

# SESHASAYEE PAPER AND BOARDS LIMITED

## BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	As at 31-3-2010		As at 31-3-2009	
		Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>I SOURCES OF FUNDS</b>					
<b>1 Shareholders' Funds</b>					
(a) Share Capital	A	1125.00		1125.00	
(b) Reserves and Surplus	B	<u>21333.80</u>		<u>18127.95</u>	
			<b>22458.80</b>		19252.95
<b>2 Loan Funds</b>					
(a) Secured Loans	C		<b>28882.75</b>		33697.71
(b) Unsecured Loan - Interest Free Sales Tax Loan			<b>3657.14</b>		3344.52
<b>3 Deferred tax</b>					
Total			<u><b>8724.50</b></u>		<u>6746.50</u>
			<u><b>63723.19</b></u>		<u>63041.68</u>
<b>II APPLICATION OF FUNDS</b>					
<b>1 Fixed Assets</b>					
(a) Gross Block	D	<b>74638.12</b>		74233.81	
(b) Less : Depreciation		<u>24832.66</u>		<u>21571.33</u>	
(c) Net Block		<b>49805.46</b>		52662.48	
(d) Capital Work-in-Progress		<u>772.94</u>		<u>132.99</u>	
			<b>50578.40</b>		52795.47
<b>2 Investments</b>					
	E		<b>1019.05</b>		819.05
<b>3 Current Assets, Loans and Advances</b>					
(a) Inventories	F	<b>4780.97</b>		6844.56	
(b) Sundry Debtors	G	<b>4497.24</b>		4903.15	
(c) Cash and Bank Balances	H	<b>9168.22</b>		6440.94	
(d) Loans and Advances	I	<u>4262.96</u>		<u>3057.32</u>	
			<b>22709.39</b>	21245.97	
<i>Less :</i>					
<b>Current Liabilities and Provisions</b>					
(a) Liabilities	J	<b>9796.54</b>		11358.14	
(b) Provisions		<u>787.11</u>		<u>460.67</u>	
			<b>10583.65</b>	11818.81	
Net Current Assets			<u><b>12125.74</b></u>		<u>9427.16</u>
Total			<u><b>63723.19</b></u>		<u>63041.68</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., Firm Regn. No. 004283S S Swaminathan Membership No.20583 Partner Chartered Accountants Chennai May 29, 2010	For Messrs S VISWANATHAN Firm Regn. No. 004770S Chella K Srinivasan Membership No.23305 Partner Chartered Accountants	N GOPALARATNAM Chairman and Managing Director  V PICHAI Director (Finance) & Secretary	ARUN G BIJUR R V GUPTA Dr S NARAYAN V SRIDAR Directors  K S KASI VISWANATHAN Deputy Managing Director
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## SESHASAYEE PAPER AND BOARDS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Schedule	Year ended 31-3-2010		Year ended 31-3-2009	
		Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>1 INCOME</b>					
Sales (Gross)		52897.23		56115.94	
Less : Excise Duty and Excise Cess		1971.47		3204.71	
Sales (Net)			50925.76		52911.23
Other income	K		872.99		991.89
Increase / (Decrease) in Stock-in-Trade	L		0.00		0.00
			<u>51798.75</u>		<u>53903.12</u>
<b>2 EXPENDITURE</b>					
Materials Consumed	M		21743.18		25818.46
Power and Fuel			7930.06		9478.66
Employees' Cost	N		3398.76		3184.30
Repairs and Maintenance	O		1736.66		1546.53
Selling and Distribution Expenses	P		3478.73		3744.25
Other Expenses	Q		1329.01		2193.49
Decrease / (Increase) in Stock-in-Process	R		10.55		308.92
			<u>39626.95</u>		<u>46274.61</u>
<b>3 PROFIT BEFORE INTEREST, DEPRECIATION AND TAX</b>			12171.80		7628.51
Interest and Financing Charges	S		2839.59		2608.92
Depreciation			3361.25		2628.86
<b>4 PROFIT BEFORE TAX</b>			5970.96		2390.73
Provision for Current Tax					
– Minimum Alternate Tax (MAT) payable		1004.00		265.00	
– MAT Credit Entitlement		1004.00		265.00	
			0.00		0.00
Transfer to Deferred Tax			1978.00		858.00
Provision for Fringe Benefit Tax			0.00		30.00
<b>5 PROFIT AFTER TAX</b>			3992.96		1502.73
Profit brought forward from previous year			1642.66		1545.60
<i>Transfer from :</i>					
Investment Allowance Reserve			0.00		55.00
Total			<u>5635.62</u>		<u>3103.33</u>

## — SESHASAYEE PAPER AND BOARDS LIMITED —

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010 (Contd.)

