INTERNATIONAL PAPER

January 31, 2018

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 and nine months ended December 31, 2017 which were approved by the Board of Directors at their Meeting held on January 31, 2018.

The meeting of Board of Directors of the Company commenced at 1.30 P.M. and concluded at 5.15 P.M.

We also enclose the Independent Auditor's Report dated January 31, 2018 issued by M/s. Deloitte Haskins & Sells, Auditors of the Company on the Unaudited Financial Results for the quarter and nine months ended December 31, 2017 which was placed before the Board of Directors.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,
For INTERNATIONAL PAPER APPM LIMITED

C. Prabhakar

International Paper APPM Ltd. Hyderabad

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, 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

INTERNATIONAL PAPER

International Paper APPM Ltd.

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(₹ in lakhs)

Sl. No	Particulars	Quarter ended			Nine months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	**Income**					
	a) Revenue from operations (Refer Note 6)	32,829.49	28,498.09	33,701.70	94,007.03	89,137.29
	b) Other income	228.18	183.64	47.59	454.16	417.94
	Total Income	**33,057.67**	**28,681.73**	**33,749.29**	**94,461.19**	**89,555.23**
2	**Expenses**					
	a) Cost of materials consumed	12,460.45	11,170.74	14,588.25	35,962.24	35,984.20
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	998.98	685.82	(689.33)	1,516.93	2,595.87
	c) Excise duty	-	-	1,840.39	1,579.65	4,227.68
	d) Employee benefits expense	4,055.81	3,949.78	3,372.76	11,763.39	9,782.91
	e) Finance costs	647.24	690.60	810.99	1,984.00	2,595.28
	f) Depreciation and amortisation expense	1,682.05	1,687.48	1,654.43	4,934.63	5,283.75
	g) Other expenses	9,741.63	9,651.78	8,930.71	28,770.17	25,922.96
	Total Expenses	**29,586.16**	**27,836.20**	**30,508.20**	**86,511.01**	**86,392.65**
3	**Profit before exceptional items and tax (1-2)**	**3,471.51**	**845.53**	**3,241.09**	**7,950.18**	**3,162.58**
4	Exceptional items (net) (Refer Note 8)	-	-	-	-	(1,404.13)
5	**Profit before tax (3+4)**	**3,471.51**	**845.53**	**3,241.09**	**7,950.18**	**1,758.45**
6	**Tax expense**					
	a) Current tax (net of MAT credit)	1,118.11	-	-	1,118.11	-
	b) Deferred tax	280.79	269.77	1,044.91	1,798.37	77.17
	Tax expense	1,398.90	269.77	1,044.91	2,916.48	77.17
7	**Net Profit after tax (5-6)**	**2,072.61**	**575.76**	**2,196.18**	**5,033.70**	**1,681.28**
8	**Other comprehensive income**					
	Items that will not be reclassified to profit or loss:					
	(a) Remeasurements of the defined benefit plans	(23.76)	(23.76)	(39.60)	(71.28)	(118.80)
	(b) Equity instruments through other comprehensive income	(21.19)	(57.46)	(21.19)	(63.58)	(63.58)
	(c) Deferred tax relating to the above items	13.12	21.48	18.59	39.34	55.78
	Total other comprehensive income / (loss)	**(31.83)**	**(59.74)**	**(42.20)**	**(95.52)**	**(126.60)**
9	**Total comprehensive income (7+8)**	**2,040.78**	**516.02**	**2,153.98**	**4,938.18**	**1,554.68**
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
11	Earnings per share (of ₹ 10/- each) (for the period - not annualised)					
	- Basic (₹)	5.21	1.45	5.52	12.66	4.23
	- Diluted (₹)	5.21	1.45	5.52	12.66	4.23

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

International Paper APPM Ltd. Hyderabad

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Notes:

1 The unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on January 31, 2018. The statutory auditors have carried out a limited review of these financial results.

2 The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 with transition date of April 1, 2016 and, accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

3 The reconciliation of the financial results for the quarter and nine months ended December 31, 2016 to those reported under previous Generally Accepted Accounting Principles ("GAAP") is summarised as follows:

(₹ in lakhs)

Particulars	Quarter ended December 31, 2016 (Unaudited)	Nine months ended December 31, 2016 (Unaudited)
Net profit after tax as reported under previous GAAP	**2,168.58**	**1,599.01**
Reclassification of Actuarial gains/losses arising in respect of the employees benefit scheme to Other Comprehensive Income (OCI)	39.60	118.80
Others	2.60	7.00
Tax adjustments on above	(14.60)	(43.53)
Net profit after tax as reported under Ind AS	**2,196.18**	**1,681.28**
Other comprehensive income / (loss) (net of tax)	(42.20)	(126.60)
Total Comprehensive income for the period as reported under Ind AS	**2,153.98**	**1,554.68**

4 The Company is engaged in the business of manufacture and sale of pulp, paper and paper boards, which in the context of India Accounting Standard (Ind AS) - 108 - Operating Segments, is considered as the operating segment of the Company.

5 During the previous quarter, the production and earnings were impacted owing to the following:
(a) The manufacturing facility at Rajahmundry conducted Planned Annual Outage for 9 days which was executed on time without any safety incidents.
(b) The contractor workmen at the Rajahmundry manufacturing facility resorted to illegal strike without any notice from July 26, 2017. The illegal strike was unconditionally called off and workmen resumed work from July 29, 2017.

6 The Government of India introduced the Goods and Services tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in equity, consequently revenue for the quarter ended September 30, 2017 and the quarter ended December 31, 2017 is presented net of GST. Sales of earlier periods included Excise duty, which now is subsumed in GST. The nine months period to December 31, 2017 includes excise duty upto June 30, 2017.

7 In the previous year, 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 paisa 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 previous year. 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 previous year towards the potential liability in the event of an unfavourable verdict in this matter, which amount was disclosed as an exceptional item. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as 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.

8 Exceptional items during the nine months ended December 31, 2016:
(i) The Company had earlier created a provision amounting to ₹ 942.97 lakhs in respect of the matter referred to Note 7
(ii) The Company had in the earlier years made an application for the refund of excise duty on cash discounts, freight rebates and quantity discounts extended to the dealers post clearance through the issue of credit notes. Based on the favorable orders of the Hon'ble High Court of Andhra Pradesh dated February 19, 2014 and July 1, 2015, a major portion of refund of duty was sanctioned to the Company in July 2015 and August 2016 and also a small portion of refund was received in the earlier years as well. On appeal made by the Department of Central Excise and Customs, the Hon'ble Supreme Court vide its order dated August 29, 2016 ruled in favour of the Department. Consequently, the Company had created a provision of ₹ 461.16 lakhs during the nine months ended December 31, 2016, which has been disclosed as an Exceptional item. The Company has filed a review petition in the Hon'ble Supreme Court for waiver of interest, which matter is pending hearing.

9 This Statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

By order of the Board
For International Paper APPM Limited

Donald P. Devlin
Chairman & Managing Director

Place : Hyderabad
Date : January 31, 2018

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

International Paper APPM Ltd. Hyderabad

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Deloitte Haskins & Sells

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
1st, 2nd & 3rd Floor
Jubilee Enclave, Madhapur
Hyderabad - 500 081
Telangana, India

Tel: +91 40 7125 3600
Fax: +91 40 7125 3601

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE 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 Nine months ended December 31, 2017 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

   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 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 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. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Attention is invited to Note 7 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.

   Our report is not modified in respect of this matter

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

Sumit Trivedi
Partner
(Membership No. 209354)

Hyderabad, January 31, 2018