

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND  
HALF YEAR ENDED 30TH SEPTEMBER, 2010**

SL No.	Particulars	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010 ( Audited)
1	(a) Net Sales / Income from operations	17,842.86	14,582.72	35,396.91	28,448.21	64,907.86
	(b) Other Income	586.70	105.97	754.46	433.13	828.52
	Total Income	18,429.56	14,688.69	36,151.37	28,881.34	65,736.38
2	Expenditure					
	a] (increase) / decrease in stock	-812.42	-1,391.91	-726.18	-2,129.29	1,844.39
	b] Consumption of Raw Materials	4,829.69	4,100.77	8,960.82	7,853.84	15,618.33
	c] Stores	4,428.72	3,478.19	8,289.75	7,095.32	14,699.91
	d] Power & Fuel	2,346.98	1,549.79	4,272.23	2,976.13	5,960.21
	e] Employee Cost	1,674.16	1,297.42	3,528.21	2,727.41	5,648.92
	f] Other Expenditure	1,696.23	1,410.82	3,194.92	2,825.98	6,661.92
	Total	14,163.36	10,445.08	27,519.75	21,349.39	50,433.68
3	<b>EBIDTA</b>	4,266.20	4,243.61	8,631.62	7,531.95	15,302.70
4	Interest	1,017.03	769.77	1,826.58	1,731.02	3,215.45
5	Depreciation	1,733.52	1,387.42	3,266.16	2,783.87	5,581.72
6	Profit before Tax	1,515.65	2,086.42	3,538.88	3,017.06	6,505.53
7	Tax Expense	300.00	321.83	706.00	431.83	1,086.19
8	Net profit for the year	1,215.65	1,764.59	2,832.88	2,585.23	5,419.34
9	Paid-up Equity Share Capital (Face Value - Rs.10/- per share)	3275.18	2573.36	3275.18	2573.36	3275.18
10	Reserves, excluding Revaluation Reserves					47019.35
11	Earnings per share - Basic (Rs.) (not annualised)	3.71	6.86	8.65	10.05	21.03
12	Earnings per share - Diluted (Rs.) (not annualised)	3.23	6.86	7.65	10.05	21.03
13	Public Shareholding					
	Number of Shares	15523768	12660892	15523768	12660892	15687201
	Percentage of Shareholding	47.40	49.20	47.40	49.20	47.90
14	Promoters and Promoter Group Share holding					
	a) Pledged / Encumbered					
	- Number of Shares	971115	971115	971115	971115	971115
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	5.64	7.43	5.64	7.43	5.69
	-Percentage of shares (as a % of the total share capital of the company)	2.97	3.77	2.97	3.77	2.97
	b) Non-encumbered					
	-Number of shares	16256914	12101548	16256914	12101548	16093481
	-Percentage of shares (as a % of the total share holding of the promoter and promoter group)	94.36	92.57	94.36	92.57	94.31
	-Percentage of shares (as a % of the total share capital of the company)	49.63	47.03	49.63	47.03	49.13

Notes:

1 Other operating income for the current quarter includes profit on sale of fixed assets of Rs.423.40 Lakhs.

2 Statement of Assets & Liabilities

All amounts in Indian Rupees lakhs

<b>PARTICULARS</b>	<b>As at 30.09.10</b>	<b>As at 30.09.09</b>	<b>As at 31.03.10 (Audited)</b>
<b>SHARE HOLDERS' FUNDS</b>			
Share capital	3,275.18	2,573.36	3,275.18
Reserves and Surplus	49,852.23	41,809.63	47,019.35
Share Application Money	-	1,250.00	-
<b>LOAN FUNDS</b>	<b>46,959.37</b>	<b>52,243.69</b>	<b>49,336.59</b>
<b>DEFERRED TAX LIABILITY</b>	<b>3,781.25</b>	<b>2,597.16</b>	<b>3,075.25</b>
	<b>103,868.03</b>	<b>100,473.84</b>	<b>102,706.37</b>
<b>FIXED ASSETS</b>	<b>89,606.05</b>	<b>89,535.93</b>	<b>90,395.01</b>
<b>INVESTMENTS</b>	<b>1,664.34</b>	<b>1,664.34</b>	<b>1,664.34</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventory	11,546.64	14,227.68	11,587.20
Sundry debtors	3,395.64	3,495.84	4,642.46
Cash and bank balances	1,852.17	1,129.44	1,376.64
Other current assets	106.21	99.95	131.36
Loans and advances	8,189.34	6,433.16	7,097.75
Less: Current liabilities and provisions			
Current liabilities	12,271.46	15,758.22	13,554.53
Provisions	220.90	425.63	633.86
Net current assets	<b>12,597.64</b>	<b>9,202.22</b>	<b>10,647.02</b>
<b>MISCELLANEOUS EXPENDITURE (not written off or adjusted)</b>	<b>-</b>	<b>71.35</b>	<b>-</b>
	<b>103,868.03</b>	<b>100,473.84</b>	<b>102,706.37</b>

3 The Company has been recognising deferred tax expense / benefit at effective tax rate of the Company for the respective years and not at the enacted tax rates as at the balance sheet date as required by Accounting Standard – 22 on Accounting for Taxes on Income. The applicability of the effective tax rate instead of enacted tax rate is a matter of reference in a writ petition filed by the Company which is pending before the Hon'ble Calcutta High Court. Tax expense for the current quarter represents deferred tax charge for the quarter based on the effective tax rate for the year, which is the Minimum Alternate Tax. As in the earlier years, the statutory auditors have qualified their report regarding providing deferred tax at effective rate.

4 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.

5 The Board of Directors, in its meeting held on 30 September 2010, has fixed the warrant exercise period from 22 October 2010 to 22 November 2010 during which period the Warrant holders can opt for conversion of Warrants into equity shares at predetermined price.

6 The Statutory Auditors have carried out the limited review of the above financial results.

7 During the quarter ended on 30th September 2010, the company received 11 investor complaints, which have been resolved and no complaint was pending at the beginning and at the end of the quarter.

8 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 22 October 2010.

9 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: Hyderabad  
Date: 22 October, 2010

M. K. TARA  
Managing Director & CEO