

# FINANCIALS



## ABOUT

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# BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2005

	SCHEDULE		30 <sup>th</sup> June, 2005 (Rs. '000)		30 <sup>th</sup> June, 2004 (Rs. '000)
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	"A"	1,674,479		1,674,479	
(b) Reserves & Surplus	"B"	13,263,657		12,505,732	
			<b>14,938,136</b>		14,180,211
<b>2. LOAN FUNDS</b>					
(a) Secured Loans	"C"	9,912,652		10,880,050	
(b) Unsecured Loans	"D"	1,976,289		2,422,042	
			<b>11,888,941</b>		13,302,092
<b>3. DEFERRED TAX LIABILITY (Net of Assets)</b>			<b>1,734,924</b>		1,514,724
TOTAL			<b>28,562,001</b>		28,997,027
<b>II. APPLICATION OF FUNDS</b>					
<b>1. FIXED ASSETS</b>					
(a) Gross Block	"E"	32,044,468		30,866,424	
Less : Depreciation and Impairment		11,877,273		10,925,976	
Net Block		20,167,195		19,940,448	
(b) Construction and Installation-in-Progress					
including Expenditure thereon (Pending allocation)		1,838,528		2,274,102	
(c) Advance against Machinery, Land, Property rights etc.		409,394		368,026	
			<b>22,415,117</b>		22,582,576
<b>2. INVESTMENTS</b>	"F"		<b>549,720</b>		549,732
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
(a) Interest accrued on Investments and Fixed Deposits (Net)		13,851		13,929	
(b) Inventories	"G"	2,802,407		2,496,506	
(c) Sundry Debtors	"H"	1,859,110		1,790,289	
(d) Cash and Bank Balances	"I"	1,552,895		2,405,040	
(e) Loans and Advances	"J"	2,527,457		2,130,845	
		8,755,720		8,836,609	
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	"K"				
(a) Liabilities		2,810,257		2,529,813	
(b) Provisions		649,743		743,980	
		3,460,000		3,273,793	
<b>NET CURRENT ASSETS</b>			<b>5,295,720</b>		5,562,816
<b>4. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)</b>	"L"		<b>301,444</b>		301,903
<b>NOTES TO BALANCE SHEET</b>	"M"				
TOTAL			<b>28,562,001</b>		28,997,027
Note : Schedules "A" to "M" referred to above form an integral part of the Balance Sheet.					

As per our report attached

ASHWIN MANKESHWAR

Partner

Membership No. 46219

For and on behalf of

K. K. Mankeshwar & Co.

Chartered Accountants

Dated : 30th August, 2005

Camp : Gurgaon

L. M. THAPAR - Chairman

GAUTAM THAPAR - Vice Chairman & Managing Director

R. R. VEDERAH - Joint Managing Director

B. HARIHARAN - Group Director (Finance)

R. K. CHOPRA - Vice President & Group Chief Accounts Officer

NEERJA SHARMA - Chief General Manager & Company Secretary

Dated : 30th August, 2005

Place : New Delhi

# PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2005

	SCHEDULE		Current Year (Rs. '000)		Previous Year (Rs. '000)
<b>INCOME</b>					
Sales	"I"		19,974,009		19,694,567
Less : Excise Duty			2,072,567		1,929,272
Net Sales			17,901,442		17,765,295
Other Income	"II"		96,540		108,955
Increase/(Decrease) in Stocks	"III"		47,483		(329,383)
TOTAL			18,045,465		17,544,867
<b>EXPENDITURE</b>					
Manufacturing Costs	"IV"		10,364,475		9,450,368
Purchases			1,145,386		1,838,118
Personnel Costs	"V"		1,233,497		1,279,779
Administration, Selling & Miscellaneous Costs	"VI"		585,646		516,291
Deferred Revenue Expenditure-Amortised (Net)			116,834		112,897
Interest and Finance Costs (Net)	"VII"		1,103,960		1,263,317
Depreciation			1,430,830		1,307,386
TOTAL			15,980,628		15,768,156
Profit before Taxation			2,064,837		1,776,711
Provisions for Taxation					
Current Tax/MAT		165,500		137,500	
Deferred Tax		220,200		300,147	
Fringe Benefits Tax		4,525		—	
			390,225		437,647
Less : Excess Provision for Taxation relating to earlier Years			6,348		—
Profit after Taxation			1,680,960		1,339,064
Add : Balance brought forward from last year			674,778		456,457
Add : Debenture Redemption Reserve no longer required			—		419,900
Amount available for Appropriation			2,355,738		2,215,421

# PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2005

	SCHEDULE		Current Year (Rs. '000)		Previous Year (Rs. '000)
<b>APPROPRIATIONS</b>					
Debenture Redemption Reserve			50,900		60,000
Preference Share Capital Redemption Reserve			—		451,350
General Reserve			1,100,000		500,000
Interim Dividend :					
On 162429154 Equity Shares @ 12.50 %		203,036		—	
Add: Dividend Tax on above		26,534	229,570	—	—
Dividend to Global Depository Shareholders relating to year 2002-03		—		42,322	
(On 2,11,60,820 underlying equity shares @ 20%)					
Add : Dividend Tax on above		—		5,422	
			—		47,744
Proposed Dividend:					
On Redeemable Non-Convertible Cumulative Preference Shares		6,000		19,862	
On 162429154 Equity Shares @ 12.5%		203,036		406,073	
(2003-04 on 162429154 Equity Shares @ 25%)					
		209,036		425,935	
Add : Dividend Tax on above		29,275		55,614	
			238,311		481,549
Balance carried to Balance Sheet			736,957		674,778
NOTES FORMING PART OF PROFIT & LOSS ACCOUNT	"VIII"				
			2,355,738		2,215,421
BASIC EARNINGS PER SHARE (Rs.)			10.31		8.11
DILUTED EARNINGS PER SHARE (Rs.)			9.45		7.27

As per our report attached

ASHWIN MANKESHWAR

Partner

Membership No. 46219

For and on behalf of

K. K. Mankeshwar & Co.

Chartered Accountants

Dated : 30th August, 2005

Camp : Gurgaon

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R. R. VEDERAH - Joint Managing Director

B. HARIHARAN - Group Director (Finance)

R. K. CHOPRA - Vice President & Group Chief Accounts Officer

NEERJA SHARMA - Chief General Manager & Company Secretary

Dated : 30th August, 2005

Place : New Delhi

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2005

	30 <sup>th</sup> June, 2005 (Rs. '000)	30 <sup>th</sup> June, 2004 (Rs. '000)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Appropriations	2,064,837	1,776,711
Add/(Less) :		
Adjustments for :		
(Profit)/Loss on sale of Assets (Investing Activity)	38,808	(10,019)
Unspent Liabilities and Excess Provisions of earlier years written back	(31,528)	(48,358)
Loss on Assets discarded	98	23
Interest (net)	1,103,960	1,263,317
Depreciation	1,430,830	1,307,386
Deferred revenue expenses amortised	116,834	112,897
Bad debts and claims written off	26,694	38,841
Unusable stores and spares written off/provided for	—	500
Operating Profit before Working Capital changes	4,750,533	4,441,298
Adjustments for Working Capital changes :		
Trade payable and others	383,853	(1,768,374)
Inventories	(305,901)	331,892
Trade and other receivables	(95,515)	5,756
Loans and Advances	(234,415)	(170,369)
Cash generated from Operations	4,498,556	2,840,203
Deferred Revenue expenditure (net)	(116,375)	(5,245)
Direct Taxes (net)	(192,500)	(8,771)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>4,189,681</b>	<b>2,826,187</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in Fixed Assets, Capital WIP, Capital Advances (Net)	(1,850,090)	(1,686,947)
Sale of Assets	104,215	17,556
Sale/Redemption of Investments	12	801
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,745,863)</b>	<b>(1,668,590)</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2005 (PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	30 <sup>th</sup> June, 2005 (Rs. '000)	30 <sup>th</sup> June, 2004 (Rs. '000)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Global Depository Shares	–	1,597,702
Refund of Share Application money	(11,605)	–
Proceeds from Issuance/(Repayment) of Preference Share Capital (net)	–	(451,350)
Increase/(Decrease) in long term and other borrowings (net)	(1,413,151)	1,501,692
Interest and Financing charges (net)	(1,165,101)	(1,324,616)
Share/Debenture/Rights Issue expenses	(11,555)	(158,604)
Dividend Paid (including dividend tax)	(694,550)	(439,297)
NET CASH USED IN FINANCING ACTIVITIES	(3,295,962)	725,527
NET INCREASE IN CASH AND CASH EQUIVALENTS	(852,145)	1,883,124
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	2,405,040	521,916
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	1,552,895	2,405,040

