

# 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>				
TOTAL			<b>1,734,924</b>	1,514,724
			<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"		549,720	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>				
(a) Liabilities	"K"	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"		301,444	301,903
<b>NOTES TO BALANCE SHEET</b>				
TOTAL	"M"		<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)
<b>TOTAL</b>		<b>18,045,465</b>	<b>17,544,867</b>
<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
<b>TOTAL</b>		<b>15,980,628</b>	<b>15,768,156</b>
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

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

## 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	<b>(11,605)</b>	-
Proceeds from Issuance/(Repayment) of Preference Share Capital (net)	-	(451,350)
Increase/(Decrease) in long term and other borrowings (net)	<b>(1,413,151)</b>	1,501,692
Interest and Financing charges (net)	<b>(1,165,101)</b>	(1,324,616)
Share/Debenture/Rights Issue expenses	<b>(11,555)</b>	(158,604)
Dividend Paid (including dividend tax)	<b>(694,550)</b>	(439,297)
NET CASH USED IN FINANCING ACTIVITIES	<b>(3,295,962)</b>	725,527
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>(852,145)</b>	1,883,124
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	<b>2,405,040</b>	521,916
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	<b>1,552,895</b>	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

	<b>As at 30<sup>th</sup> June, 2005 (Rs. '000)</b>	<b>As at 30<sup>th</sup> June, 2004 (Rs. '000)</b>
<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 :**

- a) 35,000 Equity Shares of Rs. 10/- each allotted as fully paid up without payment being received in cash.
- b) 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.
- c) 950,000 Equity Shares of Rs. 10/- each fully paid up issued to Financial Institutions on part conversion of Loans/Debentures.
- d) 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.
- e) 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/-.
- f) 11,887,469 Equity Shares of Rs. 10/- each allotted as fully paid up , in terms of Scheme of Arrangement & Reorganisation.
- g) 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.
- h) 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.
- i) 92,775 Equity Shares of Rs. 10/- each allotted as fully paid up on conversion of 9.5 % Fully Convertible Debentures.
- j) 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	<b>148,329</b>	148,329
	<b>148,329</b>	148,329
<b>SHARE PREMIUM ACCOUNT</b>		
As per Last Account	<b>6,402,970</b>	5,176,408
Add : Premium on Equity shares underlying GDSs allotted	–	1,385,166
Less : Expenses on issue of Debentures/Shares adjusted	<b>11,556</b>	158,604
	<b>6,391,414</b>	6,402,970
<b>PREFERENCE SHARE CAPITAL REDEMPTION RESERVE</b>		
As per Last Account	<b>688,469</b>	237,119
Add : Transferred from Profit & Loss Account	–	451,350
	<b>688,469</b>	688,469
<b>GENERAL RESERVE</b>		
As per Last Account	<b>4,212,686</b>	3,712,686
Less : Impairment in the value of Assets adjusted	<b>443,598</b>	–
Add : Transferred from Profit & Loss Account	<b>1,100,000</b>	500,000
	<b>4,869,088</b>	4,212,686
<b>DEBENTURE REDEMPTION RESERVE</b>		
As per Last Account	<b>378,500</b>	738,400
Less : Transferred to Profit & Loss Account	–	419,900
	<b>378,500</b>	318,500
Add : Transferred from Profit & Loss Account	<b>50,900</b>	60,000
	<b>429,400</b>	378,500
<b>BALANCE AS PER PROFIT &amp; LOSS ACCOUNT</b>		
	<b>736,957</b>	674,778
	<b>13,263,657</b>	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>			
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

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

**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.