

SESHASAYEE PAPER AND BOARDS LIMITED

BALANCE SHEET AS AT 31st MARCH 2008

	Schedule	As at 31-3-2008		As at 31-3-2007	
		Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
I SOURCES OF FUNDS					
1 Shareholders' Funds					
(a) Share Capital	A	1125.00		1125.00	
(b) Reserves and Surplus	B	<u>17085.89</u>		<u>12983.34</u>	
			18210.89		14108.34
2 Loan Funds					
(a) Secured Loans	C		31110.07		21788.04
(b) Unsecured Loan - Interest Free Sales Tax Loan			<u>2965.97</u>		2590.43
			5888.50		5098.50
3 Deferred tax			<u>58175.43</u>		<u>43585.31</u>
Total					
II APPLICATION OF FUNDS					
1 Fixed Assets					
(a) Gross Block	D	44547.09		40953.73	
(b) Less : Depreciation		<u>18961.41</u>		<u>17232.86</u>	
(c) Net Block		<u>25585.68</u>		<u>23720.87</u>	
(d) Capital Work-in-Progress		<u>24867.43</u>		<u>11545.01</u>	
			50453.11		35265.88
2 Investments	E		819.05		817.85
3 Current Assets, Loans and Advances					
(a) Inventories	F	7052.12		5497.07	
(b) Sundry Debtors	G	4994.71		5089.64	
(c) Cash and Bank Balances	H	8045.64		7210.18	
(d) Loans and Advances	I	<u>3442.17</u>		<u>3715.40</u>	
		23534.64		<u>21512.29</u>	
Less :					
Current Liabilities and Provisions					
(a) Liabilities	J	16104.89		13550.04	
(b) Provisions		<u>526.48</u>		<u>460.67</u>	
		16631.37		<u>14010.71</u>	
Net Current Assets			6903.27		7501.58
Total			<u>58175.43</u>		<u>43585.31</u>

Note : Schedules 'A' to 'J' and Notes in Schedule 'T' form an integral part of this Balance Sheet.

Vide our report of date attached For SURI & CO., S Swaminathan Membership No.20583 Partner Chennai June 07, 2008 Chartered Accountants	For Messrs S VISWANATHAN Chella K Srinivasan Membership No.23305 Partner Chartered Accountants	N GOPALARATNAM Chairman and Managing Director V PICHAI Director (Finance) & Secretary	ARUN G BIJUR BIMAL KUMAR PODDAR Dr S NARAYAN Directors K S KASI VISWANATHAN Deputy Managing Director
-----------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------

SESHASAYEE PAPER AND BOARDS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

	Schedule	Year ended 31-3-2008		Year ended 31-3-2007	
		Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
1 INCOME					
Sales (Net)	K		45642.20		41784.28
Other income	L		136.87		163.63
Increase / (Decrease) in Stock-in-Trade	M		0.00		0.00
			<u>45779.07</u>		<u>41947.91</u>
2 EXPENDITURE					
Materials Consumed	N		25360.31		23831.96
Power and Fuel			6303.01		6467.71
Employees' Cost	O		3334.67		2827.34
Repairs and Maintenance	P		1597.64		1368.84
Other Expenses	Q		1039.27		1326.88
Decrease / (Increase) in Stock-in-Process	R		(-) 145.78		(-) 220.63
			<u>37489.12</u>		<u>35602.10</u>
3 PROFIT BEFORE INTEREST, DEPRECIATION AND TAX					
			8289.95		6345.81
Interest and Financing Charges (Net)	S		497.38		492.77
Depreciation			<u>1741.54</u>		<u>1483.37</u>
4 PROFIT BEFORE TAX					
			6051.03		4369.67
Provision for Current Tax					
– Minimum Alternate Tax (MAT) payable		679.00		484.00	
– MAT Credit Entitlement		27.00		0.00	
– MAT Credit availed		<u>0.00</u>		<u>81.00</u>	
			652.00		565.00
Transfer to / (from) Deferred Tax			790.00		(-) 361.00
Provision for Fringe Benefit Tax			<u>30.00</u>		<u>25.50</u>
5 PROFIT AFTER TAX					
			4579.03		4140.17
Profit brought forward from previous year			1393.05		713.55
<i>Transfer from :</i>					
Investment Allowance Reserve			100.00		0.00
Total			<u>6072.08</u>		<u>4853.72</u>

SESHASAYEE PAPER AND BOARDS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008 (Contd.)

	Year ended 31-3-2008 Rs lakhs	Year ended 31-3-2007 Rs lakhs
6 APPROPRIATIONS		
<i>Transfer to :</i>		
General Reserve	4000.00	3000.00
Proposed Dividend at 40% (Previous year @ 35%)	450.00	393.75
Tax on Proposed Dividend	76.48	66.92
Balance Carried over	<u>1545.60</u>	<u>1393.05</u>
Total	<u>6072.08</u>	<u>4853.72</u>
Notes :		
1 Basic and Diluted Earnings Per Share (Rs) :	40.70	36.80
2 Number of Equity Shares of Rs 10/- each	11250000	11250000
3 Disclosure as per Accounting Standard (AS) 9 :		
	Rs lakhs	Rs lakhs
Sales (Gross)	54723.01	50389.51
Less : Excise Duty and Excise Cess	5218.97	4629.73
Sales (Net of Excise Duty and Excise Cess)	<u>49504.04</u>	<u>45759.78</u>
4 Schedules 'K' to 'S' and Notes in Schedule 'T' form an integral part of this Profit and Loss Account.		