	Year ended 31-3-2010 Rs lakhs	Year ended 31-3-2009 Rs lakhs
<b>6 APPROPRIATIONS</b>		
<i>Transfer to :</i>		
General Reserve	2500.00	1000.00
Proposed Dividend at 60% (Previous year @ 35%)	675.00	393.75
Tax on Proposed Dividend	112.11	66.92
Balance Carried over	2348.51	1642.66
Total	5635.62	3103.33

**Notes :**

1 Basic and Diluted Earnings Per Share (Rs) :	35.49	13.36
2 Number of Equity Shares of Rs 10 each	11250000	11250000
3 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., Firm Regn. No. 004283S S Swaminathan Membership No.20583 Partner Chartered Accountants	For Messrs S VISWANATHAN Firm Regn. No. 004770S Chella K Srinivasan Membership No.23305 Partner Chartered Accountants	NGOPALARATNAM Chairman and Managing Director  V PICHAI Director (Finance) & Secretary  ARUN G BIJUR R V GUPTA Dr S NARAYAN V SRIDAR Directors  K S KASI VISWANATHAN Deputy Managing Director
Chennai May 29, 2010		

## SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2010 Rs lakhs	As at 31-3-2009 Rs lakhs
<b>SCHEDULE 'A' - SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
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
	<u>5500.00</u>	<u>5500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
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)		
	<u>1125.00</u>	<u>1125.00</u>

**SESHASAYEE PAPER AND BOARDS LIMITED**

	As at 31-3-2010		As at 31-3-2009	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>SCHEDULE 'B' - RESERVES AND SURPLUS</b>				
<b>CAPITAL RESERVE :</b>				
As per last Balance Sheet		50.29		50.29
<b>SHARE PREMIUM ACCOUNT :</b>				
As per last Balance Sheet		360.00		360.00
<b>OTHER RESERVES :</b>				
<b>Investment Allowance Reserve :</b>				
As per last Balance Sheet		75.00		75.00
(Rs 75.00 lakhs utilised for acquiring new machinery and plant)				
<b>General Reserve :</b>				
As per last Balance Sheet		16000.00		15000.00
Add : Transfer from Profit and Loss Account		<u>2500.00</u>		<u>1000.00</u>
		18500.00		16000.00
<b>Surplus :</b>				
Balance in Profit and Loss Account		<u>2348.51</u>		<u>1642.66</u>
		<u>21333.80</u>		<u>18127.95</u>

## SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2010 Rs lakhs	As at 31-3-2009 Rs lakhs
<b>SCHEDULE 'C' - SECURED LOANS</b>		
<b>LOANS AND ADVANCES FROM BANKS :</b>		
<b>WORKING CAPITAL ADVANCES</b> (See Note 2 below)	<b>8913.31</b>	7823.39
<b>TERM LOANS</b>		
(a) Captive Power Project (See Note 1(c) below)	<b>220.06</b>	1125.00
(b) Mill Development Plan (See Note 1 below)	<b>19749.38</b>	24749.32
	<b>28882.75</b>	33697.71

**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 57.93 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) 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.

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 1-4-2009 Rs lakhs	Additions Rs lakhs	Deductions/ Adjustments Rs lakhs	As at 31-3-2010 Rs lakhs	Upto 31-3-2009 Rs lakhs	For the Year Rs lakhs	Withdrawn/ Adjustments Rs lakhs	Upto 31-3-2010 Rs lakhs	As at 31-3-2010 Rs lakhs	As at 31-3-2009 Rs lakhs
<b>A. TANGIBLE ASSETS</b>										
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	4.70	0.33	0.00	5.03	15.48	15.81
- OTHERS	7113.84	89.92	2.98	7200.78	1267.80	230.15	0.00	1497.95	5702.83	5846.04
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	61562.08	373.47	123.32	61812.23	15494.11	3050.86	97.87	18447.10	43365.13	46067.97
FURNITURE, FIXTURES, EQUIPMENT, ETC.	917.87	57.12	2.70	972.29	528.21	52.25	2.05	578.41	393.88	389.66
VEHICLES	111.66	7.47	0.00	119.13	56.56	7.38	0.00	63.94	55.19	55.10
<b>B. INTANGIBLE ASSETS</b>										
TECHNICAL KNOW-HOW	177.99	5.33	0.00	183.32	7.75	18.10	0.00	25.85	157.47	170.24
COMPUTER SOFTWARE	10.89	0.00	0.00	10.89	1.58	2.18	0.00	3.76	7.13	9.31
	74233.81	533.31	129.00	74638.12	21571.33	3361.25	99.92	24832.66	49805.46	52662.48
CAPITAL WORK-IN-PROGRESS - AT COST										
- Advances - Unsecured - Considered Good									12.18	8.54
- Others									760.76	124.45
									<u>50578.40</u>	<u>52795.47</u>
<b>Previous year</b>	<b>44547.09</b>	<b>29719.12</b>	<b>32.40</b>	<b>74233.81</b>	<b>18961.41</b>	<b>2628.86</b>	<b>18.94</b>	<b>21571.33</b>	<b>52795.47</b>	<b>50453.11</b>

## SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2010	As at 31-3-2009		
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>SCHEDULE 'E' - INVESTMENTS</b>				
<b>LONG TERM INVESTMENTS</b>				
<b>NON-TRADE</b>				
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
2 82 911	Equity Shares of Rs 10 each in High Energy Batteries (India) Limited			
	As per last Balance Sheet (No. of shares 82911)	187.15		187.15
	<i>Add :</i> Subscription to the Rights issue	<u>200.00</u>		<u>0.00</u>
		<b>387.15</b>		187.15
<i>Unquoted :</i>				
50 000	Equity Shares of Rs 10 each in Agri Development Finance (Tamilnadu) Limited	5.00		5.00
<b>TRADE</b>				
IN SHARES - FULLY PAID :				
<i>Quoted :</i>				
17 85 260	Equity Shares of Rs 10 each in Ponni Sugars (Erode) Limited	415.58		415.58
1 00 000	Equity Shares of Rs 10 each in Tamilnadu Newsprint and Papers Limited	<u>106.70</u>		<u>106.70</u>
	<b>Carried over</b>	<b>1012.64</b>		812.64

**SESHASAYEE PAPER AND BOARDS LIMITED**

**As at  
31-3-2010  
Rs lakhs**

**As at  
31-3-2009  
Rs lakhs**

**SCHEDULE 'E' - INVESTMENTS (Contd.)**

**LONG TERM INVESTMENTS**

Brought forward	<b>1012.64</b>	812.64
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**TRADE**

IN SHARES - FULLY PAID (Contd.) :

*Unquoted :*

4 100	Equity Shares of Rs 10 each in ESVIN Advanced Technologies Limited	<b>0.41</b>	0.41
50 000	Equity Shares of Rs 10 each in SPB Projects and Consultancy Limited	<b>5.00</b>	5.00
10 000	Equity Shares of Rs 10 each in OPG Energy Private Limited	<b>1.00</b>	1.00
		<u><b>1019.05</b></u>	<u>819.05</u>

**Notes :**

1 Investment in M/s Ponni Sugars (Erode) Limited, includes 4 00 000 Equity Shares of Rs 10 each which are subject to a lock-in period of three years upto July 19, 2011.

2		Cost	Market Value
		Rs lakhs	Rs lakhs
	Aggregate amount of :		
	Quoted Investments	1007.64	3891.51
	Unquoted Investments	11.41	-

## SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2010 Rs lakhs	As at 31-3-2009 Rs lakhs
<b>SCHEDULE 'F' - INVENTORIES</b>		
Raw materials	2196.62	3338.78
Stores, Spares, Chemicals and others	2262.22	3173.10
Stock-in-Trade	0.00	0.00
Stock-in-Process	322.13	332.68
	<u>4780.97</u>	<u>6844.56</u>

### SCHEDULE 'G' - SUNDRY DEBTORS

#### SECURED - CONSIDERED GOOD :

Exceeding six months	98.35	32.90
Other debts	1207.25	1008.89

#### UNSECURED - CONSIDERED GOOD :

Exceeding six months	6.51	2.37
Other debts	3185.13	3858.99

(Net of Rs 117.42 lakhs (Previous year Rs 117.42 lakhs)  
being the debts considered doubtful and provided for)

	<u>4497.24</u>	<u>4903.15</u>
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## SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2010	As at 31-3-2009
	Rs lakhs	Rs lakhs
<b>SCHEDULE 'H' - CASH AND BANK BALANCES</b>		
<b>CASH BALANCE :</b>		
Cash on hand	7.86	15.27
<b>BANK BALANCES :</b>		
WITH SCHEDULED BANKS :		
In Current Accounts	730.75	668.93
In Unclaimed Dividend Accounts	48.72	43.85
In Deposit Accounts	<u>8380.89</u> *	<u>5712.89</u> *
	<b>9160.36</b>	<b>6425.67</b>
* (Includes Rs 0.39 lakhs, pledged with State Government Department, as Security)		
	<u><b>9168.22</b></u>	<u><b>6440.94</b></u>

## SCHEDULE 'I' - LOANS AND ADVANCES

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

Deposits	292.25	288.12
Inter Corporate Loans	50.00	100.00
Prepaid expenses	194.45	152.29
Balances in Current Account with Central Excise Department and Port Trust	44.59	53.73
Tax payments pending adjustments	915.60	520.77
MAT Credit Entitlement	1353.00	349.00
Others	1413.07	1593.41
	<u><b>4262.96</b></u>	<u><b>3057.32</b></u>

## SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2010 Rs lakhs	As at 31-3-2009 Rs lakhs	As at 31-3-2009 Rs lakhs
<b>SCHEDULE 'J' - CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES :</b>			
Acceptances	1599.83		3448.98
Sundry Creditors			
- Total outstanding dues of Micro Enterprises and Small Enterprises	56.58		0.00
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Please refer Note No. 9 of Schedule 'T')	<u>7015.29</u>		<u>6869.70</u>
	<b>7071.87</b>		6869.70
Investor Education and Protection Fund shall be credited by the following amounts, namely			
- Unclaimed Dividend (due at the end of the year - Nil)	48.72		43.85
Security Deposit from Distributors	1000.61		981.61
Interest accrued but not due on loans	75.51		14.00
	<u>9796.54</u>		<u>11358.14</u>
<b>PROVISIONS :</b>			
Proposed Dividend	675.00		393.75
Provision for Tax on Dividend	112.11		66.92
	<u>787.11</u>		<u>460.67</u>

## SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2010		Year ended 31-3-2009	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>SCHEDULE 'K' - OTHER INCOME</b>				
Interest		742.18		908.68
(Tax deducted at source - Rs 58.22 lakhs)				
(Previous year - Rs 183.19 lakhs)				
Income from Investments				
From Long Term Investments				
(i) Non Trade Investments				
- Dividends		21.75		13.31
(ii) Trade Investments				
- Dividends		50.38		17.69
Rent		5.11		5.09
Profit on sale of assets (Net)		0.00		0.34
Miscellaneous receipts		53.57		46.78
		<u>872.99</u>		<u>991.89</u>

<b>SCHEDULE 'L' - INCREASE / (DECREASE) IN STOCK-IN-TRADE</b>				
Closing stock		0.00		0.00
Less : Opening stock		<u>0.00</u>		<u>0.00</u>
		0.00		0.00

<b>SCHEDULE 'M' - MATERIALS CONSUMED</b>				
<b>RAW MATERIALS CONSUMED</b>				
Opening Stock		3338.78		4326.66
Add : Purchases, including procurement expenses		<u>10616.95</u>		<u>15841.90</u>
		13955.73		20168.56
Less : Closing Stock		<u>2196.62</u>		<u>3338.78</u>
		11759.11		16829.78
Add : Feeding and other charges		<u>384.14</u>		<u>319.83</u>
		12143.25		17149.61
<b>STORES, SPARES AND CHEMICALS CONSUMED</b>				
		<u>9599.93</u>		<u>8668.85</u>
		<u>21743.18</u>		<u>25818.46</u>

## SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2010		Year ended 31-3-2009	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>SCHEDULE 'N' - EMPLOYEES' COST</b>				
Salaries, Wages, Bonus and Commission		2617.91		2434.61
Contribution to :				
- Employees' Provident Fund, including administrative charges	231.52		207.59	
- Employees' State Insurance Scheme	10.38		25.00	
- Employees' Group Gratuity-cum- Life Assurance Trust	156.56		165.66	
- Superannuation Fund	7.20		6.30	
- Group Insurance Scheme	4.35		4.20	
		<u>410.01</u>		<u>408.75</u>
Welfare expenses		370.84		340.94
		<u>3398.76</u>		<u>3184.30</u>

### SCHEDULE 'O' - REPAIRS AND MAINTENANCE

Buildings	194.50	236.40
Machinery	1439.46	1212.31
Others	102.70	97.82
	<u>1736.66</u>	<u>1546.53</u>

### SCHEDULE 'P' - SELLING AND DISTRIBUTION EXPENSES

Distributors' commission	410.73	589.12
Packing and delivery charges	2102.34	2189.72
Cash Discount	965.66	965.41
	<u>3478.73</u>	<u>3744.25</u>

## SESHASAYEE PAPER AND BOARDS LIMITED

Year ended  
31-3-2010  
Rs lakhs

Year ended  
31-3-2009  
Rs lakhs

### SCHEDULE 'Q' - OTHER EXPENSES

Rent	69.70	63.26
Rates, taxes and licence fees	126.33	130.74
Insurance	165.84	140.41
Directors' sitting fees	4.75	3.00
Auditors' Remuneration	9.67	9.47
Conversion charges	79.09	11.14
Office and other expenses	526.87	525.36
Miscellaneous expenses	323.56	218.85
Exchange difference on Foreign Currency Loans	0.00	1079.32
Assets discarded	23.04	11.94
Loss on sale of assets	0.16	0.00
	<u>1329.01</u>	<u>2193.49</u>

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

Closing Stock	322.13	332.68
Less : Opening Stock	332.68	641.60
	<u>10.55</u>	<u>308.92</u>

### SCHEDULE 'S' - INTEREST AND FINANCING CHARGES

Interest on		
- Fixed Loans	2275.29	1930.43
- Others	564.30	678.49
	<u>2839.59</u>	<u>2608.92</u>

**SCHEDULE 'T' – Notes forming part of the Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended 31st March 2010.**

**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**

Inventories are valued at lower of cost and net realisable value.

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.

For valuation of Stock-in-Trade / Stock-in-Process, 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 on temporary investment of those borrowings) 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.

Revenue involving :

- (a) Sale of goods is recognised on transfer of all significant risks and rewards of ownership to the customer.
- (b) Dividend income is recognised on establishment of the right to receive payment.
- (c) Other incomes are recognised when no significant uncertainty on measurability or collectability exists.

**h) Intangible Assets**

**(i) General**

Intangible assets are stated at cost less accumulated amortisation.

Computer Software is amortised at 20% on straight line basis over a period of five years.

Know-how is amortised at 10% on straight line basis over a period of ten years.

**(ii) 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.

Premium / discount arising on forward contracts are amortised as expense or income 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.

Actuarial gain / loss is recognised in the Profit and Loss Statement.

**k) Depreciation**

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

**l) Impairment of Assets**

Impairment loss, if any, is provided to the extent the carrying amount of the assets exceeds their recoverable amount.

**m) Provisions**

Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which a reliable estimate on the amount of obligation could be made.

