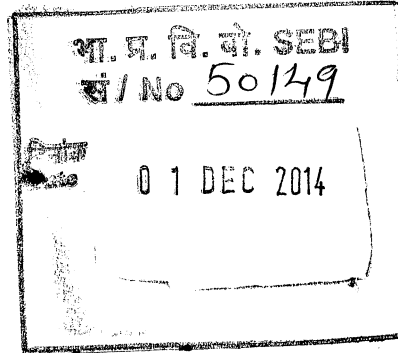


Corporate Finance Department,
Division of Corporate Restructuring,
Securities and Exchange Board of India,
SEBI Bhawan, Plot No. C4-A, 'G' Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051



November 27, 2014

Dear Sir,

Sub: Request for No-Action Letter under SEBI (Informal Guidance) Scheme, 2003 regarding the requirement to make open offer under Regulation 3 and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations')

1. Background:

- 1.1. International Paper APPM Limited¹ ("List Co") is an Indian Public Limited Company having its registered office at Rajahmundry – 533 105, East Godavari District, Andhra Pradesh. The equity shares of List Co are listed on Bombay Stock Exchange and National Stock Exchange.
- 1.2. Current shareholding pattern of List Co:

Shareholders	Number of shares	% shareholding
Promoter	29,827,529	75%
Public	9,942,510	25%
Total	39,770,039	100%

- 1.3. The issued and paid-up share capital of the Company consists of 39,770,039 equity shares. IP Holding Asia Singapore Pte Ltd ("IP Singapore") has been disclosed as the promoter of List Co, holding 29,827,529 equity shares equivalent to 75% of the equity share capital. The public shareholding of the Company comprises of 9,942,510 equity shares representing 25% of the equity share capital. The shareholding pattern of List Co as on September 30, 2014, as filed with the stock exchanges is attached as Annexure A.

¹ Formerly known as The Andhra Pradesh Paper Mills Limited ("APPM"). In 2013, name of APPM was changed to International Paper APPM Limited.

INTERNATIONAL PAPER APPM LIMITED

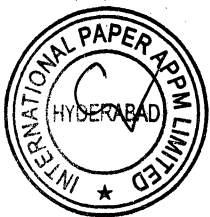
(Formerly known as The Andhra Pradesh Paper Mills Limited)
(Corporate Identity Number: L21010AP1964PLC001008)

Corp. Office: Krishe Sapphire Building, 8th Floor, 1-89/3/B40 to 42/KS/801,
Hi-tech City Main Road, Madhapur, Hyderabad – 500 081, Telangana, 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



- 1.4. IP Singapore, a company incorporated under the laws of Singapore, is a private unlisted company and wholly owned subsidiary of IP International Holdings, Inc. (“IP US”).
- 1.5. IP US, a company incorporated under the laws of Delaware, is a wholly owned subsidiary of International Paper Company (“IP Co”).
- 1.6. IP Co, a company incorporated under the laws of the State of New York, USA, is listed on the New York Stock Exchange. IP Co is the global ultimate parent of the International Paper group.
- 1.7. International Paper Holdings (Luxembourg) S.à.r.l. (“IP Lux Holding”), incorporated under the laws of Luxembourg, is a wholly owned subsidiary of IP US.
- 1.8. International Paper Investments (Luxembourg) S.à.r.l. (“IP Lux”) incorporated under the laws of Luxembourg, is wholly owned subsidiary of IP Lux Holding. Accordingly, IP Lux is a step down subsidiary of IP US.
- 1.9. International Paper group acquired shares in List Co in 2011 through IP Singapore in the following manner:
 - 53.46% stake was acquired from L. N. Bangur group, the erstwhile promoters of APPM. Pursuant to such acquisition, open offer was made by IP Singapore along with IP Co for acquisition of 21.54% stake in accordance with the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997.
 - During such open offer process which was oversubscribed, 21.54% shares were accepted from the public shareholders. Pursuant to the open offer, concluded in October 2011, IP Singapore held 75% stake in APPM.
- 1.10. The above acquisition was funded by IP Singapore through debt raised from IP US and IP Lux. Details of debt raised and interest outstanding thereon as on date is as below:

(Figures in USD mn)

Particulars	IP US	IP Lux
Loan	110.8	287.5
Interest outstanding as on date	0.4	17.2
Total amount due	111.2	304.7