Vide our report of date attached

For SURI & CO.,
S Swaminathan
Membership No.20583
Partner
Chartered Accountants

Chennai
June 07, 2008

For Messrs S VISWANATHAN
Chella K Srinivasan
Membership No.23305
Partner
Chartered Accountants

N GOPALARATNAM
Chairman and
Managing Director

V PICHAI
Director (Finance) &
Secretary

ARUN G BIJUR
BIMAL KUMAR PODDAR
Dr S NARAYAN
Directors

K S KASI VISWANATHAN
Deputy Managing Director

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008 Rs lakhs	As at 31-3-2007 Rs lakhs
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED :		
2 50 00 000 - Equity Shares of Rs 10/- each	2500.00	2500.00
3 00 00 000 - Cumulative Redeemable Preference Shares of Rs 10/- each	3000.00	3000.00
	5500.00	5500.00
ISSUED, SUBSCRIBED AND PAID UP :		
1 12 50 000 - Equity Shares of Rs 10/- each fully paid up	1125.00	1125.00
(Of the above, 17 50 000 Equity Shares were allotted as fully paid up, by way of bonus shares, by capitalisation of Reserves)		
	1125.00	1125.00

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008		As at 31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
SCHEDULE 'B' - RESERVES AND SURPLUS				
CAPITAL RESERVE :				
As per last Balance Sheet	0.29		0.29	
<i>Add</i> : Capital Subsidy received from State Government for Expansion Project	<u>50.00</u>		<u>0.00</u>	
		50.29		0.29
SHARE PREMIUM ACCOUNT :				
As per last Balance Sheet		360.00		360.00
OTHER RESERVES :				
Investment Allowance Reserve :				
As per last Balance Sheet	230.00		230.00	
<i>Less</i> : Transfer to Profit and Loss Account	<u>100.00</u>		<u>0.00</u>	
		130.00		230.00
(Rs 130.00 lakhs utilised for acquiring new machinery and plant)				
General Reserve :				
As per last Balance Sheet	11000.00		8000.00	
<i>Add</i> : Transfer from Profit and Loss Account	<u>4000.00</u>		<u>3000.00</u>	
		15000.00		11000.00
Surplus :				
Balance in Profit and Loss Account		<u>1545.60</u>		<u>1393.05</u>
		17085.89		12983.34

SESHASAYEE PAPER AND BOARDS LIMITED

**As at
31-3-2008
Rs lakhs**

As at
31-3-2007
Rs lakhs

SCHEDULE 'C' - SECURED LOANS

LOANS AND ADVANCES FROM BANKS :

WORKING CAPITAL ADVANCES (See Note 2 below)	4315.05	4763.04
TERM LOANS		
(a) Expansion Project (See Note 1 below)	1020.00	2100.00
(b) Captive Power Project (See Note 1(c) below)	2025.00	2925.00
(c) Mill Development Plan (See Note 1(d) below)	23750.02	12000.00
	31110.07	21788.04

Notes :

1 Secured by :

- a) a charge, by way of mortgage of immovable properties of the Company, consisting of land, buildings, fixed plant and machinery, fixtures and fittings (exclusive of 58.06 acres of land, together with structures thereon and items enumerated in (c) below) and
- b) by way of hypothecation of all Company's movables, including movable plant and machinery, other than items enumerated in (c) and (d) below, save and except book debts, subject to prior charge in favour of Company's bankers, for securing working capital advances.
- c) by way of hypothecation of movable plant, machinery, fixtures, implements, fittings and other installations and all other articles and things purchased for the Captive Power Project.
- d) by way of hypothecation of movable plant, machinery, fixtures, implements, fittings and other installations and all other articles and things purchased for the Mill Development Plan.

2 The working capital advances, sanctioned by the bankers are secured :

- by way of hypothecation of stocks of stores, raw materials, including goods-in-transit, stock-in-trade, stock-in-process and book debts and
- by a second charge, on the fixed assets of the Company, enumerated in 1(a) above, to the extent of Rs 8500 lakhs.

SESHASAYEE PAPER AND BOARDS LIMITED

SCHEDULE 'D' - FIXED ASSETS

PARTICULARS	COST				DEPRECIATION			WRITTEN DOWN VALUE		
	As at 1-4-2007 Rs lakhs	Additions Rs lakhs	Deductions/ Adjustments Rs lakhs	As at 31-3-2008 Rs lakhs	Upto 31-3-2007 Rs lakhs	For the Year Rs lakhs	Withdrawn/ Adjustments Rs lakhs	Upto 31-3-2008 Rs lakhs	As at 31-3-2008 Rs lakhs	As at 31-3-2007 Rs lakhs
LAND AND BETTERMENT	108.35	0.00	0.00	108.35	0.00	0.00	0.00	0.00	108.35	108.35
BUILDINGS										
- LEASEHOLD	20.51	0.00	0.00	20.51	4.03	0.34	0.00	4.37	16.14	16.48
- OTHERS	3928.30	33.74	0.00	3962.04	974.21	122.88	0.00	1097.09	2864.95	2954.09
PLANT AND MACHINERY										
- ON LEASE TO OTHERS	4210.62	0.00	0.00	4210.62	4210.62	0.00	0.00	4210.62	0.00	0.00
- OTHERS	31885.87	3462.44	14.90	35333.41	11560.49	1566.93	9.96	13117.46	22215.95	20325.38
FURNITURE, FIXTURES, EQUIPMENT, ETC.	712.16	99.94	4.01	808.09	435.33	44.65	1.31	478.67	329.42	276.83
VEHICLES	87.92	17.96	1.81	104.07	48.18	6.74	1.72	53.20	50.87	39.74
	<u>40953.73</u>	<u>3614.08</u>	<u>20.72</u>	<u>44547.09</u>	<u>17232.86</u>	<u>1741.54</u>	<u>12.99</u>	<u>18961.41</u>	<u>25585.68</u>	<u>23720.87</u>
CAPITAL WORK-IN-PROGRESS - AT COST										
- Advances - Unsecured - Considered Good									51.50	5.90
- Others									79.70	97.27
MILL DEVELOPMENT PLAN UNDER IMPLEMENTATION - AT COST										
- As per Annexure									24736.23	11441.84
									<u>50453.11</u>	<u>35265.88</u>
Previous year	37318.99	3702.94	68.20	40953.73	15790.85	1483.37	41.36	17232.86	35265.88	22434.70