## SESHASAYEE PAPER AND BOARDS LIMITED

### n) Lease

Assets given under finance lease are recognised at the amount equal to net investment in the lease and the finance income is recognised based on rate of return on the net investment of such finance lease.

Lease payments on assets taken on lease are recognised as an expense on a straight line basis over the lease term.

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

	Current year Rs lakhs	Upto 31 03 2010 Rs lakhs
- Depreciation	1987.37	8638.99
- Others	(-) 9.37	85.51
<b>- Total</b>	<b>1978.00</b>	<b>8724.50</b>

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.

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

	Group Gratuity scheme		Retirement Benefit scheme	
	<b>31-3-2010</b> Rs lakhs	31-3-2009 Rs lakhs	<b>31-3-2010</b> Rs lakhs	31-3-2009 Rs lakhs
<b>(i) Changes in present value of obligations</b>				
Present Value of Obligations at the beginning of the year	<b>1019.33</b>	971.32	<b>92.61</b>	103.10
Interest Cost	<b>79.35</b>	75.90	<b>6.14</b>	6.37
Current Service Cost	<b>45.86</b>	44.14	<b>6.27</b>	5.35
Benefits paid	<b>96.58</b>	195.96	<b>9.67</b>	24.19
Actuarial (Gain) / Loss on obligations	<b>119.33</b>	123.93	<b>13.50</b>	1.98
Present Value of Obligations at the end of the year	<b>1167.29</b>	1019.33	<b>108.85</b>	92.61
<b>(ii) Changes in the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	<b>1019.33</b>	971.44	<b>0.00</b>	0.00
Expected Return on Plan Assets	<b>91.90</b>	78.87	<b>0.00</b>	0.00
Contributions	<b>152.64</b>	164.98	<b>9.67</b>	24.19
Benefits paid	<b>96.58</b>	195.96	<b>9.67</b>	24.19
Actuarial (Gain) / Loss on Plan Assets	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Fair Value of Plan Assets at the end of the year	<b>1167.29</b>	1019.33	<b>0.00</b>	0.00

## SESHASAYEE PAPER AND BOARDS LIMITED

	Group Gratuity scheme		Retirement Benefit scheme	
	31-3-2010 Rs lakhs	31-3-2009 Rs lakhs	31-3-2010 Rs lakhs	31-3-2009 Rs lakhs
<b>(iii) Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	1019.33	971.44	0.00	0.00
Actual Return on Plan Assets	91.90	78.87	0.00	0.00
Contributions	152.64	164.98	9.67	24.19
Benefits paid	96.58	195.96	9.67	24.19
Fair Value of Plan Assets at the end of the year	1167.29	1019.33	0.00	0.00
Funded Status	0.00	0.00	0.00	0.00
Excess of Actual over estimated return on Plan Assets	0.00	0.00	0.00	0.00
<b>(iv) Actuarial Gain / Loss recognised</b>				
Actuarial Gain / (Loss) for the year - Obligation	(-) 119.33	(-) 123.93	(-) 13.50	(-) 1.98
Actuarial Gain / (Loss) for the year - Plan Assets	0.00	0.00	0.00	0.00
Total (Gain) / Loss for the year	119.33	123.93	13.50	1.98
Actuarial (Gain) / Loss recognised in the year	119.33	123.93	13.50	1.98
<b>(v) Amounts to be recognised in the Balance Sheet and statement of Profit and Loss</b>				
Present Value of Obligations at the end of the year	1167.29	1019.33	108.85	92.61
Fair Value of Plan Assets at the end of the year	1167.29	1019.33	0.00	0.00
Funded Status	0.00	0.00	0.00	0.00
Net Asset / (Liability) recognised in Balance Sheet	0.00	0.00	(-) 108.85	(-) 92.61
<b>(vi) Expenses recognised in the statement of Profit and Loss</b>				
Current Service Cost	45.86	44.14	6.27	5.35
Interest Cost	79.35	75.90	6.14	6.37
Expected Return on Plan Assets	91.90	78.87	0.00	0.00
Net Actuarial (Gain) / Loss recognised in the year	119.33	123.93	13.50	1.98
Expenses recognised in the statement of Profit and Loss	152.31	165.10	25.91	13.70
<b>(vii) Actuarial Assumptions</b>				
Discount Rate	8.00%	8.00%	8.00%	7.00%
Expected return on Plan Assets	9.30%	9.30%	Not applicable	Not applicable
Salary increase	3.00%	3.00%	Not applicable	Not applicable

