

Ref: APPM/SES/UFR/10

Dt : 22nd October, 2010

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 Unaudited Financial Results for the quarter and half-year ended 30th September, 2010 which were approved by the Board of Directors at their Meeting held on 22nd October, 2010.

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

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half Year ended		Year ended 31.03.10 (Audited)
		30.09.10	30.09.09	30.09.10	30.09.09	
1	Net Sales / Income from operations	17,495.18	14,114.71	34,617.09	27,889.05	63,406.15
2	Sale of surplus power	347.68	468.01	779.82	559.16	1,501.71
3	Other operating income	479.32	51.44	541.49	357.75	416.89
4	Total income	18,322.18	14,634.16	35,938.40	28,805.96	65,324.75
5	Total expenditure	15,896.88	11,832.50	30,785.91	24,133.26	56,015.40
	a) (Increase)/ decrease in stock	(812.42)	(1,391.91)	(726.18)	(2,129.29)	1,844.39
	b) Consumption of raw materials	4,829.69	4,100.77	8,960.82	7,853.84	15,618.33
	c) Stores	4,428.72	3,478.19	8,289.75	7,095.32	14,699.91
	d) Power and fuel	2,346.98	1,549.79	4,272.23	2,976.13	5,960.21
	e) Personnel costs	1,674.16	1,297.42	3,528.21	2,727.41	5,648.92
	f) Other expenditure	1,696.23	1,410.82	3,194.92	2,825.98	6,661.92
	g) Depreciation and amortisation	1,733.52	1,387.42	3,266.16	2,783.87	5,581.72
6	Profit from operations before other income, interest and exceptional items	2,425.30	2,801.66	5,152.49	4,672.70	9,309.35
7	Other income	107.38	54.53	212.97	75.38	411.63
8	Profit before interest and exceptional items	2,532.68	2,856.19	5,365.46	4,748.08	9,720.98
9	Interest	1,017.03	769.77	1,826.58	1,731.02	3,215.45
10	Profit before Exceptional items	1,515.65	2,086.42	3,538.88	3,017.06	6,505.53
11	Exceptional items	-	-	-	-	-
12	Profit from Ordinary activities before tax	1,515.65	2,086.42	3,538.88	3,017.06	6,505.53
13	Tax expense	300.00	321.83	706.00	431.83	1,086.19
14	Net Profit from ordinary activities after tax	1,215.65	1,764.59	2,832.88	2,585.23	5,419.34
15	Extra-ordinary Items	-	-	-	-	-
16	Net profit for the period / year	1,215.65	1,764.59	2,832.88	2,585.23	5,419.34
17	Paid - up equity share capital (face value Rs.10/- each)	3,275.18	2,573.36	3,275.18	2,573.36	3,275.18
18	Reserves (Excluding revaluation reserve)					47,019.35
19	Earnings per share for the period (in Rupees) per Rs.10/- share					
	a) Before Extra-ordinary items					
	- Basic	3.71	6.86	8.65	10.05	21.03
	- Diluted	3.23	6.86	7.65	10.05	21.03
	b) After Extra-ordinary items					
	- Basic	3.71	6.86	8.65	10.05	21.03
	- Diluted	3.23	6.86	7.65	10.05	21.03
	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
20	Public share holding					
	-Number of shares (Face value Rs.10/- each)	15,523,768	12,660,892	15,523,768	12,660,892	15,687,201
	-Percentage of share holding	47.40	49.20	47.40	49.20	47.90
21	Promoters and promoter group Shareholding					
a	Pledged/Encumbered					
	- Number of shares	971,115	971,115	971,115	971,115	971,115
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	5.64	7.43	5.64	7.43	5.69
	- Percentage of shares (as a % of the total share capital of the company)	2.97	3.77	2.97	3.77	2.97
b	Non-encumbered					
	- Number of shares	16,256,914	12,101,548	16,256,914	12,101,548	16,093,481
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	94.36	92.57	94.36	92.57	94.31
	- Percentage of shares (as a % of the total share capital of the company)	49.63	47.03	49.63	47.03	49.13



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Notes:

- 1 Other operating income for the current quarter includes profit on sale of fixed assets of Rs.423.40 Lakhs.

2 Statement of Assets & Liabilities

PARTICULARS	All amounts in Indian Rupees lakhs		
	As at 30.09.10	As at 30.09.09	As at 31.03.10 (Audited)
SHARE HOLDERS' FUNDS	3,275.18	2,573.36	3,275.18
Share capital	49,852.23	41,809.63	47,019.35
Reserves and Surplus	-	1,250.00	-
Share Application Money	46,959.37	52,243.69	49,336.59
LOAN FUNDS	3,781.25	2,597.16	3,075.25
DEFERRED TAX LIABILITY	103,868.03	100,473.84	102,706.37
FIXED ASSETS	89,606.05	89,535.93	90,395.01
INVESTMENTS	1,664.34	1,664.34	1,664.34
CURRENT ASSETS, LOANS AND ADVANCES	11,546.64	14,227.68	11,587.20
Inventory	3,395.64	3,495.84	4,642.46
Sundry debtors	1,852.17	1,129.44	1,376.64
Cash and bank balances	106.21	99.95	131.36
Other current assets	8,189.34	6,433.16	7,097.75
Loans and advances	-	-	-
Less: Current liabilities and provisions	12,271.46	15,758.22	13,554.53
Current liabilities	220.90	425.63	633.86
Provisions	12,597.64	9,202.22	10,647.02
Net current assets	-	71.35	-
MISCELLANEOUS EXPENDITURE (not written off or adjusted)	103,868.03	100,473.84	102,706.37

- 3 The Company has been recognising deferred tax expense / benefit at effective tax rate of the Company for the respective years and not at the enacted tax rates as at the balance sheet date as required by Accounting Standard – 22 on Accounting for Taxes on Income. The applicability of the effective tax rate instead of enacted tax rate is a matter of reference in a writ petition filed by the Company which is pending before the Hon'ble Calcutta High Court. Tax expense for the current quarter represents deferred tax charge for the quarter based on the effective tax rate for the year, which is the Minimum Alternate Tax. As in the earlier years, the statutory auditors have qualified their report regarding providing deferred tax at effective rate.
- 4 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.
- 5 The Board of Directors, in its meeting held on 30 September 2010, has fixed the warrant exercise period from 22 October 2010 to 22 November 2010 during which period the Warrant holders can opt for conversion of Warrants into equity shares at predetermined price.
- 6 The Statutory Auditors have carried out the limited review of the above financial results.
- 7 During the quarter ended on 30th September 2010, the company received 11 investor complaints, which have been resolved and no complaint was pending at the beginning and at the end of the quarter.
- 8 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 22 October 2010.
- 9 The figures for the previous periods/ year have been re-grouped/re-classified, wherever necessary, to conform to the current period presentation.

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



M. K. TARA
Managing Director & CEO

Place: Hyderabad
Date: 22 October, 2010



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