



October 29, 2020

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 – ANDHRAPAP 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 half-year ended September 30, 2020 which were approved by the Board of Directors at their Meeting held on October 29, 2020.

The Meeting of Board of Directors of the Company commenced at 2.00 P.M. and concluded at 03:40 PM.

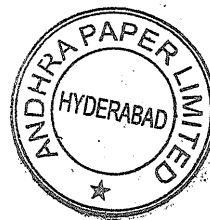
We also enclose the Independent Auditor's Review Report dated October 29, 2020 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Unaudited Financial Results for the quarter and half-year ended September 30, 2020 which was placed before the Board of Directors.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For **ANDHRA PAPER LIMITED**


ARAVIND MATTA
COMPANY SECRETARY &
VICE PRESIDENT (CORPORATE AFFAIRS)



Encl: As above.

ANDHRA PAPER LIMITED

(Formerly known as International Paper APPM Limited)
(Corporate Identity Number: L21010AP1964PLC001008)

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(₹ in lakhs)

Sl. No	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	15,456.52	12,101.24	27,178.72	27,557.76	64,009.28	1,26,969.57
	b) Other income	413.67	306.70	410.87	720.37	654.14	1,454.25
	Total income	15,870.19	12,407.94	27,589.59	28,278.13	64,663.42	1,28,423.82
2	Expenses						
	a) Cost of materials consumed	6,415.19	4,835.41	8,371.87	11,250.60	20,714.47	43,792.33
	b) Changes in inventories of finished goods and work-in-progress	(1,443.74)	(959.72)	1,072.19	(2,403.46)	(523.16)	(5,952.81)
	c) Employee benefits expense	3,428.50	3,543.28	4,390.16	6,971.78	8,493.03	15,732.65
	d) Finance costs	104.24	94.11	98.93	198.35	206.03	532.45
	e) Depreciation and amortisation expense	1,842.59	1,875.51	1,894.01	3,718.10	3,801.98	7,589.53
	f) Other expenses	7,225.12	6,004.17	10,529.86	13,229.29	21,310.61	43,149.32
	Total Expenses	17,571.90	15,392.76	26,357.02	32,964.66	54,002.96	1,04,843.47
3	Profit / (loss) before exceptional items and tax (1-2)	(1,701.71)	(2,984.82)	1,232.57	(4,686.53)	10,660.46	23,580.35
4	Exceptional items (net) (Refer Note 4)	-	(440.85)	-	(440.85)	-	-
5	Profit / (loss) before tax (3+4)	(1,701.71)	(3,425.67)	1,232.57	(5,127.38)	10,660.46	23,580.35
6	Tax expense / (credit)						
	a) Current tax	-	(53.33)	637.23	(53.33)	4,204.60	6,790.37
	b) Deferred tax	(108.57)	(864.82)	(197.94)	(973.39)	(438.32)	(4,502.45)
	Total tax expense / (credit)	(108.57)	(918.15)	439.29	(1,026.72)	3,766.28	2,287.92
7	Net profit / (loss) after tax (5-6)	(1,593.14)	(2,507.52)	793.28	(4,100.66)	6,894.18	21,292.43
8	Other comprehensive income						
	<i>Items that will not be reclassified to profit or loss:</i>						
	(a) Remeasurements of the defined benefit plans	(82.02)	(82.03)	(38.15)	(164.05)	(76.31)	(328.34)
	(b) Equity instruments through other comprehensive income	5.00	-	158.00	5.00	158.00	206.00
	(c) Tax relating to the above items	(1.17)	-	(23.47)	(1.17)	(10.14)	34.59
	Total other comprehensive income / (loss)	(78.19)	(82.03)	96.38	(160.22)	71.55	(87.75)
9	Total comprehensive income / (loss) (7+8)	(1,671.33)	(2,589.55)	889.66	(4,260.88)	6,965.73	21,204.68
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	-	-	-	-	-	93,608.29
12	Earnings per share (of ₹ 10/- each) (not annualised)						
	- Basic (₹)	(4.01)	(6.31)	1.99	(10.31)	17.34	53.54 *
	- Diluted (₹)	(4.01)	(6.31)	1.99	(10.31)	17.34	53.54 *
	See accompanying notes to the financial results						