SESHASAYEE PAPER AND BOARDS LIMITED

ANNEXURE

		As at 31-3-2008		As at 31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
CAPITAL WORK-IN-PROGRESS :					
MILL DEVELOPMENT PLAN UNDER IMPLEMENTATION					
1			2776.75		1315.50
2			24436.57		8910.47
3			223.57		1515.81
4			0.00		1911.66
5	Pre-operative expenses :				
	- Employees' Cost				
				67.51	
	173.73				
	- Salaries, Wages and Bonus				
				12.61	
	30.29				
	- Contribution to Employees' Provident and Other Funds / Schemes				
				9.30	
	15.80				
		219.82		89.42	
	- Travelling Expenses				
			78.42	58.99	
	- Insurance				
			103.86	47.93	
	- Auditors' Remuneration for certification				
			0.24	0.14	
	- Trial Production expenses				
			298.40	0.00	
	- Others				
			128.01	40.54	
			828.75		237.02
6			2085.63		543.73
	(Includes Interest capitalised during the year - Rs 1541.90 lakhs)				
7					
			296.95		46.02
			30648.22		14480.21
	Less : Income during construction :				
	- Interest				
			31.14		7.86
	(Tax deducted at source - Rs 6.98 lakhs)				
	(Previous year - Rs 1.76 lakhs)				
			30617.08		14472.35
	Less : (a) Transferred to Fixed Assets in 2006-07				
			3030.51		3030.51
	(Includes Interest capitalised - Rs 148.05 lakhs)				
	(b) Transferred to Fixed Assets in 2007-08				
			2850.34		0.00
	(Includes Interest capitalised - Rs 166.10 lakhs)				
			24736.23		11441.84

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008	As at 31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs
SCHEDULE 'E' - INVESTMENTS			
LONG TERM INVESTMENTS			
NON-TRADE			
IN SHARES - FULLY PAID :			
<i>Quoted :</i>			
53 166 Equity Shares of Rs 10/- each in Housing Development Finance Corporation Limited	7.09		7.09
500 Equity Shares of Rs 10/- each in HDFC Bank Limited	0.05		0.05
1 14 080 Equity Shares of Rs 10/- each in Industrial Development Bank of India Limited	91.07		91.07
82 911 Equity Shares of Rs 10/- each in High Energy Batteries (India) Limited			
As per last Balance Sheet	185.95	114.40	
Add : Purchased during the year (Previous year : No. of shares 82 711)	1.20	71.55	185.95
<i>Unquoted :</i>			
50 000 Equity Shares of Rs 10/- each in Agri Development Finance (Tamilnadu) Limited	5.00		5.00
TRADE			
IN SHARES - FULLY PAID :			
<i>Quoted :</i>			
13 85 260 Equity Shares of Rs 10/- each in Ponni Sugars (Erode) Limited	215.58		215.58
1 00 000 Equity Shares of Rs 10/- each in Tamilnadu Newsprint and Papers Limited	106.70		106.70
Carried over	612.64		611.44

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008 Rs lakhs	As at 31-3-2007 Rs lakhs
SCHEDULE 'E' - INVESTMENTS (Contd.)		
LONG TERM INVESTMENTS		
Brought forward	612.64	611.44
TRADE		
IN SHARES - FULLY PAID :		
<i>Unquoted :</i>		
4 100 Equity Shares of Rs 10/- each in ESVIN Advanced Technologies Limited	0.41	0.41
50 000 Equity Shares of Rs 10/- each in SPB Projects and Consultancy Limited	5.00	5.00
10 000 Equity Shares of Rs 10/- each in OPG Energy Private Limited	1.00	1.00
20 00 000 Zero Coupon Rate Redeemable Preference Shares of Rs 10/- each in Ponni Sugars (Erode) Limited	200.00	200.00
	819.05	817.85

Notes :

	Cost Rs lakhs	Market Value Rs lakhs
Aggregate amount of :		
Quoted Investments	607.64	2135.57
Unquoted Investments	211.41	-

SCHEDULE 'F' - INVENTORIES

(At lower of cost or net realisable value)

Raw materials	4326.66	3091.50
Stores, Spares, Chemicals and others	2083.86	1909.75
Stock-in-Trade	0.00	0.00
Stock-in-Process	641.60	495.82
	7052.12	5497.07

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008	As at 31-3-2007
	Rs lakhs	Rs lakhs
SCHEDULE 'G' - SUNDRY DEBTORS		
SECURED - CONSIDERED GOOD :		
Exceeding six months	67.37	55.28
Other debts	1094.69	1125.90
UNSECURED - CONSIDERED GOOD :		
Exceeding six months	32.66	1.71
(Net of Rs 117.42 lakhs (Previous year Rs 117.42 lakhs) being the debts considered doubtful and provided for)		
Other debts	3799.99	3906.75
	4994.71	5089.64

SCHEDULE 'H' - CASH AND BANK BALANCES

CASH BALANCE :

Cash on hand	27.73	30.03
--------------	-------	-------

BANK BALANCES :

WITH SCHEDULED BANKS :

In Current Accounts	2242.62	1839.87
In Unclaimed Dividend Accounts	38.40	35.39
In Deposit Accounts	5736.89*	5304.89*
	8017.91	7180.15

* (Includes Rs 0.39 lakhs, pledged with State Government Department, as Security)

8045.64

7210.18

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008	As at 31-3-2007
	Rs lakhs	Rs lakhs

SCHEDULE 'I' - LOANS AND ADVANCES

ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED - UNSECURED - CONSIDERED GOOD :

Deposits	330.15	384.98
Inter Corporate Loans	100.00	100.00
Prepaid expenses	137.78	162.65
Balances in Current Account with Central Excise Department and Port Trust	63.81	556.16
Tax payments pending adjustments	312.93	212.70
MAT Credit Entitlement	84.00	57.00
Others	2413.50	2241.91
	<u>3442.17</u>	<u>3715.40</u>

SCHEDULE 'J' - CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES :

Acceptances	8219.65	6935.95
Sundry Creditors		
- Total outstanding dues of Micro Enterprises and Small Enterprises	0.00	0.00
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Please refer Note No. 9 of Schedule 'T')	6853.83	5707.49
	<u>6853.83</u>	<u>5707.49</u>
Investor Education and Protection Fund shall be credited by the following amounts, namely		
- Unclaimed Dividend (due at the end of the year - Nil)	38.40	35.39
Security Deposit from Distributors	993.01	871.21
	<u>16104.89</u>	<u>13550.04</u>

PROVISIONS :

Proposed Dividend	450.00	393.75
Provision for Tax on Dividend	76.48	66.92
	<u>526.48</u>	<u>460.67</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2008		Year ended 31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
SCHEDULE 'K' - SALES (NET)				
SALES, INCLUSIVE OF EXCISE DUTY AND EXCISE CESS		54723.01*		50389.51
<i>Less :</i>				
Excise duty and Excise cess	5218.97		4629.73	
Distributors' commission	556.68		498.51	
Packing and delivery charges	2418.04		2727.02	
Cash Discount	<u>887.12</u>		<u>749.97</u>	
		9080.81		8605.23
		<u>45642.20</u>		<u>41784.28</u>

