

The Andhra Pradesh Paper Mills Limited
(An ISO 9001 & 14001 and OHSAS 18001 Company)

Regd Office: Rajahmundry-533 105, East Godavari Dist., Andhra Pradesh.

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

Website: www.andhraper.com

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011

All amounts in Indian Rupees lakhs, except share data

| SL No. | Particulars | YEAR ENDED | |
|--------|---|-----------------|-----------------|
| | | 31.03.2011 | 31.03.2010 |
| 1 | (a) Net Sales / Income from operations | 78181.27 | 64928.61 |
| | (b) Other Income | 1680.81 | 873.60 |
| | Total Income | 79862.08 | 65802.21 |
| 2 | Expenditure | | |
| | a] (increase) / decrease in stock | 1385.99 | 1844.39 |
| | b] Consumption of Raw Materials | 20104.30 | 15618.33 |
| | c] Stores | 17092.10 | 14699.91 |
| | d] Power & Fuel | 9402.62 | 5960.21 |
| | e] Employee Cost | 7976.24 | 5648.92 |
| | f] Other Expenditure | 7507.08 | 6727.75 |
| | Total | 63468.33 | 50499.51 |
| 3 | EBIDTA | 16393.75 | 15302.70 |
| 4 | Interest | 3988.43 | 3215.45 |
| 5 | Depreciation | 6696.72 | 5581.72 |
| 6 | Profit before Tax | 5708.60 | 6505.53 |
| 7 | Tax Expense | 1214.38 | 1086.19 |
| 8 | Net profit for the year | 4494.22 | 5419.34 |
| 9 | Paid-up Equity Share Capital (Face Value - Rs.10/- per share) | 3977.00 | 3275.18 |
| 10 | Reserves, excluding Revaluation Reserves | 53855.73 | 47019.35 |
| 11 | Earnings per share - Basic (Rs.) (not annualised) | 12.82 | 21.03 |
| 12 | Earnings per share - Diluted (Rs.) (not annualised) | 12.82 | 21.03 |
| 13 | Public Shareholding | | |
| | Number of Shares | 18510031 | 15687201 |
| | Percentage of Shareholding | 46.54 | 47.90 |
| 14 | Promoters and Promoter Group Share holding | | |
| | a) Pledged / Encumbered | | |
| | - Number of Shares | 1499330 | 971115 |
| | -Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 7.05 | 5.69 |
| | -Percentage of shares (as a % of the total share capital of the company) | 3.77 | 2.97 |
| | b) Non-encumbered | | |
| | -Number of shares | 19760678 | 16093481 |
| | -Percentage of shares (as a % of the total share holding of the promoter and promoter group) | 92.95 | 94.31 |
| | -Percentage of shares (as a % of the total share capital of the company) | 49.69 | 49.13 |

Notes:

1 Statement of Assets & Liabilities

| PARTICULARS | All amounts in Indian Rupees lakhs | |
|---|------------------------------------|--------------------------------|
| | As at 31.03.11 (Audited) | As at 31.03.10 (Audited) |
| SHARE HOLDERS' FUNDS | | |
| Share capital | 3,977.00 | 3,275.18 |
| Reserves and Surplus | 53,855.73 | 47,019.35 |
| Share Application Money | - | - |
| LOAN FUNDS | 43,596.72 | 49,336.59 |
| DEFERRED TAX LIABILITY | 4,271.25 | 3,075.25 |
| TOTAL | 105,700.70 | 102,706.37 |
| FIXED ASSETS | 89,505.68 | 90,395.01 |
| INVESTMENTS | 1,664.34 | 1,664.34 |
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| Inventory | 12,106.85 | 11,587.20 |
| Sundry debtors | 5,629.36 | 4,642.46 |
| Cash and bank balances | 2,068.09 | 1,376.64 |
| Loans and advances | 9,181.98 | 7,229.11 |
| Less: Current liabilities and provisions | | |
| Current liabilities | 13,993.38 | 13,554.53 |
| Provisions | 462.22 | 633.86 |
| Net current assets | 14,530.68 | 10,647.02 |
| TOTAL | 105,700.70 | 102,706.37 |

- 2 Pursuant to notification dated 31st March, 2009 of the Ministry of Corporate Affairs, Government of India, the Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules 2009, on Accounting Standard AS 11 with effect from 1st April, 2007. As a result, during the year the value of assets has been decreased by Rs.92.23 lacs and charge for depreciation more by Rs.33.89 lacs and profit for the current year is less by Rs.126.12 lacs. The option given in the notification is fully exercised and completed by 31st March, 2011.
- 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 The Promoters of the company viz., LN Bangur group vide letter dated 29th March, 2011 informed the company that they had executed 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 by the Acquirer. The Acquirer is an unlisted company incorporated under the Laws of Singapore. International Paper is a global paper and packaging Company and is listed on New York Stock Exchange.
- 5 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 reports.
- 6 In terms of letter of offer dated 22nd February, 2010, the company converted 70,18,242 detachable warrants on 2nd December 2010 in to equivalent number of equity shares of Rs 10 each at a premium of Rs 40 per share aggregating to Rs 3509.12 lakh. Consequently, the equity share capital had gone up from Rs 3275.18 lakhs to Rs 3977.00 lakhs.
- 7 The Board of Directors has recommended a dividend of Re 1 per share of Rs.10 each for the year ended 31st March 2011.
- 8 During the quarter ended on 31st March 2011, the company received 8 investor complaints which have been resolved. There were six complaints pending at the beginning of the quarter & no complaint was pending at the end of the quarter.
- 9 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 4th May 2011.
- 10 The figures for the previous periods/ year have been re-grouped/re-classified, wherever necessary, to conform to the current period presentation.

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

Place : Secunderabad
Date: 04th May, 2011

M. K. TARA
Managing Director & CEO