46	1,579.65	5,858.14
	d) Employee benefits expense	3,456.78	4,055.81	4,138.78	15,220.17	13,921.69
	e) Finance costs	624.99	647.24	763.79	2,608.99	3,359.07
	f) Depreciation and amortisation expense	1,646.71	1,682.05	1,719.04	6,581.34	7,002.79
	g) Other expenses	10,377.81	9,741.63	9,266.83	39,147.98	35,189.79
	Total Expenses	28,516.38	29,586.16	30,055.69	1,15,027.39	1,16,448.34
3	Profit before exceptional items and tax (1-2)	5,532.05	3,471.51	4,079.06	13,482.23	7,241.64
4	Exceptional items (net) (Refer Note 8)	(836.56)	-	(1,414.46)	(836.56)	(2,818.59)
5	Profit before tax (3+4)	4,695.49	3,471.51	2,664.60	12,645.67	4,423.05
6	Tax expense					
	a) Current tax	1,584.29	746.65	573.66	3,279.32	913.48
	b) Deferred tax	(161.81)	652.25	532.66	1,059.64	270.01
	Tax expense	1,422.48	1,398.90	1,106.32	4,338.96	1,183.49
7	Net Profit after tax (5-6)	3,273.01	2,072.61	1,558.28	8,306.71	3,239.56
8	Other comprehensive income					
	<i>Items that will not be reclassified to profit or loss:</i>					
	(a) Remeasurements of the defined benefit plans	(4.83)	(23.76)	(39.60)	(76.11)	(158.40)
	(b) Equity instruments through other comprehensive income	516.94	(21.19)	(21.19)	453.36	(84.77)
	(c) Deferred tax relating to the above items	(117.60)	13.12	18.60	(78.26)	74.38
	Total other comprehensive income / (loss)	394.51	(31.83)	(42.19)	298.99	(168.79)
9	Total comprehensive income (7+8)	3,667.52	2,040.78	1,516.09	8,605.70	3,070.77
10	Paid-up equity share capital (Face Value ₹ 10/- each)	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00
11	Reserves excluding revaluation reserve	-	-	-	52,423.53	43,817.84
12	Earnings per share (of ₹ 10/- each) (not annualised)					
	- Basic (₹)	8.23	5.21	3.92	20.89*	8.15*
	- Diluted (₹)	8.23	5.21	3.92	20.89*	8.15*
	See accompanying notes to the financial results					

* Annualised



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Statement of assets and liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2018 * (Audited)	As at March 31, 2017 * (Audited)	As at April 1, 2016* (Audited)
A. ASSETS			
1 Non-current Assets			
(a) Property, plant and equipment	73,796.63	79,274.46	82,444.65
(b) Capital work-in-progress	419.44	251.08	1,713.57
(c) Intangible assets	369.36	554.02	682.83
(d) Financial assets			
(i) Investments	1,464.50	1,011.14	1,095.91
(ii) Loans	21.51	22.18	28.43
(iii) Other financial assets	990.09	924.75	976.97
(e) Non-current tax assets (net)	920.12	1,254.77	1,092.42
(f) Other non-current assets	2,888.60	2,910.11	1,055.46
Total - Non-current assets	80,870.25	86,202.51	89,090.24
2 Current assets			
(a) Inventories	15,477.89	18,384.10	21,370.87
(b) Financial assets			
(i) Trade receivables	6,957.49	6,750.31	7,068.21
(ii) Cash and cash equivalents	1,601.05	677.31	962.31
(iii) Other bank balances	64.54	29.98	52.01
(iv) Loans	137.31	121.93	141.18
(v) Other financial assets	108.59	264.64	59.77
(c) Other current assets	3,790.45	3,028.95	4,427.07
Total current assets	28,793.70	29,259.72	34,147.09
TOTAL ASSETS	1,09,663.95	1,15,462.23	1,23,237.33
B. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3,977.00	3,977.00	3,977.00
(b) Other equity	52,423.53	43,817.84	40,747.07
Total - Equity	56,400.53	47,794.84	44,724.07
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
i) Borrowings	6,479.58	14,427.62	30,401.03
ii) Other financial liabilities	691.31	888.49	1,071.06
(b) Provisions	354.89	446.38	295.38
(c) Deferred tax liabilities (net)	9,734.31	7,997.37	7,801.74
Total - Non-current liabilities	17,260.09	23,759.86	39,569.21
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11,600.00	9,000.00	14,347.79
(ii) Trade payables	13,231.00	13,812.54	15,379.90
(iii) Other financial liabilities	5,913.78	15,745.82	6,272.12
(b) Provisions	3,448.09	3,448.09	1,090.66
(c) Other current liabilities	1,810.46	1,901.08	1,853.58
Total - Current liabilities	36,003.33	43,907.53	38,944.05
Total - Liabilities	53,263.42	67,667.39	78,513.26
TOTAL EQUITY AND LIABILITIES	1,09,663.95	1,15,462.23	1,23,237.33

* Refer Note 2

Notes:

- The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on May 02, 2018. The statutory auditors have carried out an audit of these financial results.
- The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 with transition date of April 1, 2016 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.