* includes bought and sold :

- (i) Paper - 481 tonnes - value Rs 201.68 lakhs (Previous year 400 tonnes - value Rs 140.07 lakhs)
- (ii) Petroleum Products - Rs 698.71 lakhs (Previous year - Rs 28.26 lakhs)
- (iii) Manganese Ore - 770 tonnes - value Rs 33.56 lakhs (Previous year - Nil)

SCHEDULE 'L' - OTHER INCOME

Income from Investments			
From Long Term Investments			
(i) Non Trade Investments			
- Dividends		18.97	15.62
(ii) Trade Investments			
- Dividends		16.76	29.18
Rent		4.95	5.38
Profit on sale of assets (Net)		0.71	0.00
Miscellaneous receipts		95.48	113.45
		<u>136.87</u>	<u>163.63</u>

SCHEDULE 'M' - INCREASE / (DECREASE) IN STOCK-IN-TRADE

Closing stock		0.00	0.00
<i>Less :</i> Opening stock		<u>0.00</u>	<u>0.00</u>
		<u>0.00</u>	<u>0.00</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2008		Year ended 31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
SCHEDULE 'N' - MATERIALS CONSUMED				
RAW MATERIALS CONSUMED				
Opening Stock	3091.50		2434.53	
Add : Purchases, including procurement expenses	<u>18998.30</u>		<u>18132.83</u>	
	22089.80		20567.36	
Less : Closing Stock	<u>4326.66</u>		3091.50	
	17763.14		<u>17475.86</u>	
Add : Feeding and other charges	<u>251.69</u>		<u>190.07</u>	
		18014.83		17665.93
STORES, SPARES AND CHEMICALS CONSUMED		<u>7345.48</u>		<u>6166.03</u>
		<u>25360.31</u>		<u>23831.96</u>

SCHEDULE 'O' - EMPLOYEES' COST

Salaries, Wages, Bonus and Commission	2430.16		2121.72	
Contribution to :				
- Employees' Provident Fund, including administrative charges	201.50		192.94	
- Employees' State Insurance Scheme	33.42		20.09	
- Employees' Group Gratuity-cum-Life Assurance Trust	365.80		237.36	
- Superannuation Fund	4.86		4.86	
- Group Insurance Scheme	<u>4.56</u>		<u>4.46</u>	
		610.14		459.71
Welfare expenses		<u>294.37</u>		<u>245.91</u>
		<u>3334.67</u>		<u>2827.34</u>

SCHEDULE 'P' - REPAIRS AND MAINTENANCE

Buildings	206.86		194.66	
Machinery	1303.34		1094.54	
Others	<u>87.44</u>		<u>79.64</u>	
		<u>1597.64</u>		<u>1368.84</u>

SESHASAYEE PAPER AND BOARDS LIMITED

Year ended
31-3-2008
Rs lakhs

Year ended
31-3-2007
Rs lakhs

SCHEDULE 'Q' - OTHER EXPENSES

Rent	54.50	53.84
Rates, taxes and licence fees	108.05	433.18
Insurance	141.57	177.95
Directors' sitting fees	2.35	2.50
Auditors' Remuneration	8.94	8.23
Conversion charges	9.63	13.54
Office and other expenses	494.09	431.78
Miscellaneous expenses	215.24	181.64
Assets discarded	4.90	22.19
Loss on sale of assets (Net)	0.00	2.03
	<u>1039.27</u>	<u>1326.88</u>

SCHEDULE 'R' - DECREASE / (INCREASE) IN STOCK-IN-PROCESS

Closing Stock	641.60	495.82
Less: Opening Stock	495.82	275.19
	<u>(-) 145.78</u>	<u>(-) 220.63</u>

SCHEDULE 'S' - INTEREST AND FINANCING CHARGES (NET)

Interest on		
- Fixed Loans	844.14	647.52
- Others	414.25	399.34
	<u>1258.39</u>	<u>1046.86</u>
Less:		
Interest received	761.01	554.09
(Tax deducted at source - Rs 101.00 lakhs)		
(Previous year - Rs 67.04 lakhs)		
	<u>497.38</u>	<u>492.77</u>

SCHEDULE 'T' – Notes forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss Account for the year ended 31st March 2008

1 SIGNIFICANT ACCOUNTING POLICIES

a) General

The Financial Statements have been prepared on the historical cost convention and in accordance with Generally Accepted Accounting Principles and complying with the applicable Accounting Standards.

b) Fixed Assets

Fixed Assets are stated at cost. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned.

c) Investments

Long term Investments are stated at cost.

Current Investments are stated at the lower of cost and fair value.

Any diminution in the value of long term investments is charged off, only if, such a decline is other than temporary, in the opinion of the Management.

d) Inventories

Stocks of Raw materials, Stores, Spares and Chemicals are valued at cost on weighted average basis. Cost includes, taxes and duties (other than duties and taxes for which CENVAT / VAT credit is available), freight and other direct expenses.

Valuation of Stock-in-Trade is at cost or net realisable value whichever is less. Stock-in-Process is valued at cost. Cost includes material, direct labour, overheads (other than selling and administrative overheads), Excise Duty and Education Cess, wherever applicable.

e) Government Grants

Government Grants in the nature of Capital Subsidies are credited to Capital Reserve and treated as part of Shareholders' Funds.

f) Borrowing Costs

Borrowing costs (net of interest earned) directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the assets.

Other borrowing costs are recognised as expense as and when incurred.

g) Revenue and Expenditure Recognition

Revenue is recognised and expenditure is accounted for on their accrual.

h) Research and Development

Expenditure on Research and Development is charged off as and when incurred.

i) Foreign Exchange Transactions

Transactions in foreign exchange are accounted at the rates prevailing on the date of transactions.

Foreign currency Liabilities / Assets at the close of the year are restated, adopting the year end rates. The resultant difference, if any, is suitably dealt with in the accounts.

Exchange difference, arising on forward contracts, is recognised as income or expense over the life of the contract.

Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense for the period.

j) Employee Benefits

Short term employee benefits, in respect of leave salary, leave travel allowance and reimbursement of medical expenses, the liability has been fully provided on undiscounted basis, in accordance with the Schemes in force.

The contribution to Provident Fund (defined contribution plan), as per the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, is recognised as expense and remitted to the Provident Fund Commissioner. The contribution to Superannuation Fund (defined contribution plan) is recognised as expense and funded with Life Insurance Corporation of India.

