

October 30, 2019

Department of Corporate Services,
BSE Limited,
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 – 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 and six months ended September 30, 2019 which were approved by the Board of Directors at their Meeting held on October 30, 2019.

The Meeting of Board of Directors of the Company commenced at 2.00 P.M. and concluded at 4.45 PM.

We also enclose the Independent Auditors' Report dated September 30, 2019 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Unaudited Financial Results for the quarter and six months ended September 30, 2019 which was placed before the Board of Directors.

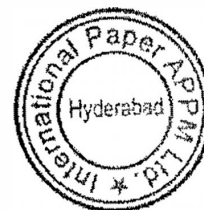
Please acknowledge the receipt.

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, 1-89/3/040 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 AND SIX MONTHS ENDED SEPTEMBER 30, 2019

(₹ In lakhs)

Sl. No	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Income						
	a) Revenue from operations	27,178.72	36,830.56	33,590.06	64,009.28	67,576.12	142,733.32
	b) Other income	410.87	243.27	439.08	654.14	563.19	1,458.84
	Total Income	27,589.59	37,073.83	34,029.14	64,663.42	68,139.31	144,192.16
2	Expenses						
	a) Cost of materials consumed	8,371.87	12,342.60	11,580.33	20,714.47	23,221.06	47,972.98
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,072.19	(1,595.35)	287.05	(523.16)	192.24	(119.50)
	c) Employee benefits expense	4,390.16	4,102.87	3,725.11	8,493.03	7,552.46	15,268.02
	d) Finance costs	98.93	107.10	239.50	206.03	604.98	854.11
	e) Depreciation and amortisation expense	1,894.01	1,907.97	1,650.62	3,801.98	3,262.98	6,786.64
	f) Other expenses	10,529.86	10,780.75	10,745.94	21,310.61	20,538.38	41,754.13
	Total Expenses	26,357.02	27,645.94	28,228.55	54,002.96	55,372.10	112,516.38
3	Profit before exceptional items and tax (1-2)	1,232.57	9,427.89	5,800.59	10,660.46	12,764.21	31,675.78
4	Exceptional items (net) (Refer Note 6)	-	-	-	-	-	(542.61)
5	Profit before tax (3+4)	1,232.57	9,427.89	5,800.59	10,660.46	12,764.21	31,133.17
6	Tax expense						
	a) Current tax	637.23	3,567.37	1,947.54	4,204.60	4,465.12	11,330.03
	b) Deferred tax	(197.94)	(240.38)	108.90	(438.32)	69.11	(204.52)
	Total tax expense	439.29	3,326.99	2,056.44	3,766.28	4,534.23	11,125.51
7	Net Profit after tax (5-6)	793.28	6,100.90	3,744.15	6,894.18	8,229.98	20,007.66
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss:						
	(a) Remeasurements of the defined benefit plans	(38.15)	(38.16)	(19.03)	(76.31)	(38.06)	(152.63)
	(b) Equity instruments through other comprehensive income	158.00	-	131.50	158.00	131.50	93.50
	(c) Deferred tax relating to the above items	(23.47)	13.33	(24.05)	(10.14)	(17.46)	31.55
	Total other comprehensive income / (loss)	96.38	(24.83)	88.42	71.55	75.98	(27.58)
9	Total comprehensive Income (7+8)	889.66	6,076.07	3,832.57	6,965.73	8,305.96	19,980.08
10	Paid-up equity share capital (Face Value ₹ 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	-	-	-	-	-	72,403.61
12	Earnings per share (of ₹ 10/- each) (not annualised)						
	- Basic (₹)	1.99	15.34	9.41	17.34	20.69	50.31 *
	- Diluted (₹)	1.99	15.34	9.41	17.34	20.69	50.31 *