## NOTES

- The above statement has been prepared following the Indirect Method.
- Increase in Fixed Assets are stated inclusive of movements of Capital work in progress and Capital advances between the beginning and the end of the year.
- Proceeds from long term and other borrowings are shown net of repayments.
- Cash and Cash Equivalents represent Cash and Bank Balances only.
- Figures for the previous year have been rearranged and regrouped wherever necessary to conform to Current year's classification.

ASHWIN MANKESHWAR  
*Partner*  
 Membership No. 46219  
 For and on behalf of  
 K. K. Mankeshwar & Co.  
*Chartered Accountants*

Dated : 30th August, 2005  
 Camp : Gurgaon

L. M. THAPAR - Chairman  
 GAUTAM THAPAR - Vice Chairman & Managing Director  
 R. R. VEDERAH - Joint Managing Director  
 B. HARIHARAN - Group Director (Finance)  
 R. K. CHOPRA - Vice President & Group Chief Accounts Officer  
 NEERJA SHARMA - Chief General Manager & Company Secretary

Dated : 30th August, 2005  
 Place : New Delhi

# **SCHEDULES “A” TO “M”** ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 2005

	As at 30 <sup>th</sup> June, 2005 (Rs. '000)	As at 30 <sup>th</sup> June, 2004 (Rs. '000)
<b>SCHEDULE “A” : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
297500000 (Previous Year 297500000) Equity Shares of Rs. 10/- each	<b>2,975,000</b>	2,975,000
10250000 (Previous Year 10250000) Preference Shares of Rs. 100/- each	<b>1,025,000</b>	1,025,000
	<b>4,000,000</b>	4,000,000
<b>ISSUED</b>		
162722906 (Previous Year 162722906) Equity Shares of Rs. 10/- each	<b>1,627,229</b>	1,627,229
500000 (Previous Year 500000) 12% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 100/- each	<b>50,000</b>	50,000
	<b>1,677,229</b>	1,677,229
<b>SUBSCRIBED AND PAID UP :</b>		
162479103 (Previous Year 162479103) Equity Shares of Rs. 10/- each	<b>1,624,791</b>	1,624,791
Less : 49949 Equity Shares of Rs. 10/- each forfeited	<b>499</b>	499
	<b>1,624,292</b>	1,624,292
Add : Forfeited Shares (Amount paid up)	<b>187</b>	187
	<b>1,624,479</b>	1,624,479
500000 (Previous Year 500000) 12% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 100/- each	<b>50,000</b>	50,000
	<b>1,674,479</b>	1,674,479