The Company's liability towards retirement benefits, in the form of gratuity, and other retirement benefits (defined benefit plans) is worked out on actuarial basis at the end of the year and is provided.

k) Depreciation

Depreciation has been provided on Straight Line Method, in accordance with the provision of The Companies Act, 1956, at the rates prescribed in Schedule XIV to the Act.

2 Transfer to / (from) Deferred Tax is mainly on account of variation of allowances for tax purposes in :

	Current year	Upto 31 03 2008
	Rs lakhs	Rs lakhs
- Depreciation	866.90	5763.18
- Others	(-) 76.90	125.32
- Total	790.00	5888.50

3 Paper is the only reportable segment of operation of the Company.

4 Figures for the previous year have been re-grouped, wherever necessary, to conform to current year's classification.

SESHASAYEE PAPER AND BOARDS LIMITED

5 Disclosure as required under Accounting Standard (AS) 15 of The Companies (Accounting Standards) Rules, 2006 :

	As at 31-3-2008	
	Group Gratuity Scheme Rs lakhs	Retirement Benefit Scheme Rs lakhs
(i) Changes in present value of obligations		
Present Value of Obligations at the beginning of the year	1272.19	104.42
Interest Cost	95.41	7.73
Current Service Cost	141.01	6.61
Benefits paid	137.83	15.61
Actuarial (Gain) / Loss on obligations	(-) 399.46	(-) 0.05
Present Value of Obligations at the end of the year	971.32	103.10
(ii) Changes in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	678.05	0.00
Expected Return on Plan Assets	56.59	0.00
Contributions	374.63	15.61
Benefits paid	137.83	15.61
Actuarial (Gain) / Loss on Plan Assets	0.00	0.00
Fair Value of Plan Assets at the end of the year	971.44	0.00
(iii) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	678.05	0.00
Actual Return on Plan Assets	56.59	0.00
Contributions	374.63	15.61
Benefits paid	137.83	15.61
Fair Value of Plan Assets at the end of the year	971.44	0.00
Funded Status	0.12	0.00
Excess of Actual over estimated return on Plan Assets	0.00	0.00
(iv) Actuarial Gain / Loss recognised		
Actuarial Gain / (Loss) for the year - Obligation	399.46	0.05
Actuarial Gain / (Loss) for the year - Plan Assets	0.00	0.00
Total (Gain) / Loss for the year	(-) 399.46	(-) 0.05
Actuarial (Gain) / Loss recognised in the year	(-) 399.46	(-) 0.05

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2008	
	Group Gratuity Scheme Rs lakhs	Retirement Benefit Scheme Rs lakhs
(v) Amounts to be recognised in the Balance Sheet and statement of Profit and Loss		
Present Value of Obligations at the end of the year	971.32	103.10
Fair Value of Plan Assets at the end of the year	971.44	0.00
Funded Status	0.12	0.00
Net Asset / (Liability) recognised in Balance Sheet	0.12	(-) 103.10
(vi) Expenses recognised in the statement of Profit and Loss		
Current Service Cost	141.01	6.61
Interest Cost	95.41	7.73
Expected Return on Plan Assets	56.59	0.00
Net Actuarial (Gain) / Loss recognised in the year	(-) 399.46	(-) 0.05
Expenses recognised in the statement of Profit and Loss	365.80	118.47
(vii) Actuarial Assumptions		
Discount Rate	8.00%	8.00%
Expected return on Plan Assets	9.30%	Not applicable
Salary increase	3.00%	Not applicable
	31-3-2008 Rs lakhs	31-3-2007 Rs lakhs
6 Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances).	745.79	6316.97
7 Claims against the Company not acknowledged as debts.	237.97	110.15
8 Contingent liabilities on account of Guarantees given by Banks on behalf of the Company.	42.27	9.05
9 In the absence of information from the suppliers with regard to their registration with the specified authority, despite the Company calling for such information through a circular letter, the Company is unable to furnish the information, as required under The Companies Act, 1956 and the Micro, Small and Medium Enterprises Development Act, 2006.		
10 (a) Exchange difference arising on foreign currency transactions credited / (debited) to respective revenue accounts.	624.73	172.56
(b) Unexpired portion of forward contracts in respect of foreign exchange transactions.	0.00	2087.49

SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2008		31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
11 The following expenditure incurred on Research and Development has been included under the respective heads :				
(a) Salaries, Wages and Bonus		13.67		12.85
(b) Contribution to Provident and other Funds		3.70		2.51
(c) Welfare expenses		0.73		0.52
(d) Miscellaneous expenses		2.62		3.52
12 Auditors' Remuneration :				
(i) Audit		6.00		4.00
Taxation matters		0.65		0.65
Certification		1.59		2.78
Expenses		0.03		0.15
(ii) Cost Audit		0.50		0.50
Expenses		0.17		0.15
		8.94		8.23
13 (a) Managerial remuneration under Section 198 of the Companies Act, 1956 :				
(i) Directors' sitting fees (no sitting fee was paid to Whole-time Directors, including Chairman and Managing Director)		2.35		2.50
(ii) Commission to Non Whole-time Directors (included in Schedule 'Q')		5.42		2.79
(iii) Remuneration to Whole-time Directors, including Chairman and Managing Director (included in Schedule 'O')				
Salary		32.40		32.40
Commission		32.40		32.40
Contribution to :				
(i) Provident Fund		3.89		3.89
(ii) Superannuation Fund		4.86		4.86
(iii) Gratuity Fund		7.63		5.18
Other Perquisites		2.08		2.31
		83.26		81.04

SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2008		31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
(b) Computation of net profit in accordance with Sections 198 and 309 of the Companies Act, 1956, and the Commission payable to Directors				
Net Profit before taxation		6051.03		4369.67
Add : Remuneration to Whole-time Directors	83.26		81.04	
Commission to Non Whole-time Directors	5.42		2.79	
Directors' Sitting Fees	2.35		2.50	
		91.03		86.33
		6142.06		4456.00
Ten percent of the Net Profit		614.21		445.60
- Commission to Whole-time Directors		32.40		32.40
One percent of the Net Profit		61.42		44.56
- Commission to Non Whole-time Directors		5.42		2.79
 14 Information required by Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 :				
		tonnes		tonnes
(a) Capacity and Production :				
Paper and Paper Boards :				
Licensed capacity (Paper industry is exempt from Industrial Licensing)				
Installed capacity (60000 tonnes at an average basis weight of 150 gsm and 55000 tonnes at an average basis weight of 60 gsm)		115000		115000
Actual Production		124312		123468
	Quantity	Value	Quantity	Value
	tonnes	Rs lakhs	tonnes	Rs lakhs
(b) Turnover :				
Paper and Paper Boards :	123700	53789.06	122799	50221.19
(value includes Duty Entitlements on exports) [Excludes 612 tonnes used for manufacture of cores, notebooks, trade samples, labels, stationery, etc., and used as wrapper (Previous year 669 tonnes)]				
Others		933.95		168.32
		54723.01		50389.51

SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2008		31-3-2007	
	Quantity tonnes	Value Rs lakhs	Quantity tonnes	Value Rs lakhs
(c) Opening and closing stock of goods :				
Opening Stock				
Paper and Paper Boards	0	0.00	0	0.00
Closing Stock				
Paper and Paper Boards	0	0.00	0	0.00
(d) Raw materials consumed :				
Wood (BD)	122366	5475.98	116525	5155.99
Bagasse (BD)	65882	1352.70	75130	1506.49
Purchased Pulp	37752	10847.66	37282	10565.67
Waste paper cuttings	450	86.80	1381	247.71
		<u>17763.14</u>		<u>17475.86</u>
	Rs lakhs	%	Rs lakhs	%
(e) Value of imported / indigenous Raw Material / Stores, Spares and Chemicals consumed :				
Raw Materials :				
Imported	10790.53	60.75	10096.63	57.77
Indigenous	6972.61	39.25	7379.23	42.23
Total	<u>17763.14</u>	<u>100.00</u>	<u>17475.86</u>	<u>100.00</u>
Stores, Spares and Chemicals :				
Imported	4371.18	35.45	4624.30	40.19
Indigenous	7960.45	64.55	6881.11	59.81
Total	<u>12331.63</u>	<u>100.00</u>	<u>11505.41</u>	<u>100.00</u>

[includes consumption of coal and other fuels Rs 4769.15 lakhs under Power and Fuel (previous year Rs 4579.70 lakhs) and consumption of spares Rs 1108.94 lakhs, under Repairs and Maintenance (Previous year Rs 912.18 lakhs), excluding traded goods Rs 891.94 lakhs (Previous year Rs 152.51 lakhs)]

SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2008	31-3-2007
	Rs lakhs	Rs lakhs
(f) Value of imports calculated on CIF basis :		
Raw materials	10960.64	9863.88
Stores, Spares and Chemicals	3855.40	3573.16
Capital Goods	1483.23	2055.44
(g) Expenditure in foreign currencies :		
Travel	2.31	31.98
Export Commission	62.05	92.12
Others	40.80	22.44
(h) Amounts remitted in foreign currencies :		
Dividends	54.17	38.69
No. of Non-resident shareholders	1	1
No. of shares held	1547695	1547695
(i) Earnings in foreign exchange :		
Export of goods on FOB basis	3202.96	5335.69
Others	0.00	0.09

15 Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of The Companies (Accounting Standards) Rules, 2006 :

(i) Name of the transacting Related Parties :

- ◇ Sri N Gopalaratnam, Chairman and Managing Director of the Company
- ◇ Ponni Sugars (Erode) Limited (PEL)
- ◇ High Energy Batteries (India) Limited (HEB)
- ◇ SPB Projects and Consultancy Limited (SPB-PC)
- ◇ Time Square Investments Private Limited (TSI)
- ◇ Sri K S Kasi Viswanathan, Deputy Managing Director
- ◇ Sri V Pichai, Director (Finance) & Secretary

(ii) A description of the relationship between the parties :

Presumption of significant influence.

SESHASAYEE PAPER AND BOARDS LIMITED

(iii) Transaction details :

SI No.	Name of the related party	Description of transactions and amount during the year		Amount outstanding on 31-3-2008
			Rs lakhs	
1	Ponni Sugars (Erode) Limited	Purchase of Bagasse Sale of fuel Sale machinery spares Other transactions (Net Debit) Dividend paid Dividend received	1399.02 900.76 19.74 38.41 42.00 12.47	Assets : Investments in : 13.85 lakhs Equity Shares (16.90%) 20 lakhs Zero % Redeemable Preference Shares (100%) Liabilities : 12 lakhs Equity Shares (10.67%) Payables : Rs 264.08 lakhs
2	High Energy Batteries (India) Limited	Inter Corporate Loan (ICL) Sale of paper Dividend paid Dividend received Interest received on ICL	100.00 0.53 0.36 3.32 12.03	Assets : Investments in : 0.83 lakhs Equity Shares (9.25%) Receivables : Rs 101.02 lakhs Liabilities : 0.10 lakhs Equity Shares (0.09%)
3	SPB Projects and Consultancy Limited	Fees for engineering services Reimbursement of expenses Dividend received	275.68 6.18 2.00	Assets : Investments in : 0.50 lakhs Equity Shares (16.67%)
4	Time Square Investments Private Limited	Dividend paid	41.03	Liabilities : 11.72 lakhs Equity Shares (10.42%)

SESHASAYEE PAPER AND BOARDS LIMITED

Remuneration paid to Chairman and Managing Director and other Whole-time Directors :

	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai
	Rs lakhs		
Salary	18.00	7.20	7.20
Commission	18.00	7.20	7.20
Contribution to :			
(i) Provident Fund	2.16	0.86	0.86
(ii) Superannuation Fund	2.70	1.08	1.08
(iii) Gratuity Fund	4.24	1.70	1.70
Other Perquisites	0.05	0.91	1.12
	45.15	18.95	19.16

16 Additional information as per Part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration details

Registration No.

