

INTERNATIONAL PAPER

Dt : 22nd April, 2014

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| 1) Department of Corporate Services,
BSE Limited,
P.J.Towers, Dalal Street,
<u>MUMBAI :: 400 001.</u> | 2) Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
<u>MUMBAI :: 400 051.</u> |
|---|--|

BSE Scrip Code No.502330

(Symbol – IPAPPM; Series - EQ)

Dear Sir (s),

Pursuant to Clause 41 of the Listing Agreement, we send herewith the Audited Financial Results for the quarter and year ended 31st March, 2014 which were approved by the Board of Directors at their Meeting held on 22nd April, 2014.

We also enclose the Auditors' Report dated 22nd April, 2014 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Audited Financial Results for the quarter and year ended 31st March, 2014.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For INTERNATIONAL PAPER APPM LIMITED

C. Prabhakar

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



Encl: as above.

INTERNATIONAL PAPER APPM LIMITED

(Formerly known as The Andhra Pradesh Paper Mills Limited)

(Corporate Identity Number: L21010AP1964PLC001008)

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

Hi-tech City Main Road, Madhapur, Hyderabad – 500 081 (A.P.) India.

Tel : +91-40-3312 1000 Fax: +91-40-3312 1010 website: www.ipappm.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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(In Indian rupees lakhs, except per share data and unless otherwise stated)

Sl. No	Particulars	Quarter ended			Year ended March 31, 2014	Fifteen months period ended March 31, 2013
		March 31, 2014 (Audited)	December 31, 2013 (Unaudited)	March 31, 2013 (Audited)	(Audited)	(Audited)
	(Refer Notes Below)	Refer Note 7(a)		Refer Note 7(b)		
1	Income from operations					
	(a) Net sales / Income from operations (Net of excise duty)	28,731.98	30,152.22	26,156.42	109,165.19	123,050.35
	(b) Other operating income	81.52	102.93	247.20	582.99	1,318.21
	Total income from operations (Net)	28,813.50	30,255.15	26,403.62	109,748.18	124,368.56
2	Expenses					
	(a) Cost of materials consumed	13,239.65	13,551.17	10,613.06	49,410.68	40,531.16
	(b) Purchase of stock-in-trade	114.37	289.69	36.41	716.11	602.35
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,311.42)	296.84	(16.10)	(3,061.38)	7,735.73
	(d) Stores and spares consumed	5,510.87	5,927.72	5,000.94	22,714.66	24,987.96
	(e) Power and fuel expenses	2,253.08	2,221.90	1,943.38	8,774.00	11,478.26
	(f) Employee benefits expense	2,422.54	2,893.79	2,347.85	10,816.60	11,233.85
	(g) Depreciation and amortisation expense	2,115.19	2,169.22	1,897.17	8,701.49	8,793.72
	(h) Other expenses	3,253.63	3,238.53	3,108.58	13,722.18	14,915.63
	Total expenses	26,597.91	30,588.86	24,931.29	111,794.34	120,278.66
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	2,215.59	(333.71)	1,472.33	(2,046.16)	4,089.90
4	Other income	274.16	101.64	101.18	742.29	993.05
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	2,489.75	(232.07)	1,573.51	(1,303.87)	5,082.95
6	Finance costs	1,170.24	1,241.86	901.27	4,338.60	5,536.25
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items & Tax expense (5-6)	1,319.51	(1,473.93)	672.24	(5,642.47)	(453.30)
8	Exceptional items (Refer Note 3)	-	-	-	-	1,619.32
9	Profit/(Loss) from ordinary activities before tax (7-8)	1,319.51	(1,473.93)	672.24	(5,642.47)	(2,072.62)
10	Tax expense/(benefit)	1,000.13	(684.82)	973.86	(1,481.26)	297.61
11	Net Profit/(Loss) for the period (9-10)	319.38	(789.11)	(301.62)	(4,161.21)	(2,370.23)
12	Paid-up equity share capital (face value ₹ 10 each)	3,977.00	3,977.00	3,977.00	3,977.00	3,977.00
13	Reserves excluding revaluation reserve	-	-	-	37,543.07	41,704.28
14	Earnings per share (Basic & Diluted) of ₹10 each (Not annualised)	0.80	(1.98)	(0.76)	(10.46)	(5.96)
	See accompanying notes to the financial results					



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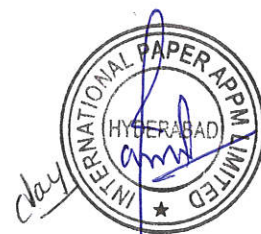
PART II
SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

Sl. No	Particulars	Quarter ended			Year ended March 31, 2014	Fifteen months period ended March 31, 2013
		March 31, 2014	December 31, 2013	March 31, 2013		
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	9,942,510	9,942,510	9,942,510	9,942,510	9,942,510
	- Percentage of share holding	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter Group Shareholding					
	Non-encumbered					
	- Number of shares	29,827,529	29,827,529	29,827,529	29,827,529	29,827,529
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	75.00	75.00	75.00	75.00	75.00

	Particulars	Quarter ended Mar 31, 2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed off during the quarter	-
	Remaining unresolved at the end of the quarter	-

(In Indian rupees lakhs, except per share data and unless otherwise stated)

