

**Audited Financial Results for the year ended 31st March, 2008**

(Rs.Crores)

| Sl. No. | Particulars   | Quarter Ended             |                           | Year ended<br>31.03.2008<br>(Audited) | Year ended<br>31.03.2007<br>(Audited) |
|---------|---|---------------------------|---------------------------|---------------------------------------|---------------------------------------|
|         |   | 31.03.2008<br>(unaudited) | 31.03.2007<br>(unaudited) |                                       |                                       |
| 1       | Net Sales / Income from operations                            | <b>186.78</b>             | 172.36                    | <b>578.89</b>                         | 487.03                                |
| 2       | Other Income  | <b>8.64</b>               | 4.88                      | <b>13.25</b>                          | 20.84                                 |
|         | <b>Total</b>  | <b>195.42</b>             | 177.24                    | <b>592.14</b>                         | 507.87                                |
| 3       | Expenditure   |                           |                           |                                       |                                       |
|         | a] (increase) / decrease in stock                             | <b>13.96</b>              | 8.89                      | <b>(12.83)</b>                        | (14.91)                               |
|         | b] Consumption of raw materials                               | <b>57.19</b>              | 62.77                     | <b>192.09</b>                         | 181.23                                |
|         | c] Stores   | <b>44.74</b>              | 44.07                     | <b>146.99</b>                         | 94.54                                 |
|         | d] Power & Fuel   | <b>14.73</b>              | 15.84                     | <b>70.64</b>                          | 72.58                                 |
|         | e] Staff Cost   | <b>13.63</b>              | 17.04                     | <b>52.59</b>                          | 48.82                                 |
|         | f] Depreciation   | <b>13.53</b>              | 13.60                     | <b>52.36</b>                          | 41.43                                 |
|         | g] Other Expenditure  | <b>22.95</b>              | 7.72                      | <b>62.34</b>                          | 49.32                                 |
|         | <b>Total</b>  | <b>180.73</b>             | 169.93                    | <b>564.18</b>                         | 473.01                                |
| 4       | Profit before Interest  | <b>14.69</b>              | 7.31                      | <b>27.96</b>                          | 34.86                                 |
| 5       | Interest  | <b>12.81</b>              | 5.06                      | <b>15.36</b>                          | 11.96                                 |
| 6       | Profit before extraordinary items                             | <b>1.88</b>               | 2.25                      | <b>12.60</b>                          | 22.90                                 |
| 7       | Extraordinary items   | <b>0.73</b>               | -                         | <b>7.06</b>                           | -                                     |
| 8       | Profit before Tax   | <b>2.61</b>               | 2.25                      | <b>19.66</b>                          | 22.90                                 |
| 9       | Tax Expenses  | <b>(0.47)</b>             | (3.82)                    | <b>3.12</b>                           | (1.23)                                |
| 10      | Net Profit  | <b>3.08</b>               | 6.07                      | <b>16.54</b>                          | 24.13                                 |
| 11      | Paid-up Equity Capital<br>(Face Value - Rs.10/- per share)    | <b>25.73</b>              | 23.82                     | <b>25.73</b>                          | 23.82                                 |
| 12      | Reserves, excluding Revaluation Reserves                      |                           |                           | <b>390.70</b>                         | 361.26                                |
| 13      | Earnings per share - Basic/ Diluted (Rs.)<br>(not annualised) | <b>1.20</b>               | 2.55                      | <b>6.44</b>                           | 10.13                                 |
| 14      | Aggregate of Public Shareholding                              |                           |                           |                                       |                                       |
|         | Number of Shares  | <b>1,26,95,395</b>        | 1,26,96,395               | <b>1,26,95,395</b>                    | 1,26,96,395                           |
|         | Percentage of Shareholding                                    | <b>49.33</b>              | 53.30                     | <b>49.33</b>                          | 53.30                                 |

Notes

- 1 The reduction in the profit for the year is due to loss of production of 2640 tons, on Paper Machine No.3 of Unit : APPM and 2500 tons on Paper Machine No.3 of Unit : CP due to time taken for rebuild of the machines.
- 2 The expenditure of Rs.5.33 crores was incurred during the year on repairs to Recovery Boiler in respect of which, the Insurance Company has agreed for a settlement of Rs.4.61 crores.
- 3 Interest for the year is net of exchange gain of Rs.21.24 crores.
- 4 In accordance with the transition provision of AS-15 (Revised), the additional liability towards the employees benefit relating to period upto 31st March, 2007 amounting to Rs.217.59 lacs (net of tax) has been charged against opening balance of General Reserve.
- 5 Extra ordinary items include provisions made in earlier years now no longer required Rs.15.74 crores and the premium and Mark to Market on derivative transactions aggregating to Rs.8.70 crores provided as a matter of prudence in compliance with AS-30.
- 6 Tax expenses include income-tax (MAT), deferred tax and fringe benefit tax.
- 7 With regard to Auditors' observation on the accounts for the year ended 31st March 2008, the writ petition filed by the Company on the applicability of effective rate of deferred tax is awaiting disposal by the Calcutta High Court.
- 8 Previous period(s)/year figures have been regrouped wherever necessary.
- 9 The Company operates only in one business segment of manufacture and sale of Pulp, Paper and Paper Boards.
- 10 The Board of Directors has recommended a dividend of Re.1 per share on 257,33,555 equity shares of Rs.10/- each for the year ended 31st March, 2008.
- 11 During the quarter, the Company received 4 complaints from shareholders which have been resolved. There were no complaints remaining unresolved as at the beginning or end of the quarter.
- 12 The above Audited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th May, 2008.

for THE ANDHRA PRADESH PAPER MILLS LTD

Place: Secunderabad  
Date : 12th May 2008

M.K.TARA  
MANAGING DIRECTOR