## SESHASAYEE PAPER AND BOARDS LIMITED

	Group Gratuity Scheme			Retirement Benefit Scheme		
	<b>31-3-2010</b>	31-3-2009	31-3-2008	<b>31-3-2010</b>	31-3-2009	31-3-2008
	<b>Rs lakhs</b>	Rs lakhs	Rs lakhs	<b>Rs lakhs</b>	Rs lakhs	Rs lakhs
<b>(viii) Experience Adjustments</b>						
Present value of obligation	<b>1167.29</b>	1019.33	971.32	<b>108.85</b>	92.61	103.10
Plan Assets	<b>1167.29</b>	1019.33	971.44	<b>0.00</b>	0.00	0.00
Surplus / (Deficit)	<b>0.00</b>	0.00	0.12	<b>(-) 108.85</b>	(-) 92.61	(-) 103.10
Experience adjustments on Plan Liabilities - (Loss) / Gain	<b>119.33</b>	123.93	399.47	<b>(-) 17.13</b>	2.03	0.05
Experience adjustments on Plan Assets - (Loss) / Gain	<b>0.00</b>	0.00	0.00	<b>0.00</b>	0.00	0.00
				<b>31-3-2010</b>		31-3-2009
				<b>Rs lakhs</b>		Rs lakhs
6 Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances).				<b>99.46</b>		239.44
7 Claims against the Company not acknowledged as debts.				<b>938.32</b>		399.70
8 Contingent liabilities on account of Guarantees given by Banks on behalf of the Company.				<b>37.36</b>		45.77
9 The Company calls for information from all suppliers with regard to their registration with the specified authority under the Micro, Small and Medium Enterprises Development Act, 2006. The Company has a policy of paying the dues within the generally prescribed credit terms.						
The disclosure requirement as required under the Companies Act, 1956 is as follows :						
Principal amount due as on March 31				<b>56.58</b>		0
Interest due and unpaid on the above as on March 31				<b>0</b>		0
Interest paid				<b>0</b>		0
Interest due and payable				<b>0</b>		0
Interest accrued and remaining unpaid as on March 31				<b>0</b>		0
Amount of further interest remaining due and payable in the succeeding years				<b>0</b>		0
10 Exchange difference arising on foreign currency transactions credited / (debited) to respective revenue accounts.				<b>(-) 17.85</b>		(-) 2660.27

## SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2010	31-3-2009
	Rs lakhs	Rs lakhs
11 Plant and Machinery on Lease to Others under Schedule 'D'- Fixed Assets, represent assets acquired and given on lease prior to 2001 whose primary lease period was also over during 2001.		
In respect of assets taken on lease no substantial risk and reward incidental to ownership of an asset has been obtained.		
All lease agreements are cancellable at the option of the Company.		
12 The following expenditure incurred on Research and Development has been included under the respective heads :		
(a) Salaries, Wages and Bonus	15.62	13.66
(b) Contribution to Provident and other Funds	2.54	2.27
(c) Welfare expenses	0.78	0.67
(d) Miscellaneous expenses	6.99	6.39
13 Auditors' Remuneration :		
(i) Audit	6.00	6.00
Taxation matters	0.70	0.70
Certification	2.11	2.02
Expenses	0.04	0.05
(ii) Cost Audit	0.60	0.60
Expenses	0.22	0.10
	9.67	9.47
14 (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)	4.75	3.00
(ii) Commission to Non Whole-time Directors (included in Schedule 'Q')	6.83	5.92
(iii) Remuneration to Whole-time Directors, including Chairman and Managing Director (included in Schedule 'N')		
Salary	48.00	42.00
Commission	48.00	42.00
Contribution to :		
(i) Provident Fund	5.76	5.04
(ii) Superannuation Fund	7.20	6.30
(iii) Gratuity Fund	4.23	4.39
Other Perquisites	1.90	3.21
	115.09	102.94

## SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2010		31-3-2009	
	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		<b>5970.96</b>		2390.73
Add : Remuneration to Whole-time Directors	<b>115.09</b>		102.94	
Commission to Non Whole-time Directors	<b>6.83</b>		5.92	
Directors' Sitting Fees	<b>4.75</b>		<u>3.00</u>	
		<b><u>126.67</u></b>		111.86
		<b><u>6097.63</u></b>		<u>2502.59</u>
Ten percent of the Net Profit		<b>609.76</b>		250.26
- Commission to Whole-time Directors		<b>48.00</b>		42.00
One percent of the Net Profit		<b>60.98</b>		25.03
- Commission to Non Whole-time Directors		<b>6.83</b>		5.92
 15 Information required by Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 :				
		<b>tonnes</b>		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)		<b>115000</b>		115000
Actual Production		<b>117989</b>		119779

## SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2010		31-3-2009	
	Quantity tonnes	Value Rs lakhs	Quantity tonnes	Value Rs lakhs
(b) Turnover :				
Paper and Paper Boards :	<b>117688</b>	<b>51438.61</b>	119152	54919.75
(value includes Duty Entitlements on exports) [Excludes 301 tonnes used for manufacture of cores, notebooks, trade samples, labels, stationery, etc., and used as wrapper (Previous year 627 tonnes)]				
Others		<u>1458.62 *</u>		<u>1196.19</u>
		<u>52897.23</u>		<u>56115.94</u>
* includes bought and sold :				
(i) Paper - 599 tonnes - value Rs 264.93 lakhs (Previous year 244 tonnes - value Rs 125.03 lakhs)				
(ii) Petroleum Products - Rs 1193.69 lakhs (Previous year - Rs 955.49 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)	192291	9236.17	163205	7892.02
Bagasse (BD)	60650	1760.52	63065	1593.11
Purchased Pulp	2221	762.42	18004	7322.80
Waste paper cuttings	0	0.00	112	21.85
		<u>11759.11</u>		<u>16829.78</u>
	<b>Rs lakhs</b>	<b>%</b>	<b>Rs lakhs</b>	<b>%</b>
(e) Value of imported / indigenous Raw Material / Stores, Spares and Chemicals consumed :				
Raw Materials :				
Imported	762.43	6.48	7322.80	43.51
Indigenous	10996.68	93.52	9506.98	56.49
Total	<u>11759.11</u>	<u>100.00</u>	<u>16829.78</u>	<u>100.00</u>
Stores, Spares and Chemicals :				
Imported	6679.28	41.67	6596.68	39.93
Indigenous	9348.73	58.33	9924.67	60.07
Total	<u>16028.01</u>	<u>100.00</u>	<u>16521.35</u>	<u>100.00</u>
[includes consumption of coal and other fuels Rs 6731.41 lakhs under Power and Fuel (previous year Rs 8063.53 lakhs), consumption of spares Rs 1108.17 lakhs, under Repairs and Maintenance (Previous year Rs 910.12 lakhs) and excluding traded goods Rs 1411.50 lakhs (Previous year Rs 1121.15 lakhs)]				

## SESHASAYEE PAPER AND BOARDS LIMITED

	31-3-2010 Rs lakhs	31-3-2009 Rs lakhs
(f) Value of imports calculated on CIF basis :		
Raw materials	170.32	4723.40
Stores, Spares and Chemicals	5404.30	7399.86
Capital Goods	243.61	301.31
(g) Expenditure in foreign currencies :		
Travel	2.11	0.99
Export Commission	32.56	51.85
Others	14.72	26.27
(h) Amounts remitted in foreign currencies :		
Dividends	54.17	61.91
No. of Non-resident shareholders	1	1
No. of shares held	1547695	1547695
(i) Earnings in foreign exchange :		
Export of goods on FOB basis	2265.33	2450.14
Others	0.00	0.00

**16 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 :**

Sl No.	Name of the related party	Description of transactions and amount during the year		Amount outstanding on 31-3-2010
			Rs lakhs	
1	Ponni Sugars (Erode) Limited	Purchase of Bagasse Purchase of Sugar Sale of fuel Sale of machinery spares Sale of Paper Dividend paid Dividend received Other transactions (Net Debit)	1945.27 6.43 1436.63 12.49 1.66 42.00 44.63 53.53	<b>Assets :</b> Investments in : 17.85 lakhs Equity Shares (20.77%) <b>Liabilities :</b> 12 lakhs Equity Shares (10.67%) Payables : Rs 158.71 lakhs
2	High Energy Batteries (India) Limited	Subscription to Rights Issue Sale of paper Dividend paid Dividend received Interest received Other transactions (Net Debit)	200.00 0.33 0.36 2.90 6.90 1.38	<b>Assets :</b> Investments in : 2.83 lakhs Equity Shares (15.78%) Receivables : Rs 50.51 lakhs <b>Liabilities :</b> 0.10 lakhs Equity Shares (0.09%)
3	SPB Projects and Consultancy Limited	Reimbursement of expenses Dividend received	0.02 1.25	<b>Assets :</b> Investments in : 0.50 lakhs Equity Shares (16.67%)
4	Time Square Investments Private Limited	Dividend Paid	41.03	<b>Liabilities :</b> 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	24.00	12.00	12.00
Commission	24.00	12.00	12.00
Contribution to :			
(i) Provident Fund	2.88	1.44	1.44
(ii) Superannuation Fund	3.60	1.80	1.80
(iii) Gratuity Fund	2.11	1.06	1.06
Other Perquisites	0.05	0.22	1.62
	<b>56.64</b>	<b>28.52</b>	<b>29.92</b>

## SESHASAYEE PAPER AND BOARDS LIMITED

### 17 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	1	0
---	---	---	---

  
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	3	0	6	8	4	
--	--	---	---	---	---	---	---	---	--

###### Total Assets

		7	4	3	0	6	8	4	
--	--	---	---	---	---	---	---	---	--

###### Sources of Funds :

###### Paid up Capital

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

###### Reserves and Surplus

		2	1	3	3	3	8	0	
--	--	---	---	---	---	---	---	---	--

###### Deferred Tax

		8	7	2	4	5	0		
--	--	---	---	---	---	---	---	--	--

###### Secured Loans

		2	8	8	8	2	7	5	
--	--	---	---	---	---	---	---	---	--

###### Unsecured Loans

		3	6	5	7	1	4		
--	--	---	---	---	---	---	---	--	--

###### Current Liabilities and Provisions

		1	0	5	8	3	6	5	
--	--	---	---	---	---	---	---	---	--

###### Application of Funds :

###### Net Fixed Assets

		5	0	5	7	8	4	0	
--	--	---	---	---	---	---	---	---	--

###### Investments

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

###### Current Assets

		2	2	7	0	9	3	9	
--	--	---	---	---	---	---	---	---	--

###### Miscellaneous Expenditure

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

###### Accumulated Losses

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

# SESHASAYEE PAPER AND BOARDS LIMITED

## IV Performance of Company (amount in Rs thousands)

<b>Turnover</b>								<b>Total expenditure</b>									
		5	3	7	7	0	2	2			4	7	7	9	9	2	6
+ - <b>Profit / Loss before tax</b>								+ - <b>Profit / Loss after tax</b>									
+	-		5	9	7	0	9	6	+	-		3	9	9	2	9	6
<b>Earnings per share in Rs</b>								<b>Dividend rate%</b>									
3 5								6 0									

