

July 27, 2016

1) Department of Corporate Services,
BSE 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 – IPAPPM; 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 ended June 30, 2016 which were approved by the Board of Directors at their Meeting held on July 27, 2016.

The meeting of Board of Directors of the Company commenced at 8.30 A.M. and concluded at 11.00 A.M.

We also enclose the Independent Auditors' Review Report dated July 27, 2016 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Unaudited Financial Results for the quarter ended June 30, 2016 which was placed before the Board of Directors.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,

For INTERNATIONAL PAPER APPM LIMITED



C. PRABHAKAR

SR. VICE PRESIDENT (CORPORATE AFFAIRS) &
COMPANY SECRETARY

**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, 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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

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

Sl. No	Particulars	Quarter ended			Year ended
		June 30, 2016 (Unaudited)	March 31, 2016 (Audited)	June 30, 2015 (Unaudited)	March 31, 2016 (Audited)
			(Refer Note 3)		
1	Income from operations				
	(a) Net sales / Income from operations (Net of excise duty)	28,937.11	29,530.50	29,540.28	113,076.63
	(b) Other operating income	914.38	692.18	714.73	2,904.32
	Total income from operations (Net)	29,851.49	30,222.68	30,255.01	115,980.95
2	Expenses				
	(a) Cost of materials consumed	11,223.09	12,436.83	13,063.61	50,794.30
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,069.75	1,189.74	584.58	855.83
	(c) Process chemicals, stores and spares consumed	3,705.61	3,738.61	4,002.22	15,634.27
	(d) Power, fuel and water expense	2,051.48	2,033.64	1,967.41	7,944.12
	(e) Employee benefits expense	3,380.66	3,502.57	3,126.69	12,924.53
	(f) Depreciation and amortisation expense	1,788.38	2,540.11	1,559.65	7,317.62
	(g) Other expenses	3,518.17	3,527.91	3,971.30	14,760.50
	Total expenses	27,737.14	28,969.41	28,275.46	110,231.17
3	Profit from operations before other income, finance costs and exceptional items (1-2)	2,114.35	1,253.27	1,979.55	5,749.78
4	Other income	222.39	26.07	167.04	645.62
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	2,336.74	1,279.34	2,146.59	6,395.40
6	Finance costs	904.69	1,007.52	1,018.74	4,029.58
7	Profit from ordinary activities after finance costs but before exceptional items & tax expense (5-6)	1,432.05	271.82	1,127.85	2,365.82
8	Exceptional items (Refer Note 4)	-	2,902.15	-	3,270.65
9	Profit from ordinary activities before tax (7+8)	1,432.05	3,173.97	1,127.85	5,636.47
10	Tax expense/(benefit)	(105.84)	1,135.13	324.69	1,947.16
11	Net Profit for the period (9-10)	1,537.89	2,038.84	803.16	3,689.31
12	Paid-up equity share capital (face value ₹ 10 each)	3,977.00	3,977.00	3,977.00	3,977.00
13	Reserves excluding revaluation reserve	-	-	-	41,117.39
14	Earnings per share (Basic & Diluted) of ₹10 each (Not Annualised)	3.87	5.13	2.02	9.28*
	See accompanying notes to the financial results				

