

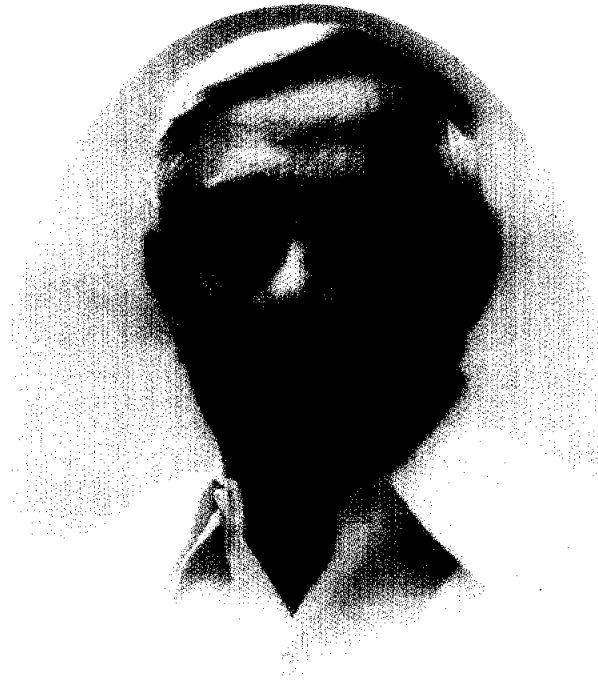
Seshasayee Paper and Boards Limited

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Forty second Annual Report

2001-02



Sri S. Viswanathan

Founder and Chairman
(21 12 1915 to 22 07 2001)

Report

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*The Visionary and Karmayogi is no more...
but his ideals will continue to guide us.*



**Seshasayee
Paper and
Boards Limited**



Regd. Office & Works : Pallipalayam, Namakkal District
Erode - 638007, Tamilnadu, India. Ph: 91-4288-240221 to 240228
Fax : 91-4288-240229 E-mail : edoff@spb ltd.com

2002 06 08

Dear Shareholder,

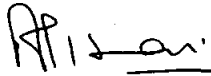
Sub : Introduction of Electronic Clearing Services (ECS) for payment of dividend.

1. We are planning to introduce Electronic Clearing Service (ECS) for payment of dividend in future. By availing ECS facility, Shareholders will get the following benefits:
 - ◇ Payment (dividend credit) on the same date to all Shareholders
 - ◇ Elimination of loss of instruments in transit
 - ◇ Elimination of fraudulent encashment of Dividend Warrants and
 - ◇ Effortless receipt - No need to visit the bank for depositing the Dividend Warrants.
2. Under the ECS Scheme, the Company will remit the dividend amount directly to the credit of Shareholder's bank account. However, advice of remittance will be sent to the Shareholders' registered address.
3. Considering the benefits involved in ECS, for payment of dividend, Shareholders are requested to avail this facility. Besides, SEBI has also made it mandatory on the part of the Companies, to offer ECS facility, wherever the said facility is available.
4. ECS facility is presently available at Sixteen centres viz. Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, Pune, New Delhi, Patna and Thiruvananthapuram. The facility is available, only for payment of dividend upto a maximum amount of Rs. 5,00,000/- in an individual case.
- 5.1 The Shareholders holding shares in physical form are requested to fill in and sign the enclosed ECS form and return the same to the Company immediately, at the above said address. Please fill in the form in legible and readable form in English, preferably in capital letters.
- 5.2 Along with the completed ECS form, we request you to forward a copy of a cheque leaf of your account, to ensure that the MICR number appearing therein, is correctly filled in. This is important to ensure proper credit to your account.
- 5.3 The Shareholders, holding shares in Demat form, are requested to forward the ECS particulars only to their Depository Participant (DP), for incorporation in their records. The said information will be forwarded by the Depository to the Company, through the Registrar, for necessary action at the time of payment of dividend.
6. Should you require any clarification / assistance, please contact the undersigned.

Thanking you

Yours faithfully

For Seshasayee Paper and Boards Limited



**(V PICHAI)
Vice President (Finance) &
Secretary**

Enc. a/a

FOR OFFICE USE ONLY

Sl. No.

From

.....
.....
.....
.....

To

Seshasayee Paper and Boards Limited
Cauvery RS PO
Erode 638 007
Namakkal Dist (Tamil Nadu)

Dear Sirs,

Re: Payment of dividend through Electronic Clearing Service (ECS).

