

Ref: APPM/SES/UFR/12

Dt : 13th July, 2012

Department of Corporate Services,
B S E Ltd.,
14th Floor, P.J.Towers,
Dalal Street,
MUMBAI :: 400 001.

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

(BSE Scrip Code No.502330)

(Symbol – APPAPER; Series - EQ)

Dear Sir (s),

Pursuant to Clause 41 of the Listing Agreement, we send herewith the Unaudited Financial Results for the quarter and half-year ended 30th June, 2012 which were approved by the Board of Directors at their Meeting held on 13th July, 2012 together with Limited Review Report dt.13th July, 2012 issued by Deloitte Haskins & Sells, Auditors of the Company.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For THE ANDHRA PRADESH PAPER MILLS LTD.,



C. Prabhakar
C.PRABHAKAR
SR.VICE PRESIDENT (CORPORATE AFFAIRS) &
COMPANY SECRETARY

Encl: as above.

THE ANDHRA PRADESH PAPER MILLS LIMITED

(A Subsidiary of IP Holding Asia Singapore Pte.Ltd.)

Corp. Office : Krishe Sapphire Building, 8th Floor, 1-89/3/B40 to 42/KS/801,
Hi-tech City Main Road, Madhapur, Hyderabad - 500081 (A.P.) India.

Tel: +91-40-33121000 Fax: +91-40-33121010 Website: www.andhrapaper.com

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

An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company

Part I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30.06.2012

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	Three months ended			Six months ended		Previous financial year ended
		30.06.2012 (Unaudited)	31.03.2012 (Unaudited)	30.06.2011 (Unaudited)	30.06.2012 (Unaudited)	30.06.2011 (Unaudited)	31.12.2011 (Audited)
	(Refer Notes Below)				(Refer Note 6)	(Refer Note 6)	
1	Income from operations						
	(a) Net sales / income from operations (Net of excise duty)	18,658.27	29,913.66	19,384.03	48,571.93	44,464.46	58,856.01
	(b) Other operating income	317.22	269.45	547.13	586.67	1,203.04	906.04
	Total income from operations (net)	18,975.49	30,183.11	19,931.16	49,158.60	45,667.50	59,762.05
2	Expenses						
	(a) Cost of materials consumed	5,779.41	6,848.08	5,257.14	12,627.49	11,081.53	19,292.14
	(b) Changes in inventories of finished goods and work-in-progress	462.80	6,114.86	(1,481.62)	6,577.66	2,828.84	(7,991.61)
	(c) Stores and spares consumed	5,149.68	5,480.20	4,919.84	10,629.88	9,273.51	16,797.69
	(d) Power and fuel expense	2,271.59	2,215.07	2,785.55	4,486.66	5,475.51	7,783.64
	(e) Employee benefits expense	2,196.10	2,066.07	2,157.07	4,262.17	4,539.72	6,566.08
	(f) Depreciation and amortisation expense	1,683.56	1,629.31	1,673.20	3,312.87	3,359.06	5,062.13
	(g) Loss on discarded assets	220.09	14.55	-	234.64	77.74	3,112.02
	(h) Other expenses	2,544.85	2,334.97	1,717.94	4,879.82	4,214.14	7,167.33
	Total expenses	20,308.08	26,703.11	17,029.12	47,011.19	40,850.05	57,789.42
3	Profit/(Loss) from operations before other income and finance costs (1-2)	(1,332.59)	3,480.00	2,902.04	2,147.41	4,817.45	1,972.63
4	Other income	134.74	158.50	80.84	293.24	340.96	321.46
5	Profit/(Loss) from ordinary activities before finance costs (3+4)	(1,197.85)	3,638.50	2,982.88	2,440.65	5,158.41	2,294.09
6	Finance costs	1,209.15	1,326.43	936.92	2,535.58	1,979.25	3,610.34
7	Profit/(Loss) before tax (5-6)	(2,407.00)	2,312.07	2,045.96	(94.93)	3,179.16	(1,316.25)
8	Tax expense	(825.80)	739.65	415.05	(86.15)	706.43	8,464.97
9	Net Profit/(Loss) for the period (7-8)	(1,581.20)	1,572.42	1,630.91	(8.78)	2,472.73	(9,781.22)
10	Paid - up equity share capital (face value Rs.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	-	-	-	-	-	44,074.51
12	Earnings per share (Basic & Diluted) of Rs 10/- each	(3.98)	3.95	4.10	(0.03)	6.22	(24.59)
	See accompanying note to the financial results						



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Part II SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30.06.2012							
Sl. No.	PARTICULARS	Three months ended			Six months ended		Previous financial year ended
		30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	9,942,510	9,942,510	18,510,031	9,942,510	18,510,031	9,942,510
	- Percentage of share holding	25.00	25.00	46.54	25.00	46.54	25.00
2	Promoters and Promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of shares	-	-	1,499,330 *	-	1,499,330 *	-
	- Percentage of shares (as a % of the total shareholding of group)	-	-	7.05 *	-	7.05 *	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	3.77 *	-	3.77 *	-
	b) Non-encumbered						
	- Number of shares	29,827,529 #	29,827,529 #	19,760,678 *	29,827,529 #	19,760,678 *	29,827,529 #
	- Percentage of shares (as a % of the total shareholding of group)	100.00 #	100.00 #	92.95 *	100.00 #	92.95 *	100.00 #
	- Percentage of shares (as a % of the total share capital of the company)	75.00 #	75.00 #	49.69 *	75.00 #	49.69 *	75.00 #

* The number of shares and the percentages represent the shareholding of erstwhile promoter group viz., L.N. Bangur Group.

