

Ref: APPM/SES/11

Dt : 4th May, 2011

1) Department of Corporate Services,
Bombay Stock Exchange Limited,
P.J.Towers, Dalal Street,
MUMBAI :: 400 001.

2) 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 Audited Financial Results for the year ended 31st March, 2011 which were approved by the Board of Directors at their Meeting held on 4th May, 2011.

The Board at the said meeting also decided to recommend dividend at Re.1/- (Rupee one only) per share on 3,97,70,039 equity shares of Rs.10/- each. The date of payment of dividend will be informed after the dates of Book closure are finalized.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,

For THE ANDHRA PRADESH PAPER MILLS LIMITED

C. Prabhakar

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



Encl: as above.

THE ANDHRA PRADESH PAPER MILLS LIMITED

Corporate Office: # 501 - 509, Swapnalok Complex, 92/93, Sarojini Devi Road, Secunderabad - 500 003, India

Tel : +91-40-27813715 / 625; 30482614 Fax: +91-40-27813717 e-mail: appmcorp@andhrapaper.com Website: www.andhrapaper.com

Regd. Office: Rajahmundry - 533105, East Godavari Dist., Andhra Pradesh, India

An ISO 9001 & 14001 and OHSAS 18001 Company

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Year ended	
		31.03.11	31.03.10
1	Gross Sales	79,593.83	65,453.14
	Less : Excise Duty	2,943.37	2,026.24
	Net Sales / Income from operations	76,650.46	63,426.90
2	Sale of surplus power	1,530.81	1,501.71
3	Other operating income	1,082.55	461.97
4	Total income	79,263.82	65,390.58
5	Total expenditure	70,165.05	56,081.23
	a] (Increase)/ decrease in stock	1,385.99	1,844.39
	b] Consumption of raw materials	20,104.30	15,618.33
	c] Stores	17,092.10	14,699.91
	d] Power and fuel	9,402.62	5,960.21
	e] Personnel costs	7,976.24	5,648.92
	f] Other expenditure	7,507.08	6,727.75
	g] Depreciation and amortisation	6,696.72	5,581.72
6	Profit from operations before other income, interest and exceptional items	9,098.77	9,309.35
7	Other income	598.26	411.63
8	Profit before interest and exceptional items	9,697.03	9,720.98
9	Interest	3,988.43	3,215.45
10	Profit before Exceptional items	5,708.60	6,505.53
11	Exceptional items	-	-
12	Profit from Ordinary activities before tax	5,708.60	6,505.53
13	Tax expense	1,214.38	1,086.19
14	Net Profit from ordinary activities after tax	4,494.22	5,419.34
15	Extra-ordinary Items	-	-
16	Net profit for the period / year	4,494.22	5,419.34
17	Paid - up equity share capital (face value Rs.10/- each)	3,977.00	3,275.18
18	Reserves (Excluding revaluation reserve)	53,855.73	47,019.35
19	Earnings per share for the period (in Rupees) per Rs.10/- share		
	a) Before Extra-ordinary items		
	- Basic	12.82	21.03
	- Diluted	12.82	21.03
	b) After Extra-ordinary items		
	- Basic	12.82	21.03
	- Diluted	12.82	21.03
20	Public share holding		
	-Number of shares (Face value Rs.10/- each)	18,510,031	15,687,201
	-Percentage of share holding	46.54	47.90
21	Promoters and promoter group Shareholding		
a	Pledged/Encumbered		
	- Number of shares	1,499,330	971,115
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	7.05	5.69
	- Percentage of shares (as a % of the total share capital of the company)	3.77	2.97
b	Non-encumbered		
	- Number of shares	19,760,678	16,093,481
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	92.95	94.31
	- Percentage of shares (as a % of the total share capital of the company)	49.69	49.13

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Notes:

1 Statement of Assets & Liabilities

PARTICULARS	All amounts in Indian Rupees lakhs	
	As at 31.03.11 (Audited)	As at 31.03.10 (Audited)
SHARE HOLDERS' FUNDS		
Share capital	3,977.00	3,275.18
Reserves and Surplus	53,855.73	47,019.35
Share Application Money	-	-
LOAN FUNDS	43,596.72	49,336.59
DEFERRED TAX LIABILITY	4,271.25	3,075.25
TOTAL	105,700.70	102,706.37
FIXED ASSETS	89,505.68	90,395.01
INVESTMENTS	1,664.34	1,664.34
CURRENT ASSETS, LOANS AND ADVANCES		
Inventory	12,106.85	11,587.20
Sundry debtors	5,629.36	4,642.46
Cash and bank balances	2,068.09	1,376.64
Loans and advances	9,181.98	7,229.11
Less: Current liabilities and provisions		
Current liabilities	13,993.38	13,554.53
Provisions	462.22	633.86
Net current assets	14,530.68	10,647.02
TOTAL	105,700.70	102,706.37

- 2 Pursuant to notification dated 31st March, 2009 of the Ministry of Corporate Affairs, Government of India, the Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules 2009, on Accounting Standard AS 11 with effect from 1st April, 2007. As a result, during the year the value of assets has been decreased by Rs.92.23 lacs and charge for depreciation more by Rs.33.89 lacs and profit for the current year is less by Rs.126.12 lacs. The option given in the notification is fully exercised and completed by 31st March, 2011.
- 3 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.
- 4 The Promoters of the company viz., LN Bangur group vide letter dated 29th March, 2011 informed the company that they had executed an agreement to sell their entire shareholding of 2,12,60,008 equity shares of Rs.10/- each held by them in the company to IP Holding Asia Singapore PTE Ltd (Acquirer), a subsidiary of International Paper Company, USA. The transfer of the aforesaid shares will take place after receiving the necessary approvals by the Acquirer. The Acquirer is an unlisted company incorporated under the Laws of Singapore. International Paper is a global paper and packaging Company and is listed on New York Stock Exchange.



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- 5 The Company has since the inception of Accounting Standard 22 on Accounting for Taxes on Income, recognised the deferred tax expense, which arises primarily from depreciation on tangible fixed assets on the basis of the currently applicable enacted Minimum Alternate Tax rate rather than the regular tax rates specified by paragraph 21 of Accounting Standard 22. The Company has challenged the provisions of Accounting Standard 22, insofar as it relates to the above matter and has accordingly filed a writ petition in June 2003 before the Andhra Pradesh High Court. The case has subsequently transferred to Calcutta High Court. The writ petition has been admitted and is currently pending resolution. The quantification of the deferred tax liability, and consequential impact on the accompanying Statement, which may arise due to the above, has been held in abeyance pending disposal of the writ petition. The Auditors have drawn attention to this matter in their reports.
- 6 In terms of letter of offer dated 22nd February, 2010, the company converted 70,18,242 detachable warrants on 2nd December 2010 in to equivalent number of equity shares of Rs 10 each at a premium of Rs 40 per share aggregating to Rs 3509.12 lakh. Consequently, the equity share capital had gone up for Rs 3275.18 lakhs to Rs 3977.00 lakhs.
- 7 The Board of Directors has recommended a dividend of Re 1 per share of Rs.10 each for the year ended 31st March 2011.
- 8 During the quarter ended on 31st March 2011, the company received 8 investor complaints which have been resolved. There were six complaints pending at the beginning of the quarter & no complaints was pending at the end of the quarter.
- 9 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 4th May 2011.
- 10 The figures for the previous periods/ year have been re-grouped/re-classified, wherever necessary, to confirm to the current period presentation.

Place : Secunderabad
Date: 04th May, 2011



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


M. K. TARA
Managing Director & CEO

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