



November 8, 2021

**BSE Limited,
14th Floor,
P.J. Towers, Dalal Street,
MUMBAI :: 400 001.**

**National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
MUMBAI :: 400 051.**

(BSE Scrip Code No.502330)

(Symbol – ANDHRAPAP Series – EQ)

Dear Sir (s),

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith the Unaudited Financial Results for the quarter and half-year ended September 30, 2021 which were recommended by Audit Committee and approved by the Board of Directors at their Meetings held on November 8, 2021.

The Meeting of Board of Directors of the Company commenced at 2.00 P.M. and concluded at 5.25 P.M.

We also enclose the Independent Auditor's Report dated November 8, 2021 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Unaudited Financial Results for the quarter and half-year ended September 30, 2021 which was placed before the Board of Directors.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For ANDHRA PAPER LIMITED


**ARAVIND MATTA
COMPANY SECRETARY &
VICE PRESIDENT (CORPORATE AFFAIRS)**



Encl: As above.

ANDHRA PAPER LIMITED

(Formerly known as International Paper APPM Limited)
(Corporate Identity Number: L21010AP1964PLC001008)

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

Corp. Office: 8th floor, Krishe Sapphire Building, 1-89/3/B40 to 42/KS/801,

Hitec City Main Road, Madhapur, Hyderabad 500081

Tel: +91-40-6810-1200 Fax: +91-40-6810-1255

Website: www.andhrapaper.com

An ISO 9001, ISO 14001, ISO 45001 and FSC® Certified Company (FSC® - C119477)

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF
INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
ANDHRA PAPER LIMITED**

(formerly known as International Paper APPM Limited)

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ANDHRA PAPER LIMITED** (formerly known as International Paper APPM Limited) (the "Company"), for the quarter and six months ended September 30, 2021 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.





5. Attention is invited to Note 4 of the Statement regarding the ongoing litigation with respect to the levy of electricity duty by the State Government on consumption of electricity by captive generating units and the interim orders of the Hon'ble Supreme Court of India on hearing the Special Leave Petition filed by the Company, in respect of which the Company on grounds of prudence and abundant caution created a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017, in view of the inherent uncertainty in predicting the final outcome of the above litigation. Additionally, an amount of ₹ 1,571.62 lakhs has been treated as contingent liability. Based on the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

Our conclusion on the Statement is not modified in respect of these matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(F.R.N. 008072S)



Sumit Trivedi
Partner
(Membership No.209354)
UDIN: 21209354AAAAQC7430

Place: Secunderabad
Date: November 8, 2021



STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

(₹ in lakhs)