* Annualised



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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 meetings held on July 26, 2016 and July 27, 2016, respectively. The statutory auditors have carried out a limited review of these financial results.
 - 2 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.
 - 3 The figures for the quarter ended March 31, 2016 are the balancing figures between the audited figures of the full financial year ended March 31, 2016 and the published year to date figures upto nine months ended December 31, 2015.
 - 4 Exceptional items:
 - (a) During the quarter/year ended March 31, 2016: Effective April 01, 2015, the Company with retrospective effect changed its method of providing depreciation on Buildings and Electrical Installations (forming part of Plant and Machinery) at Rajahmundry Plant from the 'Written Down Value' method to the 'Straight Line' method, as per the useful lives specified in Schedule II of the Companies Act, 2013. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge. Accordingly, the Company reversed the depreciation charged till March 31, 2015 amounting to ₹ 2,361.32 lakhs in the Statement of Profit and Loss as per the requirements of Accounting Standard (AS) 6 - Depreciation Accounting and this was disclosed as Exceptional item. Had the Company continued to use the earlier method of depreciation, the profit after tax for the quarter ended and the year ended March 31, 2016 would have been lower by ₹ 1,011 lakhs and ₹ 1,705 lakhs respectively.
 - (b) The Company revised its estimate based on internal assessment and fresh legal opinion obtained, in respect of provision created in earlier years for a disputed matter and reversed ₹ 540.83 lakhs during the quarter/year ended March 31, 2016.
 - (c) A provision amounting to ₹ 202.11 lakhs was created in earlier years in the books due to an adverse order issued by CESTAT, Bangalore, in connection with the tax position adopted by the Company, treating Gunny pulp as unconventional raw material used in the manufacture of Kraft paper at the Company's Kadiam unit. The Company's position was upheld by the Hon'ble Supreme Court on July 21, 2015. Based on the Hon'ble Supreme Court's Judgement, the aforesaid provision was reversed during the quarter ended September 30, 2015.
 - (d) The Asst. Commissioner granted interest on delayed refund of Excise duty paid on cash discounts vide order No.s 30 and 31 dated July 31, 2015. The resultant income of ₹ 166.39 lakhs was accounted during the quarter ended September 30, 2015.
 - 5 The Company had, in 2004, filed a writ petition in the High Court of Andhra Pradesh, challenging the levy of electricity duty by the State Government on consumption of electricity by captive generating units. During the quarter, the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the aforesaid writ petition (along with the other petitions on the same matter filed by other companies) vide its common order dated 19th May 2016 ('the Order') in which it upheld the validity of such levy by the State Government. The Company has not yet received a certified copy of the Order and the copy of the Order has been retrieved from the AP High Court web-site. The Company has been legally advised that it has a good case to approach the Supreme Court and contest the matter and, it shall be filing a Special Leave Petition in the Supreme Court on receipt of the certified copy of the Order. Based on Management's assessment and the aforesaid legal advice obtained, the Company has treated the estimated duty amount aggregating ₹ 3,994.60 lakhs as a Contingent Liability and no provision has been made in respect of the same.
- In view of the above, the auditors have made an observation in their Limited Review Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on the Financial Results.
- 6 The Company's wholly-owned subsidiary, IP India Foundation, carries out Corporate Social Responsibility activities. The same is not considered for the purpose of consolidation, as the objective of control over this entity is not to obtain economic benefits from its activities.
 - 7 The figures of the previous periods have been regrouped/reclassified, wherever considered necessary to correspond with the current period's classification/disclosure.

Place : Rajamahendravaram / Rajahmundry
Date: July 27, 2016



By order of the Board
For International Paper APPM Limited

Rampraveen Swaminathan
Chairman & Managing Director

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE REVIEW OF INERIM FINANCIAL RESULTS

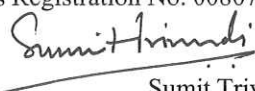
TO THE BOARD OF DIRECTORS OF INTERNATIONAL PAPER APPM LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **INTERNATIONAL PAPER APPM LIMITED** ("the Company") for the Quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), 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 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 the 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 misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We draw attention to Note 5 of the Statement regarding the High Court dismissing the writ filed by the Company challenging the levy of electricity duty by the State Government on consumption of electricity by captive generating units. As stated in the said note, based on Management's assessment and the legal advice obtained that the Company has a good case to approach the Supreme Court and contest the matter, the Company has treated the estimated duty amount aggregating ₹ 3,994.60 lakhs as a Contingent Liability and no provision has been made in respect of the same.

In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact, if any, on these financial results.

4. Based on our review conducted as stated above, other than for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Sumit Trivedi
Partner
(Membership No. 209354)