See accompanying notes to the financial results

* Annualised


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 assets and liabilities

(₹ in lakhs)		
Particulars	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
A. ASSETS		
1 Non-current Assets		
(a) Property, plant and equipment	68,597.75	70,501.96
(b) Capital work-in-progress	788.10	843.37
(c) Right-of-use assets	1,862.90	-
(d) Intangible assets	179.30	242.95
(e) Financial assets		
(i) Investments	1,716.00	1,558.00
(ii) Loans	3.88	14.14
(iii) Other financial assets	959.06	964.59
(f) Non-current tax assets (net)	1,263.08	751.94
(g) Other non-current assets	3,461.22	3,717.98
Total non-current assets	78,831.29	78,594.93
2 Current assets		
(a) Inventories	15,508.60	15,699.66
(b) Financial assets		
(i) Investments	310.00	-
(ii) Trade receivables	8,331.12	7,355.73
(iii) Cash and cash equivalents	960.89	1,465.01
(iv) Other bank balances	9,064.71	5,241.02
(v) Loans	3,133.34	2,121.19
(vi) Other financial assets	442.67	146.09
(c) Other current assets	7,318.23	7,353.51
Assets classified as held for sale	45,069.56	39,382.21
	508.64	632.44
Total current assets	45,578.20	40,014.65
TOTAL ASSETS	124,409.49	118,609.58
B. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	3,977.00	3,977.00
(b) Other equity	79,369.34	72,403.61
Total equity	83,346.34	76,380.61
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,254.08	1,254.08
(ii) Other financial liabilities	1,800.93	478.37
(b) Provisions	104.13	171.66
(c) Deferred tax liabilities (net)	13,532.84	13,961.02
(d) Non-current tax liabilities (net)	-	-
Total non-current liabilities	16,691.98	15,865.13
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	570.69	474.40
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	14,409.49	16,614.19
(iii) Other financial liabilities	3,359.74	3,448.88
(b) Provisions	3,448.09	3,448.09
(c) Other current liabilities	2,583.16	2,378.28
Total current liabilities	24,371.17	26,363.84
Total liabilities	41,063.15	42,228.97
TOTAL EQUITY AND LIABILITIES	124,409.49	118,609.58



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.

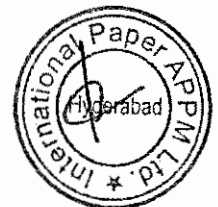
Tel : +91-40-3312 1000 Fax: +91-40-3312 1010 website: www.ipappm.com

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

An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company

Unaudited statement of Cash flows for the Six months ended September 30, 2019		
	Six months ended	
	September 30, 2019	September 30, 2018
A. Cash flow from operating activities		
Profit before tax after exceptional items	10,660.46	12,764.21
<u>Adjustments for:</u>		
Depreciation and amortisation expense	3,801.98	3,262.98
Loss on sale / scrap of property, plant and equipment's (net)	41.33	170.69
Profit on sale of investment	(40.57)	-
Finance costs recognised in profit or loss	206.03	604.98
Interest income recognised in profit and loss	(465.84)	(49.96)
Notional lease rental on embedded finance lease	(134.13)	(134.13)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	-	(1.27)
Bad trade receivables and advances written-off (net)	3.33	-
Provision/write off for doubtful trade receivables and advances	0.02	0.16
Liabilities / provisions no longer required written back	(6.42)	(133.81)
Net unrealised foreign exchange (gain) / loss	6.22	(57.28)
Operating profit before working capital changes	14,072.41	16,426.57
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	191.06	2,980.35
Trade receivables	(984.31)	(1,571.41)
Loans	(1.89)	7.27
Other assets	(130.69)	456.97
Other financial assets	(36.36)	6.51
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(2,105.71)	628.68
Other financial liabilities	(178.73)	(3.45)
Other liabilities	204.88	(38.78)
Provisions	(143.84)	(323.47)
Cash generated from operations	10,886.82	18,569.24
Income tax paid (net of refunds)	(4,715.74)	(2,302.61)
Net cash generated by operating activities (A)	6,171.08	16,266.63
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and other intangible assets)	(1,601.34)	(2,868.12)
Purchase of current investments	(24,951.00)	-
Proceeds from sale of current investments	24,681.57	-
Proceeds from sale of property, plant and equipment (including assets held for sale)	133.38	(0.01)
Inter-corporate deposits given	(3,000.00)	-
Inter-corporate deposits matured	2,000.00	-
Bank balances not considered as cash and cash equivalents	(3,823.69)	(21.25)
Interest received	207.63	54.91
Net cash used in investing activities (B)	(6,353.45)	(2,834.47)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	-	-
Proceeds from short-term borrowings	2,500.00	4,000.00
Repayment of long-term borrowings (including current maturities of the same)	-	(12,100.00)
Repayment of short-term borrowings	(2,500.00)	(4,000.00)
Finance costs	(202.37)	(601.49)
Repayment of lease liability	(119.38)	-
Net cash used in financing activities (C)	(321.75)	(12,701.49)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(504.12)	730.67
Cash and cash equivalents at the beginning of the year	1,465.01	1,601.05
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	-	-
Cash and cash equivalents at the end of the period	960.89	2,331.72
Reconciliation of Financial Liabilities - Borrowings and lease liabilities:		
Opening balance	1,479.58	20,751.86
Add: Impact of Ind AS 115 (Refer note 7)	2,239.74	-
Add: Proceeds of borrowings	2,500.00	4,000.00
Less: (Repayments) of borrowings	(2,500.00)	(16,100.00)
Less: (Repayments) of lease liabilities	(119.38)	-
Less: Fair value changes	(106.49)	-
Closing balance	3,493.46	8,651.86

