

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.andhrpaper.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER, 2010

All amounts in Indian Rupees lakhs, except share data

SL No.	Particulars	QUARTER ENDED		NINE MONTH ENDED		YEAR ENDED
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010 (Audited)
1	(a) Net Sales / Income from operations	17304.72	16177.37	52701.63	44625.58	64907.86
	(b) Other Income	409.53	45.56	1163.99	478.69	828.52
	Total Income	17714.25	16222.93	53865.62	45104.27	65736.38
2	Expenditure					
	a] (Increase) / Decrease in stock	-2139.27	463.34	-2865.45	-1665.95	1844.39
	b] Consumption of Raw Materials	5260.07	3982.42	14220.89	11836.26	15618.33
	c] Stores	4448.68	3803.78	12738.43	10899.10	14699.91
	d] Power & Fuel	2440.43	1635.51	6712.66	4611.64	5960.21
	e] Employee Cost	2065.38	1363.34	5593.59	4090.75	5648.92
	f] Other Expenditure	1743.61	1707.13	4938.53	4533.11	6661.92
	Total	13818.90	12955.52	41338.65	34304.91	50433.68
3	EBIDTA	3895.35	3267.41	12526.97	10799.36	15302.70
4	Interest	1114.13	752.25	2940.71	2483.27	3215.45
5	Depreciation	1744.70	1385.75	5010.86	4169.62	5581.72
6	Profit before Tax	1036.52	1129.41	4575.40	4146.47	6505.53
7	Tax Expense	217.00	192.00	923.00	623.83	1086.19
8	Net profit for the period / year	819.52	937.41	3652.40	3522.64	5419.34
9	Paid-up Equity Share Capital (Face Value - Rs.10/- per share)	3977.00	2573.36	3977.00	2573.36	3275.18
10	Reserves, excluding Revaluation Reserves					47019.35
11	Earnings per share - Basic (Rs.) (not annualised)	2.46	3.64	10.96	13.69	21.03
12	Earnings per share - Diluted (Rs.) (not annualised)	2.46	3.64	10.96	13.69	21.03
13	Public Shareholding					
	Number of Shares	18509881	12655352	18509881	12655352	15687201
	Percentage of Shareholding	46.54	49.18	46.54	49.18	47.90
14	Promoters and Promoter group Shareholding					
	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)	4.57	7.43	4.57	7.43	5.69
	-Percentage of shares (as a % of the total share capital of the company)	2.44	3.77	2.44	3.77	2.97
	b) Non-encumbered					
	- Number of shares	20289043	12107088	20289043	12107088	16093481
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	95.43	92.57	95.43	92.57	94.31
	-Percentage of shares (as a % of the total share capital of the company)	51.02	47.05	51.02	47.05	49.13

Notes:

- 1 The Company registered its highest exports ever of 6,154 tons in this quarter
- 2 The company has been awarded two prestigious environmental awards:-
 - a) The Indian Paper Manufacturers Association (IPMA) Award of 2009-2010 for Environment
 - b) The Confederation of Indian Industry (CII) Environmental Best practices Award of 2010-2011
- 3 The Profit for the quarter is primarily impacted due to retrospective settlement of wage revision, following agreement with union at APPM unit amounting to Rs.385 lakhs (net of provision).
- 4 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. The statutory auditors have drawn attention to this matter in their report.
- 5 The Company is in the business of manufacture and sale of pulp, paper and paper board which according to management is a single reportable business segment.
- 6 The equity share capital has increased from Rs. 3,275.18 lakhs to Rs 3,977.00 lakhs upon conversion of 70,18,242 detachable warrants into equity shares on 2nd December 2010. Share premium @ Rs.40 per share amounting to Rs.2807.30 lacs has been credited to share premium account. The proceeds of warrants conversion issue have been fully utilised for the purposes stated in the letter of offer dated 22nd February 2010
- 7 Status of investor complaints during the quarter ended 31.12.2010, Pending at the beginning : Nil; Received during the Quarter :15; Redressed: 9; Pending at the end of the Quarter : 6 (since resolved).
- 8 The Statutory Auditors have carried out limited review of the above financial results.
- 9 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 9th February 2011.
- 10 The figures for the previous periods/ year have been re-grouped/re-classified, wherever necessary, to conform to the current period/s presentation.

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

Place : Secunderabad
Date: 9th February, 2011

M. K. TARA
Managing Director & CEO