I have read your letter giving details of ECS. I wish to participate in the ECS introduced by Reserve Bank of India (RBI). As requested, I give below the details of my bank account, to which you may electronically credit the payment due to me, against the reference folio number mentioned against 1 below :

1. Ref. Folio No. / Client ID No. :
DP ID No.
2. Name(s) of the holder(s) :
3. Particulars of the bank :
- a) Name of the Bank :
- b) Branch address :
- c) 9 Digit code number of the bank and branch as appearing on the MICR cheque issued by the Bank :
- d) Account Type (Please tick) : ☐ Savings ☐ Current ☐ Cash Credit
- e) Ledger Folio No (if any) of your Bank Account :
- f) Account Number :

I, hereby, declare that the particulars given above are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment transaction is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

Date :

(SIGNATURE OF THE SHAREHOLDER)

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N. GOPALARATNAM, *Chairman and Managing Director*

Dr V. GAURI SHANKER

Mrs. GIRIJA VAIDYANATHAN, I.A.S.

Sri. R.V. GUPTA, *Nominee of IDBI*

Mrs. JAYANTHI, I.A.S., *Nominee of TIIC*

Sri M.R.B. PUNJA

Dr G. RANGASWAMI

Sri N. RAVINDRANATHAN

Sri R.V. SUBRAHMANYAN, I.A.S., (Retd.)

**VICE PRESIDENT (FINANCE) &
SECRETARY**

Sri V. PICHAI

AUDITORS

Messrs SURI & CO., Chennai

Messrs S. VISWANATHAN, Chennai

FINANCIAL INSTITUTION / BANKS

INDUSTRIAL DEVELOPMENT BANK OF INDIA

UCO BANK

SYNDICATE BANK

CENTRAL BANK OF INDIA

CANARA BANK

UNITED BANK OF INDIA

STATE BANK OF INDIA



REGD. OFFICE & WORKS


PALLIPALAYAM, CAUVERY R.S.P.O.,

ERODE - 638 007, TAMIL NADU

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SESHASAYEE PAPER AND BOARDS LIMITED**NOTICE**

 Notice is hereby given that the Forty Second Annual General Meeting of the Members of the Company will be held at the Community Centre, SPB Colony, Erode 638 010, on Saturday, the July 27, 2002, at 11.00 AM, to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March 2002, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint Directors, in the place of Sri N Ravindranathan and Dr V Gaurishanker who retire by rotation and being eligible, offer themselves for re-appointment.
4. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 224-A of the Companies Act, 1956, Messrs Suri & Co., Chennai and Messrs S Viswanathan, Chennai, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting, on a remuneration of Rs 1 50 000, for each of them, together with Service Tax, if any, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following as an ORDINARY RESOLUTION :

"RESOLVED THAT Mrs Girija Vaidyanathan, I A S, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

6. To consider and, if thought fit, to pass with or without modifications, the following as a SPECIAL RESOLUTION :

"RESOLVED THAT consent of the Company be and is hereby accorded, subject to the provisions of Sections 309, 310, 198 and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company and also subject to the approvals of the Central Government and such other approvals, if any, as may be required and to the extent necessary, every Director, other than the Managing Director, Joint Managing Director, or any Whole time Director, may be paid, for a further period of five years, with effect from the financial year 2002-03, remuneration by way of commission on net profits or as participation in profits or partly by way of commission and partly otherwise, as the Board of Directors of the Company may determine from time to time and to be divided among such Directors, in such proportion, in such manner and subject to such ceilings, as the Board of Directors of the Company may decide from time to time, in addition to the sitting fee payable to such Directors, for attendance by them of the meetings of the Board / Committee of Directors, at a rate not exceeding such percentage, as may be permissible under Law, from time to time, out of the net profits of the Company, computed in the manner referred to in Section 198 (1) of the Companies Act, 1956".

(By Order of the Board)

For SESHASAYEE PAPER AND BOARDS LIMITED

(V PICHAI)