## **Of the above :**

- 35,000 Equity Shares of Rs. 10/- each allotted as fully paid up without payment being received in cash.
- 15,423,900-1/2 Equity Shares of Rs. 10/- each allotted as fully paid up by way of Bonus Shares capitalised from General Reserve and Share Premium Account.
- 950,000 Equity Shares of Rs. 10/- each fully paid up issued to Financial Institutions on part conversion of Loans/Debentures.
- 4,374,945 Equity Shares of Rs. 10/- each allotted as fully paid up to the Shareholders of Amalgamating Companies pursuant to the Schemes of Amalgamation.
- 135,174 Equity Shares of Rs. 10/- each allotted as fully paid up in conversion of 237 - 4% Euro Bonds of the Face Value of US\$ 11,85,000/-.
- 11,887,469 Equity Shares of Rs. 10/- each allotted as fully paid up , in terms of Scheme of Arrangement & Reorganisation.
- 12,649,218 Equity Shares of Rs. 10/ each allotted as fully paid pursuant to the Scheme of Arrangement and Amalgamation between the company and Bilt Graphic Papers Ltd.
- 2,11,60,820 Equity shares of Rs. 10/- each allotted as a fully paid up against Global Depository Shares (GDSs) aggregating to USD 35 Millions.
- 92,775 Equity Shares of Rs. 10/- each allotted as fully paid up on conversion of 9.5 % Fully Convertible Debentures.
- 500,000 12 % Redeemable Non-Convertible Cumulative Preference Shares of Rs. 100/- each issued on private placement basis are redeemable on 12th January, 2006.

# **SCHEDULES “A” TO “M”** ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

	As at 30 <sup>th</sup> June, 2005 (Rs. '000)	As at 30 <sup>th</sup> June, 2004 (Rs. '000)
<b>SCHEDULE “B” : RESERVES &amp; SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
As per Last Account	148,329	148,329
	148,329	148,329
<b>SHARE PREMIUM ACCOUNT</b>		
As per Last Account	6,402,970	5,176,408
Add : Premium on Equity shares underlying GDSs allotted	–	1,385,166
Less : Expenses on issue of Debentures/Shares adjusted	11,556	158,604
	6,391,414	6,402,970
<b>PREFERENCE SHARE CAPITAL REDEMPTION RESERVE</b>		
As per Last Account	688,469	237,119
Add : Transferred from Profit & Loss Account	–	451,350
	688,469	688,469
<b>GENERAL RESERVE</b>		
As per Last Account	4,212,686	3,712,686
Less : Impairment in the value of Assets adjusted	443,598	–
Add : Transferred from Profit & Loss Account	1,100,000	500,000
	4,869,088	4,212,686
<b>DEBENTURE REDEMPTION RESERVE</b>		
As per Last Account	378,500	738,400
Less : Transferred to Profit & Loss Account	–	419,900
	378,500	318,500
Add : Transferred from Profit & Loss Account	50,900	60,000
	429,400	378,500
<b>BALANCE AS PER PROFIT &amp; LOSS ACCOUNT</b>	736,957	674,778
	13,263,657	12,505,732



## SCHEDULES "A" TO "M" ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

		As at 30 <sup>th</sup> June, 2005 (Rs. '000)	As at 30 <sup>th</sup> June, 2004 (Rs. '000)
<b>SCHEDULE "C" : SECURED LOANS</b>	<b>Notes</b>		
Debentures	(1)	1,717,778	2,374,328
Term Loans from Banks/Financial Institutions including External Commercial Borrowings	(2)	4,381,655	4,618,709
Foreign Currency Convertible Bonds	(3)	1,969,200	2,074,500
Working Capital Facilities from Banks	(4)	1,844,019	1,812,513
		<b>9,912,652</b>	<b>10,880,050</b>

### Notes :

- These comprise of :-
  - The above Debentures are secured by pari-passu first charge created/to be created on all immoveable and moveable properties of the Company both present and future subject to prior charges created/to be created in favour of the Company's bankers to secure borrowings for Working Capital.
  - The Debentures referred to above are redeemable at par, in one or more instalments, on various dates with earliest redemption being on 8th November, 2005 and the last being due on 30th June, 2013. The amount of Debentures due for redemption in financial year 2005-06 is Rs. 544.44 lacs.
- The above Term loans & ECBs are secured by Parri Passu first charge created/to be created on all immoveable and moveable properties of the Company both present and future subject to prior charges created/to be created in favour of the Company's bankers to secure borrowings for Working Capital.
- The Foreign Currency Convertible Bonds secured by a parri passu first charge on moveable and immoveable assets of the company both present and future subject to prior charges created/to be created in favour of the Company's bankers to secure borrowings for Working Capital.  
Conversion at the option of the holder - at any time (other than closing period) after 45 days from the date of issue (18th November, 2003) up to 15th June, 2011. Redemption - to be redeemed in six half yearly instalments starting December 2008.
- The Working Capital facilities from banks are secured by First pari-passu charge on current assets of the company both present and future and shall include Raw Materials, General Stores and Spares, Goods-in-process, Finished stock, Book Debts and other moveable assets except Plant & Machinery. A second pari-passu charge on moveable and immoveable Fixed Assets of the Company.