| Sl. No | Particulars | Quarter ended | | | Six Months ended | | Year ended |
|--------|--|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| | | September 30, 2021 | June 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 | March 31, 2021 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income | | | | | | |
| | a) Revenue from operations | 34,939.69 | 25,842.18 | 15,456.52 | 60,781.87 | 27,557.76 | 88,674.83 |
| | b) Other income | 925.63 | 1,212.77 | 413.67 | 2,138.40 | 720.37 | 1,521.79 |
| | Total Income | 35,865.32 | 27,054.95 | 15,870.19 | 62,920.27 | 28,278.13 | 90,196.62 |
| 2 | Expenses | | | | | | |
| | a) Cost of materials consumed | 11,286.88 | 11,639.98 | 6,415.19 | 22,926.86 | 11,250.60 | 30,332.13 |
| | b) Changes in inventories of finished goods and work-in-progress | 3,535.17 | (5,170.69) | (1,443.74) | (1,635.52) | (2,403.46) | 5,259.03 |
| | c) Consumption of stores, spares and chemicals | 5,379.24 | 4,983.39 | 2,880.92 | 10,362.63 | 4,985.74 | 13,067.50 |
| | d) Power, fuel and water | 2,812.06 | 2,689.75 | 2,318.49 | 5,501.81 | 3,932.23 | 9,131.60 |
| | e) Employee benefits expense | 3,931.30 | 3,885.65 | 3,428.50 | 7,816.95 | 6,971.78 | 14,298.03 |
| | f) Finance costs | 108.48 | 102.44 | 104.24 | 210.92 | 198.35 | 451.25 |
| | g) Depreciation and amortisation expense | 1,823.11 | 1,760.52 | 1,842.59 | 3,583.63 | 3,718.10 | 7,338.47 |
| | h) Other expenses | 4,451.90 | 3,643.35 | 2,025.71 | 8,095.25 | 4,311.32 | 10,497.55 |
| | Total Expenses | 33,328.14 | 23,534.39 | 17,571.90 | 56,862.53 | 32,964.66 | 90,375.56 |
| 3 | Profit / (loss) before exceptional items and tax (1-2) | 2,537.18 | 3,520.56 | (1,701.71) | 6,057.74 | (4,686.53) | (178.94) |
| 4 | Exceptional items (net) (Refer Note 5) | - | - | - | - | (440.85) | (440.85) |
| 5 | Profit / (loss) before tax (3+4) | 2,537.18 | 3,520.56 | (1,701.71) | 6,057.74 | (5,127.38) | (619.79) |
| 6 | Tax expense | | | | | | |
| | a) Current tax | 774.05 | 1,046.34 | - | 1,820.39 | (53.33) | 548.95 |
| | b) Deferred tax | (124.19) | (139.99) | (108.57) | (264.18) | (973.39) | (708.88) |
| | Total tax expense / (credit) | 649.86 | 906.35 | (108.57) | 1,556.21 | (1,026.72) | (159.93) |
| 7 | Net profit / (loss) after tax (5-6) | 1,887.32 | 2,614.21 | (1,593.14) | 4,501.53 | (4,100.66) | (459.86) |
| 8 | Other comprehensive income | | | | | | |
| | <i>Items that will not be reclassified to profit or loss:</i> | | | | | | |
| | (a) Remeasurements of the defined benefit plans | - | - | (82.02) | - | (164.05) | 366.31 |
| | (b) Equity instruments through other comprehensive income | - | - | 5.00 | - | 5.00 | 159.00 |
| | (c) Tax relating to the above items | - | - | (1.17) | - | (1.17) | (129.23) |
| | Total other comprehensive income / (loss) | - | - | (78.19) | - | (160.22) | 396.08 |
| 9 | Total comprehensive income / (loss) (7+8) | 1,887.32 | 2,614.21 | (1,671.33) | 4,501.53 | (4,260.88) | (63.78) |
| 10 | Paid-up equity share capital (Face Value ₹ 10/- each) | 3,977.00 | 3,977.00 | 3,977.00 | 3,977.00 | 3,977.00 | 3,977.00 |
| 11 | Reserves excluding revaluation reserve | - | - | - | - | - | 93,544.51 |
| 12 | Earnings per share (of ₹ 10/- each) (for the period not annualised) | | | | | | |
| | - Basic (₹) | 4.75 | 6.57 | (4.01) | 11.32 | (10.31) | (1.16) |
| | - Diluted (₹) | 4.75 | 6.57 | (4.01) | 11.32 | (10.31) | (1.16) |
| | See accompanying notes to the financial results | | | | | | |



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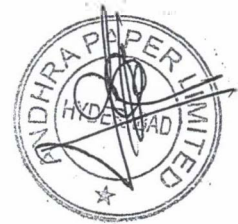
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STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