1	8	1	-	3	6	4
---	---	---	---	---	---	---

 of 1960 State Code

1	8
---	---

Balance Sheet date

3	1
---	---

0	3
---	---

2	0	0	8
---	---	---	---

Date Month Year

II Capital raised during the year (amount in Rs thousands)

Public issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Rights issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Bonus issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Private placement

			N	I	L			
--	--	--	---	---	---	--	--	--

III Position of mobilisation and deployment of funds (amount in Rs Thousands)

Total liabilities

		7	4	8	0	6	8	0
--	--	---	---	---	---	---	---	---

Total assets

		7	4	8	0	6	8	0
--	--	---	---	---	---	---	---	---

Sources of Funds :

Paid up Capital

		1	1	2	5	0	0
--	--	---	---	---	---	---	---

Reserves and Surplus

		1	7	0	8	5	8	9
--	--	---	---	---	---	---	---	---

Deferred Tax

		5	8	8	8	5	0
--	--	---	---	---	---	---	---

Secured loans

		3	1	1	1	0	0	7
--	--	---	---	---	---	---	---	---

Unsecured loans

		2	9	6	5	9	7
--	--	---	---	---	---	---	---

Current Liabilities and Provisions

		1	6	6	3	1	3	7
--	--	---	---	---	---	---	---	---

Application of Funds :

Net fixed assets

		5	0	4	5	3	1	1
--	--	---	---	---	---	---	---	---

Investments

				8	1	9	0	5
--	--	--	--	---	---	---	---	---

Current Assets

		2	3	5	3	4	6	4
--	--	---	---	---	---	---	---	---

Misc. expenditure

			N	I	L			
--	--	--	---	---	---	--	--	--

Accumulated losses

			N	I	L			
--	--	--	---	---	---	--	--	--

SESHASAYEE PAPER AND BOARDS LIMITED

IV Performance of Company (amount in Rs thousands)

Turnover	Total expenditure																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">5</td><td style="width: 20px;">4</td><td style="width: 20px;">8</td><td style="width: 20px;">5</td><td style="width: 20px;">9</td><td style="width: 20px;">8</td><td style="width: 20px;">8</td></tr> </table>			5	4	8	5	9	8	8	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">4</td><td style="width: 20px;">8</td><td style="width: 20px;">8</td><td style="width: 20px;">0</td><td style="width: 20px;">8</td><td style="width: 20px;">8</td><td style="width: 20px;">5</td></tr> </table>			4	8	8	0	8	8	5
		5	4	8	5	9	8	8											
		4	8	8	0	8	8	5											
+ - Profit / Loss before tax	+ - Profit / Loss after tax																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">+</td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">6</td><td style="width: 20px;">0</td><td style="width: 20px;">5</td><td style="width: 20px;">1</td><td style="width: 20px;">0</td><td style="width: 20px;">3</td></tr> </table>	+			6	0	5	1	0	3	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">+</td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">4</td><td style="width: 20px;">5</td><td style="width: 20px;">7</td><td style="width: 20px;">9</td><td style="width: 20px;">0</td><td style="width: 20px;">3</td></tr> </table>	+			4	5	7	9	0	3
+			6	0	5	1	0	3											
+			4	5	7	9	0	3											
Earnings per share in Rs	Dividend rate%																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">4</td><td style="width: 20px;">1</td></tr> </table>								4	1	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">4</td><td style="width: 20px;">0</td></tr> </table>			4	0					
							4	1											
		4	0																

V Generic names of three principal products / services of Company

Item code No. (ITC code)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">4</td><td style="width: 20px;">8</td><td style="width: 20px;">0</td><td style="width: 20px;">2</td><td style="width: 20px;">0</td><td style="width: 20px;">0</td><td style="width: 20px;"> </td><td style="width: 20px;">0</td><td style="width: 20px;">0</td></tr> </table>	4	8	0	2	0	0		0	0																																																															
4	8	0	2	0	0		0	0																																																																	
Product description	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>U</td><td>n</td><td>c</td><td>o</td><td>a</td><td>t</td><td>e</td><td>d</td><td> </td><td>P</td><td>a</td><td>p</td><td>e</td><td>r</td><td> </td><td>a</td><td>n</td><td>d</td></tr> <tr><td>P</td><td>a</td><td>p</td><td>e</td><td>r</td><td> </td><td>B</td><td>o</td><td>a</td><td>r</td><td>d</td><td>s</td><td> </td><td>u</td><td>s</td><td>e</td><td>d</td><td> </td></tr> <tr><td>f</td><td>o</td><td>r</td><td> </td><td>W</td><td>r</td><td>i</td><td>t</td><td>i</td><td>n</td><td>g</td><td> </td><td>a</td><td>n</td><td>d</td><td> </td><td> </td><td> </td></tr> <tr><td>P</td><td>r</td><td>i</td><td>n</td><td>t</td><td>i</td><td>n</td><td>g</td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>	U	n	c	o	a	t	e	d		P	a	p	e	r		a	n	d	P	a	p	e	r		B	o	a	r	d	s		u	s	e	d		f	o	r		W	r	i	t	i	n	g		a	n	d				P	r	i	n	t	i	n	g										
U	n	c	o	a	t	e	d		P	a	p	e	r		a	n	d																																																								
P	a	p	e	r		B	o	a	r	d	s		u	s	e	d																																																									
f	o	r		W	r	i	t	i	n	g		a	n	d																																																											
P	r	i	n	t	i	n	g																																																																		
Item code No. (ITC code)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">4</td><td style="width: 20px;">8</td><td style="width: 20px;">0</td><td style="width: 20px;">4</td><td style="width: 20px;">0</td><td style="width: 20px;">0</td><td style="width: 20px;"> </td><td style="width: 20px;">0</td><td style="width: 20px;">0</td></tr> </table>	4	8	0	4	0	0		0	0																																																															
4	8	0	4	0	0		0	0																																																																	
Product description	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>U</td><td>n</td><td>c</td><td>o</td><td>a</td><td>t</td><td>e</td><td>d</td><td> </td><td>K</td><td>r</td><td>a</td><td>f</td><td>t</td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>P</td><td>a</td><td>p</td><td>e</td><td>r</td><td> </td><td>a</td><td>n</td><td>d</td><td> </td><td>P</td><td>a</td><td>p</td><td>e</td><td>r</td><td> </td><td> </td><td> </td></tr> <tr><td>B</td><td>o</td><td>a</td><td>r</td><td>d</td><td>s</td><td> </td><td>i</td><td>n</td><td> </td><td>S</td><td>h</td><td>e</td><td>e</td><td>t</td><td>s</td><td> </td><td> </td></tr> <tr><td>o</td><td>r</td><td> </td><td>R</td><td>o</td><td>l</td><td>l</td><td>s</td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>	U	n	c	o	a	t	e	d		K	r	a	f	t					P	a	p	e	r		a	n	d		P	a	p	e	r				B	o	a	r	d	s		i	n		S	h	e	e	t	s			o	r		R	o	l	l	s										
U	n	c	o	a	t	e	d		K	r	a	f	t																																																												
P	a	p	e	r		a	n	d		P	a	p	e	r																																																											
B	o	a	r	d	s		i	n		S	h	e	e	t	s																																																										
o	r		R	o	l	l	s																																																																		
Item code No. (ITC code)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">4</td><td style="width: 20px;">8</td><td style="width: 20px;">0</td><td style="width: 20px;">5</td><td style="width: 20px;">0</td><td style="width: 20px;">0</td><td style="width: 20px;"> </td><td style="width: 20px;">0</td><td style="width: 20px;">0</td></tr> </table>	4	8	0	5	0	0		0	0																																																															
4	8	0	5	0	0		0	0																																																																	
Product description	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>O</td><td>t</td><td>h</td><td>e</td><td>r</td><td> </td><td>U</td><td>n</td><td>c</td><td>o</td><td>a</td><td>t</td><td>e</td><td>d</td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td>P</td><td>a</td><td>p</td><td>e</td><td>r</td><td> </td><td>a</td><td>n</td><td>d</td><td> </td><td>P</td><td>a</td><td>p</td><td>e</td><td>r</td><td> </td><td> </td><td> </td></tr> <tr><td>B</td><td>o</td><td>a</td><td>r</td><td>d</td><td>s</td><td> </td><td>i</td><td>n</td><td> </td><td>S</td><td>h</td><td>e</td><td>e</td><td>t</td><td>s</td><td> </td><td> </td></tr> <tr><td>o</td><td>r</td><td> </td><td>R</td><td>o</td><td>l</td><td>l</td><td>s</td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>	O	t	h	e	r		U	n	c	o	a	t	e	d					P	a	p	e	r		a	n	d		P	a	p	e	r				B	o	a	r	d	s		i	n		S	h	e	e	t	s			o	r		R	o	l	l	s										
O	t	h	e	r		U	n	c	o	a	t	e	d																																																												
P	a	p	e	r		a	n	d		P	a	p	e	r																																																											
B	o	a	r	d	s		i	n		S	h	e	e	t	s																																																										
o	r		R	o	l	l	s																																																																		