## V Generic names of three principal products / services of Company

<b>Item code No. (ITC code)</b>	4 8 0 2 0 0 0 0 0
<b>Product description</b>	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
<b>Item code No. (ITC code)</b>	4 8 0 4 0 0 0 0 0
<b>Product description</b>	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
<b>Item code No. (ITC code)</b>	4 8 0 5 0 0 0 0 0
<b>Product description</b>	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.,  
Firm Regn. No. 004283S  
S Swaminathan  
Membership No.20583  
Partner  
Chartered Accountants

For Messrs S VISWANATHAN  
Firm Regn. No. 004770S  
Chella K Srinivasan  
Membership No.23305  
Partner  
Chartered Accountants

N GOPALARATNAM  
Chairman and  
Managing Director

V PICHAI  
Director (Finance) &  
Secretary

ARUN G BIJUR  
R V GUPTA  
Dr S NARAYAN  
V SRIDAR  
Directors

K S KASI VISWANATHAN  
Deputy Managing Director

Chennai  
May 29, 2010

## SESHASAYEE PAPER AND BOARDS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	Year ended 31-3-2010		Year ended 31-3-2009	
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before taxation		5970.96		2390.73
Adjustments for :				
<i>Add :</i>				
Assets discarded	23.04		11.94	
Depreciation	3361.25		2628.86	
Interest and financing charges	2197.93		1750.99	
		<u>5582.22</u>		<u>4391.79</u>
		<u>11553.18</u>		<u>6782.52</u>
<i>Less :</i>				
Income from Non-Trade Investments	21.75		13.31	
Profit / Loss on sale of assets	- 0.16		0.34	
Effect of changes in Foreign Currency Exchange Rate	- 17.85		- 2660.27	
		<u>3.74</u>		<u>- 2646.62</u>
Operating profit before working capital changes		<u>11549.44</u>		<u>9429.14</u>
Increase / Decrease in working capital :				
Increase / Decrease in Inventories	2063.58		207.56	
Increase / Decrease in Sundry Debtors	398.27		101.44	
Increase / Decrease in Other Current Assets	- 1311.46		480.44	
Increase / Decrease in Liabilities and Provisions	- 1622.97		- 6291.73	
		<u>- 472.58</u>		<u>- 5502.29</u>
Net cash from operating activities		<u>11076.86</u>		<u>3926.85</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		- 1173.27		- 3941.71
Value of discarded assets		- 23.04		- 11.94
Sale / reduction in value of fixed assets		28.92		13.80
Income from Non Trade Investments		21.75		13.31
Purchase of Investments		- 200.00		0.00
Net cash used in investing activities		<u>- 1345.64</u>		<u>- 3926.54</u>

## SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2010 Rs lakhs	Year ended 31-3-2009 Rs lakhs
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Unsecured Loan	312.62	378.55
Increase in Term Loans	0.00	3000.00
Repayment of Term Loans	- 5904.88	- 3920.70
Increase / Decrease in Working Capital Borrowings	1105.51	3492.75
Dividend and Dividend tax paid	- 460.67	- 526.48
Effect of changes in foreign currency exchange rates	0.00	- 1079.32
Interest and Financing charges paid	- 2056.52	- 2949.81
Net cash from financing activities	- 7003.94	- 1605.01
Net Increase in cash and cash equivalents (I)	2727.28	- 1604.70
Cash and cash equivalents as at 31-3-2009 (II)	6440.94	8045.64
Cash and cash equivalents as at 31-3-2010 (I + II)	9168.22	6440.94

**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 892.72 lakhs (Previous year - Rs 417.56 lakhs) are included in operating activities.
- 4 Closing Cash and cash equivalents are after adjusting changes in foreign currency exchange rates amounting to Rs 10.21 lakhs (Credit) (Previous year - Rs 6.73 lakhs - Debit).
- 5 Figures for the previous year have been re-grouped wherever necessary.

<p style="text-align: center;">Vide our report of date attached</p> <p style="text-align: center;">For SURI &amp; CO., Firm Regn. No. 004283S S Swaminathan Membership No.20583 Partner Chartered Accountants</p> <p>Chennai May 29, 2010</p>	<p style="text-align: center;">For Messrs S VISWANATHAN Firm Regn. No. 004770S Chella K Srinivasan Membership No.23305 Partner Chartered Accountants</p>	<p style="text-align: center;">N GOPALARATNAM Chairman and Managing Director</p> <p style="text-align: center;">V PICHAI Director (Finance) &amp; Secretary</p>	<p style="text-align: center;">ARUN G BIJUR R V GUPTA Dr S NARAYAN V SRIDAR Directors</p> <p style="text-align: center;">K S KASI VISWANATHAN Deputy Managing Director</p>
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