| Particulars | As at September 30, 2021 (Unaudited) | As at March 31, 2021 (Audited) |
|--|--|--------------------------------------|
| A. ASSETS | | |
| 1 Non-current Assets | | |
| (a) Property, plant and equipment | 58,597.85 | 60,551.94 |
| (b) Right-of-use assets | 1,190.89 | 1,131.90 |
| (c) Capital work-in-progress | 700.69 | 755.01 |
| (d) Intangible assets | 323.74 | 179.58 |
| (e) Intangible assets under development | 5.00 | 143.83 |
| (f) Financial assets | | |
| (i) Investments | 9,191.61 | 10,729.50 |
| (ii) Loans | - | 400.00 |
| (iii) Other financial assets | 387.37 | 385.09 |
| (g) Non-current tax assets (net) | 348.45 | - |
| (h) Other non-current assets | 3,854.72 | 3,405.30 |
| Total non-current assets | 74,600.32 | 77,682.15 |
| 2 Current assets | | |
| (a) Inventories | 14,540.54 | 16,430.88 |
| (b) Financial assets | | |
| (i) Investments | 14,681.84 | 11,196.00 |
| (ii) Trade receivables | 8,715.13 | 7,559.64 |
| (iii) Cash and cash equivalents | 4,508.22 | 1,529.43 |
| (iv) Other bank balances | 4,632.90 | 6,627.90 |
| (v) Loans | 11,222.44 | 6,196.56 |
| (vi) Other financial assets | 568.88 | 335.31 |
| (c) Other current assets | 5,483.75 | 5,533.24 |
| Assets classified as held for sale | 64,353.70 | 55,408.96 |
| | 129.68 | 167.80 |
| Total current assets | 64,483.38 | 55,576.76 |
| TOTAL ASSETS | 1,39,083.70 | 1,33,258.91 |
| B. EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share capital | 3,977.00 | 3,977.00 |
| (b) Other equity | 96,057.54 | 93,544.51 |
| Total equity | 1,00,034.54 | 97,521.51 |
| 2 Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 752.05 | 717.71 |
| (ia) Lease liabilities | 939.73 | 810.31 |
| (ii) Other financial liabilities | 203.32 | 232.37 |
| (b) Provisions | 97.41 | 51.00 |
| (c) Deferred tax liabilities (net) | 8,570.54 | 8,834.72 |
| Total non-current liabilities | 10,563.05 | 10,646.11 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 5,340.43 | 2,340.43 |
| (ia) Lease liabilities | 389.54 | 493.65 |
| (ii) Trade payables | | |
| (a) total outstanding dues of micro enterprises and small enterprises | 1,722.12 | 1,470.67 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 11,867.75 | 11,566.87 |
| (iii) Other financial liabilities | 3,271.39 | 3,115.43 |
| (b) Provisions | 3,448.08 | 3,448.09 |
| (c) Other current liabilities | 2,446.80 | 2,557.67 |
| (d) Current tax liabilities (net) | - | 98.48 |
| Total current liabilities | 28,486.11 | 25,091.29 |
| Total liabilities | 39,049.16 | 35,737.40 |
| TOTAL EQUITY AND LIABILITIES | 1,39,083.70 | 1,33,258.91 |



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UNAUDITED STATEMENT OF CASH FLOWS

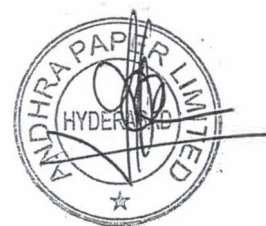
(₹ in lakhs)

| Particulars | Six Months ended | |
|---|--------------------|--------------------|
| | September 30, 2021 | September 30, 2020 |
| A. Cash flow from operating activities | | |
| Profit / (Loss) before tax after exceptional items | 6,057.74 | (5,127.38) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 3,583.63 | 3,718.10 |
| Loss on sale / scrap of property, plant and equipment's (net) | 59.60 | 453.50 |
| Profit on sale of current investments | (78.71) | (44.50) |
| Net gain on financial assets designated on FVTPL | (221.22) | (2.17) |
| Finance costs | 210.92 | 198.35 |
| Unwinding of discount on deferred payment liabilities | (29.05) | (29.05) |
| Interest income | (1,064.66) | (504.80) |
| Provision/write off for credit Impaired trade receivables and advances | (0.20) | 0.07 |
| Liabilities / provisions no longer required written back | (524.25) | (91.69) |
| Net unrealised foreign exchange (gain) / loss | 22.65 | (3.14) |
| Operating profit / (loss) before working capital changes | 8,016.45 | (1,432.71) |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | 1,890.34 | (200.43) |
| Trade receivables | (1,169.00) | (1,948.56) |
| Loans | 107.12 | 54.38 |
| Other assets | (6.44) | 406.16 |
| Other financial assets | 26.38 | 502.83 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 1,078.72 | (1,171.11) |
| Other financial liabilities & Lease liabilities | 319.73 | 130.26 |
| Other liabilities | (110.87) | (141.64) |
| Provisions | 46.40 | 73.22 |
| Cash generated from operations | 10,198.83 | (3,727.60) |
| Income tax paid / refund received (net of refunds / paid) | (2,267.32) | 19.73 |
| Net cash flow from / (used in) operating activities (A) | 7,931.51 | (3,707.87) |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment (including capital work-in-progress, Intangible assets and intangible assets under development) | (1,653.14) | (930.81) |
| Purchase of current investments | (27,942.35) | (13,829.56) |
| Purchase of non-current investments | (5,981.97) | (214.69) |
| Proceeds from sale/redemption of current investments | 25,239.45 | 14,613.27 |
| Proceeds from redemption of non-current investments | 3,175.12 | - |
| Proceeds from sale of non-current investments | 3,785.02 | - |
| Proceeds from sale of property, plant and equipment (including assets held for sale) | 39.87 | 0.12 |
| Inter-corporate deposits given | (5,233.00) | - |
| inter-corporate deposits matured | 500.00 | 1,000.00 |
| Term / margin money deposits placed during the period | (796.00) | (1,791.00) |
| Term / margin money deposits matured during the period | 3,191.00 | 6,492.00 |
| Interest received | 194.12 | 395.30 |
| Net cash flow from / (used in) investing activities (B) | (5,481.88) | 5,734.63 |
| C. Cash flow from financing activities | | |
| Proceeds from short-term borrowings | 9,000.00 | - |
| Repayment of short-term borrowings | (6,000.00) | - |
| Dividend paid | (1,988.50) | - |
| Finance costs | (176.00) | (160.03) |
| Repayment of lease liability | (295.29) | (301.46) |
| Net cash flow from / (used in) financing activities (C) | 540.21 | (461.49) |
| Net Increase In Cash and cash equivalents (A+B+C) | 2,989.84 | 1,565.27 |
| Cash and cash equivalents at the beginning of the period | 1,529.43 | 1,426.35 |
| Effect of exchange rate changes on cash and cash equivalents held in foreign currencies | (11.05) | (5.32) |
| Cash and cash equivalents at the end of the period | 4,508.22 | 2,986.30 |