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- 3 The reconciliation of the financial results for the quarter and year ended March 31, 2017 to those reported under previous Generally Accepted Accounting Principles ("GAAP") is summarised as follows:

Particulars	(₹ in lakhs)	
	Quarter ended March 31, 2017 (Audited) Refer Note 9	Year ended March 31, 2017 (Audited)
Net profit after tax as reported under previous GAAP	1,531.56	3,130.57
Reclassification of Actuarial gains/losses arising in respect of the employees benefit scheme to Other Comprehensive Income (OCI)	39.60	158.40
Others		
Tax adjustments on above	1.27	8.27
Net profit after tax as reported under Ind AS	(14.15)	(57.68)
Other comprehensive income / (loss) (net of tax)	1,558.28	3,239.56
Total Comprehensive Income for the period as reported under Ind AS	(42.19)	(168.79)
	1,516.09	3,070.77

- 4 Reconciliation between Total Equity previously reported (referred to as 'Previous GAAP') and Ind AS in accordance with the requirements of Ind AS 101 is presented as under:

Particulars	(₹ in lakhs)	
	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
Total Equity as per previous GAAP	48,224.96	45,094.39
Effect of reversal of rental Straight lining (net of tax)	94.61	82.13
Effect of embedded finance lease (net of tax)	(111.86)	(104.69)
Effect of fair valuation of equity investments through other comprehensive income (net of tax)	(409.43)	(344.22)
Others	(3.44)	(3.54)
Total Equity as per Ind AS	47,794.84	44,724.07

- 5 The Company is engaged in the business of manufacture and sale of pulp, paper and paper boards, which in the context of Indian Accounting Standard (Ind AS) - 108 - Operating Segments, is considered as the single operating segment of the Company.
- 6 The Government of India introduced the Goods and Services tax (GST) with effect from July 01, 2017. Accordingly, in compliance with Indian Accounting Standard (Ind AS) 18 - 'Revenue', Revenue from operations for the period beginning July 1, 2017 to March 31, 2018 is presented net of GST. Revenue from operations of earlier periods included Excise duty which now is subsumed in GST.
- 7 In the previous year, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The Company (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which the Company had paid ₹ 1,502.05 lakhs under protest in the previous year. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 2,357.43 lakhs during the previous year towards the potential liability in the event of an unfavourable verdict in this matter, which amount was disclosed as an exceptional item. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as contingent liability. On the basis of the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

8 Exceptional Items:

(a) During the quarter / year ended March 31, 2018:

The Management on evaluation of the performance and usefulness of all the fixed assets in use, determined to de-commission certain fixed assets which are not required for the continued or future business operations of the Company. Consequently, the net book value of these assets (net of its fair value less costs to sell) has been re-classified in the Balance Sheet as 'Assets classified as held for sale' and ₹ 836.56 lakhs representing the write-down of the net book value has been disclosed as an Exceptional Item in the Statement of Profit and Loss.

(b) During the quarter / year ended March 31, 2017:

(i) The Company had created a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017 (₹ 1,414.46 lakhs during the quarter ended March 31, 2017) in respect of the matter referred to Note 7 above.


(ii) The Company had in the earlier years made an application for the refund of excise duty on cash discounts, freight rebates and quantity discounts extended to the dealers post clearance through the issue of credit notes. Based on the favorable orders of the Hon'ble High Court of Andhra Pradesh dated February 19, 2014 and July 1, 2015, a major portion of refund of duty was sanctioned to the Company in July 2015 and August 2016 and also a small portion of refund was received in the earlier years as well. On appeal made by the Department of Central Excise and Customs, the Hon'ble Supreme Court vide its order dated August 29, 2016 ruled in favour of the Department. Consequently, the Company had created a provision of ₹ 461.16 lakhs during the year ended March 31, 2017, which was disclosed as an Exceptional item.

- 9 The figures of the current quarter and quarter ended March 31, 2017 are the balancing figures between the audited figures of the full financial year ended March 31, 2018 and March 31, 2017 (Ind AS), respectively, and the published year to date Ind AS figures upto third quarter ended December 31, 2017 and December 31, 2016, respectively.

- 10 This Statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

Place : Hyderabad
Date : May 02, 2018



By order of the Board
For International Paper APPM Limited

Donald P. Devlin
Chairman & Managing Director

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF INTERNATIONAL PAPER APPM LIMITED

1. We have audited the accompanying Statement of Financial Results of **INTERNATIONAL PAPER APPM LIMITED** ("the Company"), for the year ended March 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the Net profit and Total comprehensive income and other financial information of the Company for the year ended March 31, 2018.

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Deloitte Haskins & Sells


5. Attention is invited to Note 7 of the Statement regarding the ongoing litigation with respect to the levy of electricity duty by the State Government on consumption of electricity by captive generating units and the interim orders of the Hon'ble Supreme Court of India on hearing the Special Leave Petition filed by the Company, in respect of which the Company on grounds of prudence and abundant caution created a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017, in view of the inherent uncertainty in predicting the final outcome of the above litigation. Additionally, an amount of ₹ 1,571.62 lakhs has been treated as contingent liability. Based on the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

Our opinion is not modified in respect of this matter.

6. The Statement includes the results for the Quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)



Sumit Trivedi
Partner
(Membership No. 209354) 

Hyderabad, May 02, 2018