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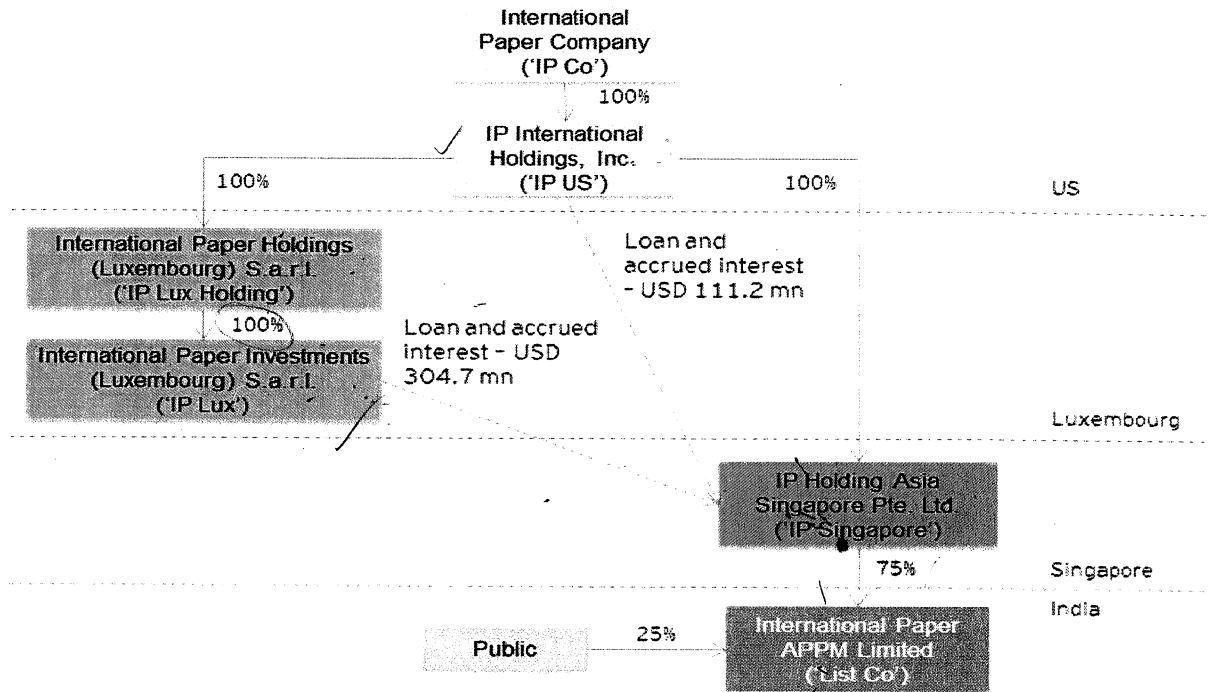
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1.11. Relevant group structure is depicted below:

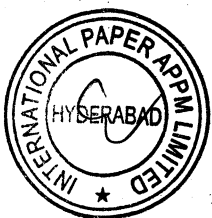


2. Proposed Transaction

2.1. As part of internal reorganization, IP Singapore proposes to transfer 75% stake held in List Co to IP Lux and IP US in satisfaction of debt payable to the respective companies:

- Transfer of shares shall be made to IP Lux and IP US in the same proportion in which debt has been raised from the respective companies. Further, price for transfer of shares shall not exceed the threshold provided under proviso to Regulation 10(1)(a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations") at the time of transfer.
- IP Singapore to issue equity shares to IP Lux and IP US against the remaining portion of the debt payable, if any, after transfer of shares of List Co.

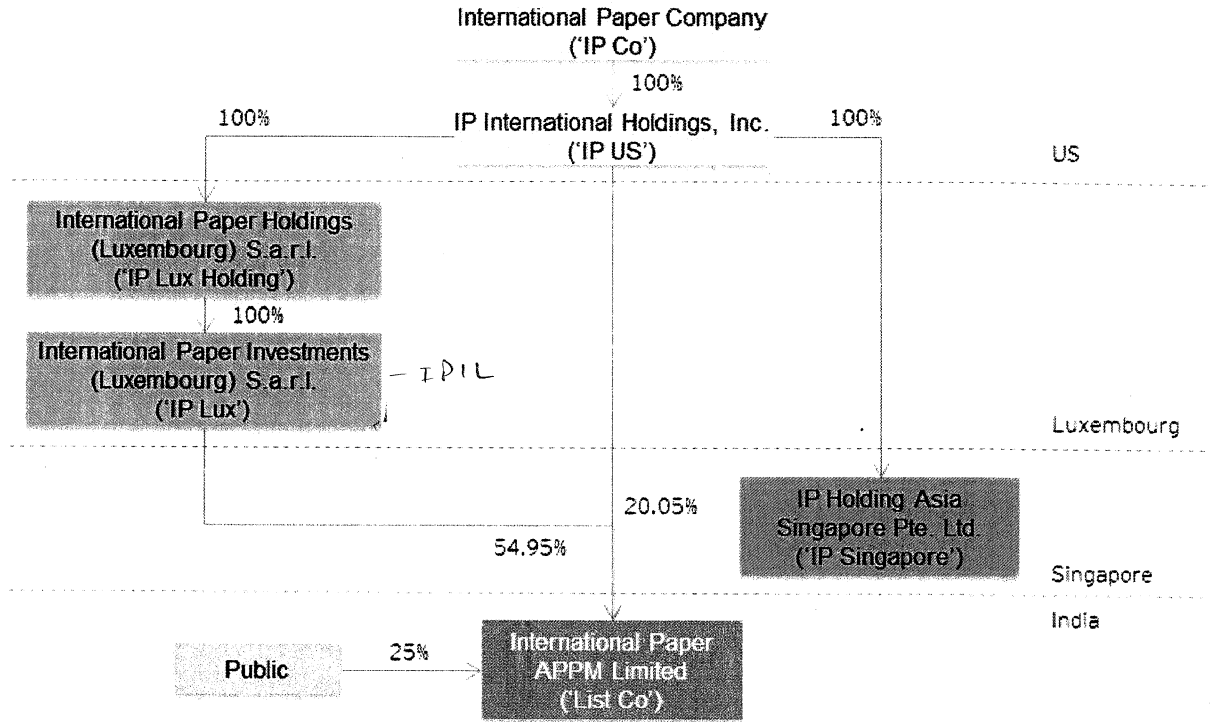
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2.2. Proposed shareholding in List Co after Proposed Transaction:



3. Takeover Regulations:

3.1. The relevant provisions of Takeover Regulations are reproduced below:

Regulation 10(1) of the Takeover Regulations provides:

“General exemptions:

10(1) The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfilment of the conditions stipulated therefor,—

(a) acquisition pursuant to inter se transfer of shares amongst qualifying persons, being,—

(i)

(ii)

(iii) a company, its subsidiaries, its holding company, other subsidiaries of such holding company, persons holding not less than fifty per cent of the equity

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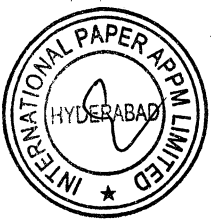
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shares of such company, other companies in which such persons hold not less than fifty per cent of the equity shares, and their subsidiaries subject to control over such qualifying persons being exclusively held by the same persons.....”

3.2. Paraphrasing the above, Regulation 10(1)(a)(iii) provides exemption from the obligation to make an open offer contained in Regulation 3 and in Regulation 4, for acquisitions pursuant to transfer of shares amongst the following qualifying persons:

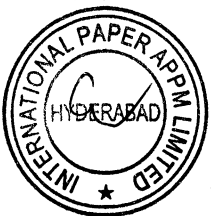
- any company (“Company”);
- such Company’s subsidiaries;
- such Company’s holding company (“Holding Company”);
- the Subsidiaries of such Holding Company (“Holding Company Subsidiaries”);
- the Persons who hold at least 50% in the Company (“Persons”);
- the Companies in which such Persons hold at least 50% (“Other Companies”);
- the Other Companies’ subsidiaries;

subject to control over such qualifying persons being exclusively held by the same persons.

4. Applicability of the Takeover Regulations

4.1. The Proposed Transaction should be covered by the provisions of Regulation 10(1)(a)(iii) in light of the following:

- Acquisition of shares of List Co by IP US from IP Singapore should be considered as transfer of shares amongst qualifying persons being Company and Holding company;
- Acquisition of shares of List Co by IP Lux from IP Singapore should be considered as transfer of shares amongst qualifying persons being Company and a Holding Company Subsidiary, or alternatively, as a transfer amongst qualifying persons being Company and Other Companies’ subsidiaries; and
- There would be no change in control after the Proposed Transaction as List Co would continue to remain part of the same International Paper Group with ultimate parent being IP Co. Further, there would be no increase in promoter holding. Further, in the facts and structure described above, control over the qualifying persons is also held exclusively by the same persons, as required under Regulation 10(1)(a)(iii),



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- There would not be any dilution in the public shareholding of 25% and the List Co will continue to remain a listed company.

4.2. In view of the above, we understand that acquisition of 75% stake in List Co by IP Lux and IP US from IP Singapore, shall be exempt from the requirement to make open offer under Regulation 3 and 4 of the Takeover Regulations in terms of exemption under Regulation 10(1)(a)(iii).

We request you to issue us a "No-action letter" under Para 5(i) of the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 confirming that the Proposed Transaction would not trigger the open offer requirement under Regulation 3 and 4 of the Takeover regulations and our understanding mentioned in Para 4 above is correct.

Demand Draft bearing No. 994023 dated November 25, 2014 for Rs 25,000/- payable at Mumbai towards the fees is enclosed herewith.

Owing to the nature of the query and the fact that no decision of sale / transfer has been taken by the relevant parties, we request that the subject matter and the contents of this letter be treated as confidential in accordance with Para 11 of the SEBI (Informal Guidance) Scheme, 2003 for the maximum period permitted under applicable law.

We would highly appreciate your early action in this matter and will be pleased to provide additional information, if any, on hearing from you and will be available for personal discussion, if required.

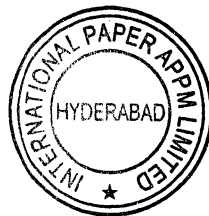
Our contact details: Mobile No.09848020823
E-mail Id: prabhakar.cherukumudi@ipaper.com

Thanking you,

Yours faithfully,
For International Paper APPM Limited

C. Prabhakar

C. PRABHAKAR
SR. VICE PRESIDENT (CORPORATE AFFAIRS) &
COMPANY SECRETARY



Encl: As above

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