C	STATEMENT OF ASSETS AND LIABILITIES	As at March 31, 2014	As at March 31, 2013
a	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	3,977.00	3,977.00
	(b) Reserve and surplus	37,543.07	41,704.28
	Sub-total - Shareholders' funds	41,520.07	45,681.28
2	Non-current liabilities		
	(a) Long-term borrowings	39,171.25	32,184.35
	(b) Deferred tax liabilities (Net)	10,869.21	12,431.63
	(c) Other long-term liabilities	23.84	98.94
	(d) Long-term provisions	-	18.51
	Sub-total - Non-current liabilities	50,064.30	44,733.43
3	Current liabilities		
	(a) Short-term borrowings	10,763.30	5,480.53
	(b) Trade payables	14,604.81	10,420.24
	(c) Other current liabilities	14,852.25	14,440.97
	Sub-total - Current liabilities	40,220.36	30,341.74
	TOTAL - EQUITY AND LIABILITIES	131,804.73	120,756.45
b	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	Tangible assets	87,279.01	81,621.56
	Intangible assets	382.77	465.66
	Capital work-in-progress	979.42	2,237.18
	(b) Non-current investments	1,543.37	1,602.64
	(c) Long-term loans and advances	6,531.87	8,700.73
	(d) Other non-current assets	13.33	-
	Sub-total - Non-current assets	96,729.77	94,627.77
2	Current Assets		
	(a) Inventories	20,764.33	14,479.31
	(b) Trade receivables	5,835.46	4,557.88
	(c) Cash and bank balances	1,577.80	1,656.40
	(d) Short-term loans and advances	6,643.04	5,338.67
	(e) Other current assets	254.33	96.42
	Sub-total - Current assets	35,074.96	26,128.68
	TOTAL - ASSETS	131,804.73	120,756.45



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Notes:

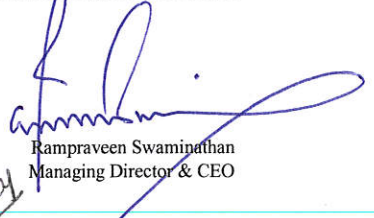
- 1 The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on April 21, 2014 & April 22, 2014 respectively.
- 2 During the period ended December 31, 2011, the Company had accrued ₹ 415.99 lakhs towards managerial remuneration paid to the erstwhile Directors, of which ₹194.64 lakhs, was in excess of the maximum limits specified in Schedule XIII to the Companies Act, 1956. The members of the Company at the Annual General Meeting held on March 22, 2012 approved the waiver of recovery of excess remuneration paid to the Directors, subject to Central Government's approval. Consequently, requisite application was made by the Company to Ministry of Corporate Affairs (MCA) on April 17, 2012, for which approval was received by the Company towards waiver of recovery of excess remuneration paid to erstwhile Managing Director and Executive Directors. However, MCA rejected the application made by the company for the waiver of recovery of excess remuneration of ₹ 70.07 lakhs paid to a promoter director. The Company has obtained legal advice in respect of the same and made a representation to the MCA to reconsider the said rejection.
- 3 **Exceptional Items:**
During the Fifteen months period ended March 31, 2013, the Company based on its internal assessment of certain disputed matters relating to prior years and based on the legal opinion obtained on such matters, made a provision of ₹ 1,619.32 lakhs, being ₹ 1,561.31 lakhs towards interest and ₹ 58.01 lakhs towards taxes.
- 4 The Company is in the business of manufacture and sale of pulp, paper and paper boards. Management views manufacture and sale of pulp, paper and paper boards as a single reportable business segment.
- 5 The name of the Company has been changed from "The Andhra Pradesh Paper Mills Limited" to "International Paper APPM Limited" with effect from December 16, 2013.
- 6 During the year Company has incorporated a subsidiary, IP India Foundation for its Corporate Social Responsibility activities. The same is not considered for consolidation, as the objective of control over this entity is not to obtain economic benefits from its activities.
- 7 (a) The figures for the quarter ended March 31, 2014 are the balancing figures between the audited figures of the full financial year ended March 31, 2014 and the published year to date figures upto nine months ended December 31, 2013.
- 7 (b) The figures of the quarter ended March 31, 2013 are the balancing figures between the audited figures in respect of the full financial year (fifteen months period ended March 31, 2013) and the published year to date figures upto the twelve months period ended December 31, 2012.
- 8 The figures of the previous periods have been regrouped/reclassified, wherever considered necessary to correspond with the current period's classification/disclosure.



Place : Hyderabad
Date: April 22, 2014



By order of the Board
For International Paper APPM Limited


Rampraveen Swaminathan
Managing Director & CEO

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**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
INTERNATIONAL PAPER APPM LIMITED
(FORMERLY THE ANDHRA PRADESH PAPER MILLS LIMITED)**

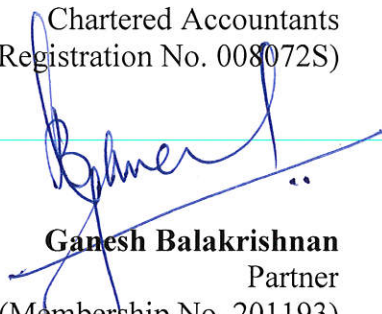
1. We have audited the accompanying Statement of Standalone Financial Results of **International Paper APPM Limited (Formerly The Andhra Pradesh Paper Mills Limited)** ("the Company") for the year ended March 31, 2014, ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 6 below. This Statement has been prepared on the basis of the related annual financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 7(a) of the Statement regarding figures for the quarter ended March 31, 2014 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. Without qualifying our opinion, we draw attention to Note 2 to the Statement which describes that the Central Government has rejected the application made by the Company for the payment of remuneration of ₹ 70.07 lakhs made to an erstwhile promoter director, in an earlier year, in excess of the limits specified under Schedule XIII, to the Companies Act, 1956. The Company has made a representation to the Ministry of Corporate Affairs ("MCA") against the said rejection and the approval is pending from the MCA.



5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended March 31, 2014.
6. 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 with the Stock Exchanges and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and year ended March 31, 2014 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 008072S)



Ganesh Balakrishnan
Partner
(Membership No. 201193)

Hyderabad, April 22, 2014