

**AUDITED FINANCIAL RESULTS FOR THE  
YEAR ENDED 31ST MARCH, 2010**

(Rs.lakhs)

| SL No. | Particulars  | YEAR ENDED                |                         |
|--------|--|---------------------------|-------------------------|
|        |  | 31.03..2010<br>( Audited) | 31.03.2009<br>(Audited) |
| 1      | (a) Net Sales / Income from operations   | <b>64907.86</b>           | 62794.85                |
|        | (b) Other Income   | <b>828.52</b>             | 1023.29                 |
|        | Total Income   | <b>65736.38</b>           | 63818.14                |
| 2      | Expenditure  |                           |                         |
|        | a] (increase) / decrease in stock  | <b>1844.39</b>            | (3086.52)               |
|        | b] Consumption of Raw Materials  | <b>15618.33</b>           | 18857.55                |
|        | c] Stores  | <b>14699.91</b>           | 17355.63                |
|        | d] Power & Fuel  | <b>5960.21</b>            | 6473.05                 |
|        | e] Employee Cost   | <b>5648.92</b>            | 5507.65                 |
|        | f] Other Expenditure   | <b>6661.92</b>            | 6173.77                 |
|        | Total  | <b>50433.68</b>           | 51281.13                |
| 3      | <b>EBIDTA</b>  | <b>15302.70</b>           | 12537.01                |
| 4      | Interest   | <b>3215.45</b>            | 4937.09                 |
| 5      | Depreciation   | <b>5581.72</b>            | 5411.19                 |
| 6      | Profit before Tax  | <b>6505.53</b>            | 2188.73                 |
| 7      | Tax Expense  | <b>1086.19</b>            | 293.34                  |
| 8      | Net profit for the year  | <b>5419.34</b>            | 1895.39                 |
| 9      | Paid-up Equity Share Capital<br>(Face Value - Rs.10/- per share)                             | <b>3275.18</b>            | 2573.36                 |
| 10     | Reserves, excluding Revaluation Reserves as per Balance Sheet                                | <b>47019.35</b>           | 39224.40                |
| 11     | Earnings per share (EPS) - Basic/ Diluted (Rs.)<br>(not annualised)                          | <b>21.03</b>              | 7.37                    |
| 12     | Public Shareholding  |                           |                         |
|        | Number of Shares   | <b>15687201</b>           | 12679442                |
|        | Percentage of Shareholding   | <b>47.90</b>              | 49.27                   |
| 13     | Promoters and Promoter Group Shareholding  |                           |                         |
|        | a) Pledged / Encumbered  |                           |                         |
|        | - Number of Shares   | <b>971115</b>             | 971115                  |
|        | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)     | <b>5.69</b>               | 7.44                    |
|        | - Percentage of shares ( as a % of the total share capital of the company)                   | <b>2.97</b>               | 3.77                    |
|        | b) Non-encumbered  |                           |                         |
|        | -Number of shares  | <b>16093481</b>           | 12082998                |
|        | -Percentage of shares ( as a % of the total shareholding of the promoter and promoter group) | <b>94.31</b>              | 92.56                   |
|        | -Percentage of shares ( as a % of the total share capital of the company)                    | <b>49.13</b>              | 46.96                   |

## NOTES

1. The Company has achieved during the year highest ever performance in terms of EBIDTA, PBT and PAT.
2. The increase in performance compared to previous year in terms of EBIDTA is 22%, PBT is 197% and PAT is 186%.
3. 70,18,242 equity shares of Rs.10/- each at a premium of Rs.40/-per share offered to the shareholders on rights basis were allotted on 30<sup>th</sup> March, 2010. In terms of Letter of Offer dated 22<sup>nd</sup> February, 2010, 70,18,242 Detachable Warrants are also allotted on the same day which will be converted into equivalent number of equity shares of Rs.10/- each on payment of warrant exercise price of Rs.50/- per warrant at any time before the expiry of 18 months from the date of allotment i.e. 30<sup>th</sup> September, 2011  

A sum of Rs.28,07,29,680/- collected on account of premium at Rs.40/- per share on 70,18,242 equity shares of Rs.10/- each allotted on rights basis on 30<sup>th</sup> March, 2010 has been credited to Share Premium account. The Rights issue expenses of Rs.49, 87,755 has been adjusted to the Share Premium account.
4. The proceeds of the Rights issue made during the year have been utilized for the purposes as stated in the Letter of Offer dated 22<sup>nd</sup> February, 2010.
5. The commercial production of Paper Machine No. 6 is expected to commence this month.
6. Tax expense comprises of income-tax (MAT) and deferred tax.
7. The Company operates in one reportable segment of manufacture and sale of pulp, paper and paper boards. The sale of surplus power is not considered as a reportable segment as it is less than 10% of the total turnover.
8. With regard to Audit observation on deferred tax for the year ended 30<sup>th</sup> March, 2010, the matter is subjudice before the Calcutta High Court and deferred tax has been provided as in the past at the effective income-tax rate applicable to the Company, pending disposal of the writ petition.
9. The Board of Directors has recommended a dividend of Re.1 per share of Rs. 10 each for the year ended 31<sup>st</sup> March, 2010.
10. During the quarter ended 31<sup>st</sup> March, 2010 the Company received three complaints from shareholders which have been resolved. There were no complaints remaining unresolved as at the beginning or end of the quarter. In addition, 58 complaints relating to Rights Issue were also resolved during the said quarter.
11. The above Audited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 4<sup>th</sup> May, 2010.
12. Previous period (s)/year figures have been regrouped wherever necessary.

**AUDITED STATEMENT OF ASSETS AND LIABILITIES**

Rs. in Lakhs

| PARTICULARS  | AS AT<br>31ST MARCH 2010 | AS AT<br>31ST MARCH 2009 |
|--|--------------------------|--------------------------|
| <b>Shareholders Funds :</b>  |                          |                          |
| (a) Capital  | 3275.18                  | 2573.36                  |
| (b) Reserves and Surplus   | 47019.35                 | 39224.40                 |
| <b>LOAN FUNDS</b>  | 50684.45                 | 56103.17                 |
| <b>Deferred Tax Liability</b>                                      | 3075.25                  | 2165.55                  |
| <b>TOTAL</b>   | <b>104054.23</b>         | <b>100066.48</b>         |
| <b>FIXED ASSETS</b>  | 90395.01                 | 90333.10                 |
| <b>INVESTMENTS</b>   | 1664.34                  | 1664.34                  |
| <b>CURRENT ASSETS, LOANS AND ADVANCES</b>                          | 24835.41                 | 23901.35                 |
| (a) Inventories  | 11587.20                 | 13524.85                 |
| (b) Sundry Debtors   | 4642.46                  | 3874.91                  |
| (c) Cash and Bank Balances   | 1376.64                  | 807.00                   |
| (d) Other current assets   | 131.36                   | 116.66                   |
| (e) Loans and Advances   | 7097.75                  | 5577.93                  |
| <b>Less: Current Liabilities and Provisions</b>                    | 12840.53                 | 15975.02                 |
| (a) Liabilities  | 12206.67                 | 15470.26                 |
| (b) Provisions   | 633.86                   | 504.76                   |
| <b>MISCELLANEOUS EXPENDITURE (NOT<br/>WRITTEN OFF OR ADJUSTED)</b> | -                        | 142.71                   |
| <b>TOTAL</b>   | <b>104054.23</b>         | <b>100066.48</b>         |

For THE ANDHRA PRADESH PAPER MILLS LTD

Place: Bhubaneswar  
Date: 4th May, 2010

M.K.TARA  
MANAGING DIRECTOR