* Annualised



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STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
A. ASSETS		
1 Non-current Assets		
(a) Property, plant and equipment	62,746.58	66,143.76
(b) Capital work-in-progress	743.82	159.50
(c) Right-of-use assets	1,370.97	1,606.97
(d) Intangible assets	211.81	288.53
(e) Intangible assets under development	117.03	-
(f) Financial assets		
(i) Investments	1,983.69	1,764.00
(ii) Loans	-	-
(iii) Other financial assets	494.57	940.26
(g) Non-current tax assets (net)	596.74	563.14
(h) Other non-current assets	3,456.24	3,507.88
Total non-current assets	71,721.45	74,974.04
2 Current assets		
(a) Inventories	22,541.53	22,341.10
(b) Financial assets		
(i) Investments	1,927.58	2,664.62
(ii) Trade receivables	6,026.81	4,077.60
(iii) Cash and cash equivalents	2,986.30	1,426.35
(iv) Other bank balances	10,962.76	15,663.76
(v) Loans	3,064.24	4,118.62
(vi) Other financial assets	605.59	556.55
(c) Other current assets	5,671.28	6,083.04
	53,786.09	56,931.64
Assets classified as held for sale	208.28	208.28
Total current assets	53,994.37	57,139.92
TOTAL ASSETS	1,25,715.82	1,32,113.96
B. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	3,977.00	3,977.00
(b) Other equity	89,347.41	93,608.29
Total equity	93,324.41	97,585.29
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	820.82	783.49
(ii) Other financial liabilities	1,315.65	1,595.51
(b) Provisions	585.17	347.90
(c) Deferred tax liabilities (net)	8,534.34	9,506.56
Total non-current liabilities	11,255.98	12,233.46
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	807.06	542.53
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10,885.20	12,398.34
(ii) Other financial liabilities	3,840.74	3,588.27
(b) Provisions	3,448.09	3,448.09
(c) Other current liabilities	2,154.34	2,317.98
Total current liabilities	21,135.43	22,295.21
Total liabilities	32,391.41	34,528.67
TOTAL EQUITY AND LIABILITIES	1,25,715.82	1,32,113.96



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UNAUDITED STATEMENT OF CASH FLOWS

(₹ in lakhs)

Particulars	Six months ended	
	September 30, 2020	September 30, 2019
A. Cash flow from operating activities		
Profit / (loss) before tax after exceptional items	(5,127.38)	10,660.46
Adjustments for:		
Depreciation and amortisation expense	3,718.10	3,801.98
Loss on sale / scrap of property, plant and equipment's (net)	453.50	41.33
Profit on sale of current investments	(44.50)	(40.57)
Net gain on financial assets designated on FVTPL	(2.17)	-
Finance costs	198.35	206.03
Unwinding of discount on deferred payment liabilities	(29.05)	-
Interest income	(504.80)	(465.84)
Notional lease rental on embedded finance lease	-	(134.13)
Bad trade receivables and advances written-off (net)	-	3.33
Provision/write off for doubtful trade receivables and advances	0.07	0.02
Liabilities / provisions no longer required written back	(91.69)	(6.42)
Net unrealised foreign exchange (gain) / loss	(3.14)	6.22
Operating profit / (loss) before working capital changes	(1,432.71)	14,072.41
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(200.43)	191.06
Trade receivables	(1,948.56)	(984.31)
Loans	54.38	(1.89)
Other assets	406.16	(130.69)
Other financial assets	502.83	(36.36)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,171.11)	(2,105.71)
Other financial liabilities	130.26	(178.73)
Other liabilities	(141.64)	204.88
Provisions	73.22	(143.84)
Cash (used in) / generated from operations	(3,727.60)	10,886.82
Income tax paid (net of refunds)	19.73	(4,715.74)
Net cash (used in) / generated by operating activities (A)	(3,707.87)	6,171.08
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and other intangible assets)	(930.81)	(1,601.34)
Purchase of current investments	(13,829.56)	(24,951.00)
Purchase of non-current investments	(214.69)	-
Proceeds from sale of current investments	14,613.27	24,681.57
Proceeds from sale of property, plant and equipment (including assets held for sale)	0.12	133.38
Inter-corporate deposits given	-	(3,000.00)
Inter-corporate deposits matured	1,000.00	2,000.00
Term / margin money deposits placed during the period	(1,791.00)	(3,823.69)
Term / margin money deposits matured during the period	6,492.00	-
Interest received	395.30	207.63
Net cash (used in) / generated by investing activities (B)	5,734.63	(6,353.45)
C. Cash flow from financing activities		
Proceeds from short-term borrowings	-	2,500.00
Repayment of short-term borrowings	-	(2,500.00)
Finance costs	(160.03)	(202.37)
Repayment of lease liability	(301.46)	(119.38)
Net cash used in financing activities (C)	(461.49)	(321.75)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,565.27	(504.12)
Cash and cash equivalents at the beginning of the year	1,426.35	1,465.01
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	(5.32)	-
Cash and cash equivalents at the end of the period	2,986.30	960.89
Reconciliation of Financial Liabilities - Borrowings and lease liabilities:		
Opening balance	2,721.15	1,479.58
Add: Impact of Ind AS 116	-	2,239.74
Add: Proceeds of borrowings	-	2,500.00
Less: (Repayments) of borrowings	-	(2,500.00)
Less: (Repayments) of lease liabilities	(301.46)	(119.38)
Less: Fair value changes	95.61	(106.48)
Closing balance	2,515.30	3,493.46