The number of shares and the percentages represent the shareholding of present promoter viz., IP Holding Asia Singapore Pte Ltd consequent to acquisition of shares from the erstwhile promoter group and public shareholders.

Particulars	Three months ended
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	4
Disposed of during the quarter	4
Remaining unresolved at the end of the quarter	-

C	STATEMENT OF ASSETS AND LIABILITIES	As at 30.06.2012	As at 31.12.2011
a	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	3,977.00	3,977.00
	(b) Reserve and surplus	44,065.73	44,074.51
	Sub-total - Shareholders' fund	48,042.73	48,051.51
2	Non-current liabilities		
	(a) Long-term borrowings	18,773.80	34,888.79
	(b) Deferred tax liabilities (net)	12,080.55	12,166.70
	Sub-total - Non-current liabilities	30,854.35	47,055.49
3	Current liabilities		
	(a) Short-term borrowing	18,362.31	3,279.58
	(b) Trade payables	6,071.72	10,394.32
	(c) Other current liabilities	16,055.48	16,623.61
	(d) Short-term provisions	205.34	176.60
	Sub-total - Current liabilities	40,694.85	30,474.11
	TOTAL - EQUITY AND LIABILITIES	119,591.93	125,581.11
b	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	Tangible assets	85,372.25	80,660.59
	Capital work-in-progress	671.14	6,121.36
	(b) Non-current investments	1,602.64	1,605.34
	(c) Long-term loans and advances	6,294.22	5,208.90
	Sub-total - Non-current assets	93,940.25	93,596.19
2	Current Assets		
	(a) Current investments	2.56	-
	(b) Inventories	14,496.41	21,191.77
	(c) Trade receivables	3,855.27	3,525.95
	(d) Cash and cash equivalents	2,469.28	2,415.41
	(e) Short-term loans and advances	4,828.16	4,851.79
	Sub-total - Current assets	25,651.68	31,984.92
	TOTAL - ASSETS	119,591.93	125,581.11



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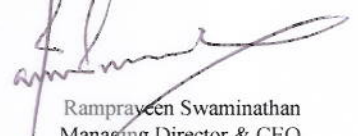
Notes:

- 1 The above Unaudited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 13.07.2012.
- 2 The above Unaudited Financial Results have been subjected to Limited Review by the Statutory Auditors of the Company.
- 3 The previous statutory auditors in their audit report for the previous financial year ended 31.12.2011 stated an emphasis of matter paragraph with respect to Deferred tax liability of Rs. 8,046.00 lakhs and provision for unsuitable fixed assets amounting to Rs. 3,112.02 lakhs.
Management response to matter of emphasis in the auditor's report:
These have been accounted in the previous financial year ended 31.12.2011 and included in the above results for the previous financial period ended 31.12.2011.
- 4 The current statutory auditors / previous statutory auditors in their limited review report / audit report for the quarter ended 31.03.2012 / previous financial year ended 31.12.2011 have qualified with regard to the managerial remuneration paid in excess of the maximum limits specified in the Schedule XIII to the Companies Act, 1956 to the extent of Rs. 194.64 lakhs.
Management response to matter of Qualification in the auditor's report:
The Shareholders of the Company at the Annual General Meeting held on 22.03.2012 passed a special resolution according their approval subject to consent of Central Government for waiver of recovery of excess remuneration of Rs. 194.64 lakhs paid to the erstwhile promoter Directors and Director (Operations). The Company made necessary application to Central Government on 17.04.2012 and await approval.
- 5 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.
- 6 The Company in it's Board meeting held on 06.12.2011 approved the change of financial year from 31.03 to 31.12 every year. Pursuant to such change, the previous financial year is for a period of Nine months ended 31.12.2011. The figures for the six months ended 30.06.2011 are derived by adding unaudited figures in respect of the quarters ended 31.03.2011 and 30.06.2011.
- 7 Planned annual maintenance shutdown for 34 days was taken up and completed during the current quarter, which has consequential impact on the financial results for the quarter and six months ended 30.06.2012.
- 8 The figures for the previous periods/year have been re-grouped/re-classified, wherever necessary, to conform to the current period presentation.

Place : Hyderabad
Date: 13.07.2012



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


Rampraveen Swaminathan
Managing Director & CEO

THE ANDHRA PRADESH PAPER MILLS LIMITED

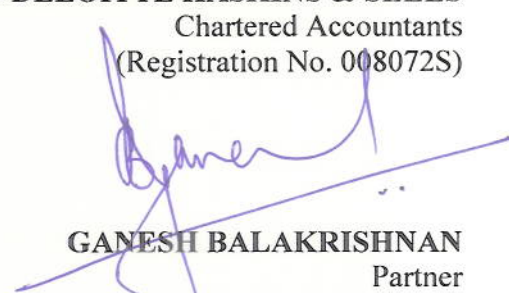
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**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
THE ANDHRA PRADESH PAPER MILLS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **THE ANDHRA PRADESH PAPER MILLS LIMITED** ("the Company") for the quarter and six months ended 30.06.2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Our review of Statement of Unaudited Financial Results has been restricted to the figures shown in the columns headed "Three months ended 30.06.2012", "Three months ended 31.03.2012", "Six months ended 30.06.2012" and Statement of Assets and Liabilities as at 30.06.2012. The figures shown in the columns headed "Three months ended 30.06.2011", "Six months ended 30.06.2011", "Previous financial year ended 31.12.2011" and "Statement of Assets and Liabilities as at 31.12.2011" have been traced from the respective results reviewed/audited by previous statutory auditor.
4. Based on our review conducted as stated in paragraphs 2 and 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management/Registrar.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 008072S)


GANESH BALAKRISHNAN
Partner
(Membership No. 201193)


HYDERABAD, July 13, 2012