Note: The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"



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

Notes:

- 1 The above unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on October 30, 2019. The statutory auditors have carried out a limited review of these financial results and have issued an unmodified report on these results.
- 2 The Company is engaged in the business of manufacture and sale of pulp, paper and paper boards, which in the context of Indian Accounting Standard (Ind AS) - 108 - Operating Segments, is considered as the single operating segment of the Company.
- 3 During the current quarter, the production and earnings were impacted owing to the Planned Annual Outage at the manufacturing facility of Rajahmundry conducted for 37 days which was executed without any safety incidents.
- 4 Pursuant to Share Purchase Agreement dated May 29, 2019 West Coast Paper Mills Ltd. (WCPM) acquired on 29th October, 2019 1,39,02,025 equity shares of Rs.10 each from International Paper Investments (Luxembourg) S.a.r.l and 79,71,496 equity shares of Rs.10 each from IP International Holdings Inc. aggregating to 55% of the paid up share capital of the Company. In terms of Letter of Offer dated August 30, 2019 WCPM acquired on October 11, 2019 68,39,879 equity shares of Rs.10 each representing 17.20% of the paid up share capital of the Company from public shareholders. Following these acquisitions, the Board of Directors of the Company has been reconstituted on October 30, 2019.
- 5 In the year ended March 31, 2017, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paise per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The Company (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which the Company had paid ₹ 1,502.05 lakhs under protest in the year ended March 31, 2017. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017 towards the potential liability in the event of an unfavourable verdict in this matter. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as a contingent liability. On the basis of the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

6 Exceptional Items:

During the year ended March 31, 2019:

In respect of a disputed matter which is pending resolution, the Management has, considering the developments in the case and based on grounds of prudence, made a provision towards the interest demand amounting to ₹ 542.61 lakhs. The Company has already paid the related duty amount in the earlier years.

- 7 The Company has adopted Ind AS 116 "Leases" with the date of Initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. On transition to Ind AS 116, Right-of-use assets as at April 01, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments / accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 01, 2019 for measuring the lease liability. In respect of leases previously classified as finance leases, the right-of-use asset and the corresponding liability were measured at the carrying amounts of the related finance lease asset and liability, respectively.

On transition to Ind AS 116, the Company recognised right-of-use asset amounting to ₹ 2,107.78 lakhs (including leases previously classified as finance lease) and a lease liability of ₹ 2,239.74 lakhs (including leases previously classified as finance lease). The Company has recognised interest expenses on leases amounting to ₹ 38.08 lakhs and ₹ 76.16 lakhs for the current quarter and six months ended, respectively, and depreciation on right-of-use asset amounting to ₹ 122.44 lakhs and ₹ 244.88 lakhs for the current quarter and six months ended, respectively, in the financial results.

- 8 On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted section 115 BAB in the Income-tax Act, 1961, which provides domestic companies a non-reversible option to pay Corporate tax at reduced rates effective April 01, 2019, subject to certain conditions. The Company is currently in the process of evaluating this option.

Place : Hyderabad
Date : October 30, 2019



By order of the Board
For International Paper APPM Limited

Donald P. Devlin
Chairman & Managing Director

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

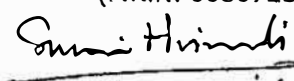
INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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 and six months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Attention is invited to Note 5 of the Statement regarding the ongoing litigation with respect to the levy of electricity duty by the State Government on consumption of electricity by captive generating units and the interim orders of the Hon'ble Supreme Court of India on hearing the Special Leave Petition filed by the Company, in respect of which the Company on grounds of prudence and abundant caution created a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017, in view of the inherent uncertainty in predicting the final outcome of the above litigation. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as contingent liability. Based on the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

Our conclusion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(F.R.N. 008072S)



Sumit Trivedi
Partner
(Membership No.209354)



Place: Hyderabad
Date: October 30, 2019

UDIN: 19209354AAAAQG1242