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"



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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 29, 2020. 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 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.

4 Exceptional Items:

During the previous quarter, the Management has determined to de-commission certain plant and equipment. Consequently, there has been a write-down of the net book value of such plant and equipment amounting to ₹ 440.85 lakhs which has been disclosed as an exceptional item in the Statement of Profit and Loss.

- 5 a) The COVID-19 outbreak and the restrictions imposed to curtail it has caused disturbances and slowdown in economic activity. The Company's operations were significantly impacted in the quarter ended June 30, 2020 (Q1'21) due to scaling down of operations, shortage of workforce and lower writing and printing paper demand. With the Government relaxing the restrictions in the phased manner in quarter ended September 30, 2020 (Q2'21), the demand has picked up in Q2'21 as compared to Q1'21. However, with educational institutions still remaining closed and office people adopting safer working environment by working from home resulting in lower office activities, the key engines of the writing and printing paper demand drivers remained subdued throughout the Q2'21, as a result of which the results for Q2'21 were adversely impacted.

b) The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results including on the recoverability of carrying amounts of financial and non-financial assets, including the assessment of impairment of the carrying values of property, plant and equipment and other non-current assets. In developing the assumptions relating to the possible future uncertainties in the global and domestic economic conditions because of COVID-19, the Company has, at the date of approval of the financial results, used internal and external sources of information to the extent relevant, and expects that the carrying amount of the assets will be recovered. As a result of uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions.

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Place : Hyderabad
Date : October 29, 2020



By order of the Board
For Andhra Paper Limited
(formerly known as International Paper APPM Limited)

Anish T. Mathew
Director - Commercial & CFO

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

**TO THE BOARD OF DIRECTORS OF
ANDHRA PAPER LIMITED**
(formerly known as International Paper APPM Limited)

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ANDHRA PAPER LIMITED** (formerly known as International Paper APPM Limited) ("the Company"), for the quarter and six months ended September 30, 2020 ("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:
 - a) Note 3 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 treated 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.

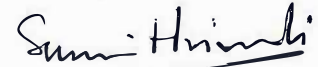
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**Deloitte
Haskins & Sells**

- b) Note 5 (b) of the Statement, which describes Management's evaluation on assessment of recoverability of carrying value of its assets. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our conclusion on the Statement is not modified in respect of these matters.

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



Sumit Trivedi
Partner
(Membership No.209354)
UDIN:20209354AAAANE8567

Place: Hyderabad
Date: October 29, 2020