Reconciliation of Financial Liabilities - Borrowings and lease liabilities:

| | | |
|---|-----------------|-----------------|
| Opening balance | 4,362.10 | 2,721.15 |
| Add: Lease liabilities recognised during the period | 357.50 | - |
| Add: Proceeds of borrowings | 9,000.00 | - |
| Less: (Repayments) of borrowings | (6,000.00) | - |
| Less: (Extinguishment) of lease liabilities | (72.17) | - |
| Less: (Repayments) of lease liabilities | (295.29) | (301.46) |
| Less: Fair value changes | 69.61 | 95.61 |
| Closing balance | 7,421.75 | 2,515.30 |

Note: The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"



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Notes:

- 1 The above unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on November 8, 2021. The statutory auditors have carried out a limited review of these financial results and have issued an unmodified report on these results.
- 2 The Company is engaged in the business of manufacture and sale of pulp, paper and paperboards, which in the context of Indian Accounting Standard (Ind AS) - 108 - Operating Segments, is considered as the single operating segment of the Company.
- 3 During the current quarter, the production and earnings were impacted owing to the Planned Annual Outage at the manufacturing facility of Rajahmundry conducted for 13 days which was executed without any safety incidents.
- 4 In the year ended March 31, 2017, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The Company (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which the Company had paid ₹ 1,502.05 lakhs under protest in the year ended March 31, 2017. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017 towards the potential liability in the event of an unfavourable verdict in this matter. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as a contingent liability. On the basis of the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

5 Exceptional items:

During the six months ended September 30, 2020, the Management has determined to de-commission certain plant and equipment. Consequently, there has been a write-down of the net book value of such plant and equipment amounting to ₹ 440.85 lakhs which has been disclosed as an exceptional item in the Statement of Profit and Loss.

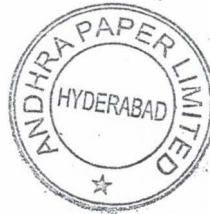
- 6 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial results, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.

- 7 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments,

- a. Current maturities of non-current borrowings has been re-grouped to 'Current Borrowings' from 'Other current financial liabilities'.
- b. Current/non-current lease liabilities has been re-grouped and shown as a separate line item on the face of Balance Sheet as item (ia) of current/non-current financial liabilities from other financial liabilities.

Amounts as at March 31, 2021 have also been re-grouped in accordance with the above amendments.

Place : Hyderabad
Date : November 8, 2021



By order of the Board
For Andhra Paper Limited
(formerly known as International Paper APPM Limited)

Anish T. Mathew
Director - Commercial & CFO

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