Vide our report of date attached For SURI & CO., S Swaminathan Membership No.20583 Partner Chartered Accountants	For Messrs S VISWANATHAN Chella K Srinivasan Membership No.23305 Partner Chartered Accountants	N GOPALARATNAM Chairman and Managing Director V PICHAI Director (Finance) & Secretary	ARUN G BIJUR BIMAL KUMAR PODDAR Dr S NARAYAN Directors K S KASI VISWANATHAN Deputy Managing Director
Chennai June 07, 2008			

SESHASAYEE PAPER AND BOARDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	Year ended 31-3-2008		Year ended 31-3-2007	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation		6051.03		4369.67
Adjustments for :				
<i>Add :</i>				
Assets discarded	4.90		22.19	
Depreciation	1741.54		1483.37	
Interest and financing charges	589.74		552.07	
		<u>2336.18</u>		<u>2057.63</u>
		8387.21		6427.30
<i>Less :</i>				
Income from Non-Trade Investments	18.97		15.62	
Profit / Loss on sale of assets	0.71		- 2.03	
Effect of changes in Foreign Currency Exchange Rate	624.73		172.56	
		<u>644.41</u>		<u>186.15</u>
Operating profit before working capital changes		7742.80		6241.15
Increase / Decrease in working capital :				
Increase / Decrease in Inventories	- 1555.05		- 501.20	
Increase / Decrease in Sundry Debtors	95.39		- 621.77	
Increase / Decrease in Other Current Assets	- 379.39		- 2302.86	
Increase / Decrease in Liabilities and Provisions	3045.08		1376.75	
		<u>1206.03</u>		<u>- 2049.08</u>
Net cash from operating activities		<u>8948.83</u>		<u>4192.07</u>
 B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		- 15417.89		- 13908.02
Value of discarded assets		- 4.90		- 22.19
Sale / reduction in value of fixed assets		8.45		24.82
Income from Non Trade Investments		18.97		15.62
Purchase of Investments		- 1.20		- 71.55
		<u>- 15396.57</u>		<u>- 13961.32</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2008 Rs lakhs	Year ended 31-3-2007 Rs lakhs
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Term Loans	12000.02	12000.00
Increase in Unsecured Loan	375.53	550.70
Repayment of Term Loans	– 2230.00	– 1980.00
Increase / Decrease in Working Capital Borrowings	– 447.99	1299.04
Subsidy for Mega Projects received	50.00	0.00
Dividend and Dividend tax paid	– 460.67	– 320.70
Effect of changes in foreign currency exchange rates	81.50	– 7.71
Interest and Financing charges paid *	– 2085.19	– 750.89
Net cash from financing activities	7283.20	10790.44
* Inclusive of interest capitalised Rs 1518.61 lakhs (Previous year Rs 433.37 lakhs)		
Net Increase in cash and cash equivalents (I)	835.46	1021.19
Cash and cash equivalents as at 31-3-2007 (II) (Opening Balance)	7210.18	6188.99
Cash and cash equivalents as at 31-3-2008 (Closing Balance) (I) + (II)	8045.64	7210.18

Notes :

- 1 Cash and cash equivalents represent cash in hand and cash with Scheduled Banks.
- 2 Cash from operating activities has been prepared following the indirect method.
- 3 Tax payments (including tax deducted at source) of Rs 771.00 lakhs (Previous year - Rs 546.54 lakhs) are included in operating activities.
- 4 Closing Cash and cash equivalents are after adjusting changes in foreign currency exchange rates amounting to Rs 14.42 lakhs (Previous year - Rs 26.98 lakhs).
- 5 Figures for the previous year have been re-grouped wherever necessary.

Vide our report of date attached For SURI & CO., S Swaminathan Membership No.20583 Partner Chartered Accountants	For Messrs S VISWANATHAN Chella K Srinivasan Membership No.23305 Partner Chartered Accountants	N GOPALARATNAM Chairman and Managing Director V PICHAI Director (Finance) & Secretary	ARUN G BIJUR BIMAL KUMAR PODDAR Dr S NARAYAN Directors K S KASI VISWANATHAN Deputy Managing Director
Chennai June 07, 2008			