<b>SCHEDULE "D" : UNSECURED LOANS</b>		
Fixed Deposits *	929,412	1,348,444
Loan from Banks	1,003,096	1,000,405
Loan from Others	43,781	73,193
	<b>1,976,289</b>	<b>2,422,042</b>

\* Includes Rs. 44837 thousand of Unclaimed matured deposits which will be credited to Investor Education and Protection Fund . The actual amount to be transferred to the fund will be determined on the respective due dates.

# SCHEDULES "A" TO "M" ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE "E": FIXED ASSETS											(Rs. '000)	
ASSETS		GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK		
	As at 1 <sup>st</sup> July, 2004	Additions/Adjustments during the year	Sales/Adj-ustments & Disposals during the year	Total as at 30 <sup>th</sup> June, 2005	As at 1 <sup>st</sup> July, 2004	For the year	On Sales, Adjustments & Disposals during the year	Impairment Loss	Total as at 30 <sup>th</sup> June, 2005	As at 30 <sup>th</sup> June, 2005	As at 30 <sup>th</sup> June, 2004	
A. Tangible Assets												
Land (including leasehold lands)	593,957	—	25,459	568,498	—	—	—	—	—	568,498	593,957	
Buildings	3,478,357	3,743	65,339	3,416,761	710,523	81,249	21,284	9,314	779,802	2,636,959	2,767,834	
Railway Sidings, Trolley Lines, Tramway and Tipping Tubs	1,606	—	—	1,606	1,584	3	—	—	1,587	19	22	
Plant, Machinery & Equipments	25,908,877	1,879,099	618,032	27,169,944	10,014,324	1,246,884	546,271	83,701	10,798,638	16,371,306	15,894,553	
Furniture, Fixtures and Office Equipments	212,572	5,063	1,412	216,223	145,652	12,927	1,067	762	158,274	57,949	66,920	
Improvement to Leased Assets	52,848	—	—	52,848	15,849	7,046	—	—	22,895	29,953	36,999	
Vehicles	73,168	6,569	5,352	74,385	37,475	5,599	4,688	—	38,386	35,999	35,693	
Gas Cylinders	363	—	—	363	358	—	—	—	358	5	5	
B. Intangible Assets												
ERP Project	539,854	—	—	539,854	211	77,122	—	—	77,333	462,521	539,643	
TOTAL : This Year	30,861,602	1,894,474	715,594	32,040,482	10,925,976	1,430,830	573,310	93,777	11,877,273	20,163,209	19,935,626	
TOTAL : Previous Year	28,775,653	2,150,030	64,081	30,861,602	9,674,312	1,307,386	55,722	—	10,925,976			
Scrap Assets										3,986	4,822	
										20,167,195	19,940,448	

## NOTES :

- Buildings include Rs. 209621 thousands (Previous year Rs. 209621 thousands) towards revalued value of ownership flats in Cooperative Housing Societies.
- Additions during the year includes Rs. 83 thousands for Research & Development .
- The Lease-Agreement in respect of 6.08 Acres of Land of Unit Sewa in possession of the Company are yet to be executed in favour of the Company. Lease Deeds held in the name of erstwhile amalgamating Company Sewa Paper Limited are being mutated in favour of the Company.
- Notwithstanding vesting of certain assets in the Company and the assets vesting out (in terms of approved Scheme of Arrangement & Reorganisation) and sale of Unit AAC, Palwal, the assets/charges continue to be in the name of the transferor company/company's lenders. Actions are being initiated for formal transfer of Title Deeds/Ownership Rights in the name of the Company/Transferee Company.