VICE PRESIDENT (FINANCE) & SECRETARY

Chennai

June 8, 2002

SESHASAYEE PAPER AND BOARDS LIMITED**NOTES:**

1. A Member, entitled to attend and vote at the meeting, is entitled to appoint one or more Proxies, to attend and vote on a poll, instead of himself and such Proxy need not be a Member of the Company.
2. Proxies, in order to be effective, must be filed with the Company not later than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books will be closed from Tuesday, the July 16, 2002, to Saturday, the July 27, 2002. (both days inclusive).
4. Dividend, if declared, will be paid to the Members whose names appear on the Register of Members as on July 27, 2002 and in respect of shares held in Electronic Form, to the beneficial owners, as per list that will be furnished by National Securities Depository Limited / Central Depository Services (India) Limited, as on that date.
5. Members holding shares in physical form are requested to notify, promptly, any change in their address, to the Registered Office of the Company, quoting their Membership Number, besides changes, if any, in the Dividend Mandates given by them and those holding shares in Electronic Form, may communicate the above information to their respective Depository Participants.
6. No tax will be deducted at source from dividend receivable by a Member who is an individual and resident in India, provided such dividend does not exceed Rs. 1000. Members being individuals, who are entitled to receive dividend in the aggregate, not exceeding Rs. 50 000, during the Financial Year 2002-03 and desire to get their dividend without deduction of tax from the Company should submit Declaration in Form 15 G, in duplicate, to the Company on or before July 27, 2002 in order to receive the dividend without deduction of tax at source. Other Members, who desire to get the Dividend without deduction of tax from the Company, should submit a Tax Exemption Certificate on or before July 27, 2002 in order to receive the dividend without deduction of tax at source. It would not be possible for the Company to act on the Tax Exemption Certificates / Declarations received after the above date.
7. The amended provisions of the Companies Act, 1956, provide for Nomination facility to Members. Members are requested to write to the Registered Office of the Company, for more information, if any needed, on Nomination facility and / or to get a copy of Nomination Form.
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends, upto the financial year ended March 31, 1995, have been transferred to the General Reserve Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Second Floor, Coimbatore Stock Exchange Building, Tiruchi Main Road, Singanallur, Coimbatore 641 005, Tamilnadu. In case any assistance is required in this regard, please write to the Registered Office of the Company.
9. As regards dividends pertaining to the financial year ended March 31, 1996 and thereafter, amounts remaining in the unpaid dividend accounts of the Company, shall, at the expiry of 7 years, be transferred to the Investor Education and Protection Fund, established by the Central Government. Thereafter, the Members shall have no claim against the Fund or the Company, in respect of his unpaid dividend. Members are, therefore, requested to lodge their claims for unpaid dividend, if any, immediately with the Company.
10. For Dematerialisation of Equity Shares, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have been included in the list in which trading is compulsory for all the investors in dematerialised form, along with other scrips, from July 24, 2000. So far, more than 2/3 of the total number of Shares, in the Equity Capital of the Company, have been dematerialised. In view of the advantages of the Depository System and for easy trading of the shares, Members are requested to opt for Dematerialisation of the shares of the Company, through any of the Depository Participants of their choice.
11. Members holding shares in DEMAT form are requested to incorporate the DP ID Number and Client ID Number in the Attendance Slip / Proxy Form, for easy identification of attendance at the meeting.
12. For payment of Dividend in the notified Centres, the Company proposes to avail Electronic Clearing Service (ECS), in future. To avail the ECS facility in the notified Centres, Members are requested to forward the Form attached to the Circular letter, duly filled in, to the Registered Office of the Company or to their respective Depository Participants, for implementation.

SESHASAYEE PAPER AND BOARDS LIMITED**EXPLANATORY STATEMENT**

(As required under Section 173(2) of the Companies Act, 1956)

Item No. 5

Consequent to the nomination by the Tamilnadu Government, Mrs Girija Vaidyanathan, I A S., was appointed as an additional Director by the Board of Directors, in the vacancy caused by the relinquishment of office by Dr V Palanichamy, I A S.

She retires at this meeting under Section 262 of the Companies Act, 1956, read with Article 96 of the Articles of Association of the Company. Notice, along with requisite deposit, as required under Section 257 of the Companies Act, 1956, has been received by the Company from a Member, proposing the appointment of Mrs Girija Vaidyanathan, I A S., as a Director of the Company.

Mrs Girija Vaidyanathan, I A S., has filed with the Company her consent under Section 264(1) of the Companies Act, 1956, to act as a Director, if appointed.

This may be treated as notice under Sub-Section (1-A) of Section 257 of the Companies Act, 1956.

Mrs Girija Vaidyanathan, I A S., is concerned and interested in her appointment and none of the other Directors is concerned or interested in the said appointment.

Item No. 6

Till 1994-95, the Non Whole time Directors were paid remuneration only by way of Sitting Fee, for attending the Board / Committee Meetings of the Board of Directors, in accordance with the provisions of Article 98(a) of the Articles of Association of the Company.

Taking into consideration, their valuable services, counsel and guidance, when the Company was passing through difficult times, which were of immense help in evolving strategies not only to counter, but to overcome those difficulties and achieve a remarkable improvement, in the operational / financial performance of the Company, it was thought fit in 1995, that the Non Whole time Directors of the Company may be remunerated, in a small way, by way of commission, out of the net profits of the Company, from the Financial Year 1994-95 onwards.

The proposal, for payment of remuneration to Non Whole time Directors, was placed before the Members of the Company, at the 35th Annual General Meeting, held on 26th August, 1995, through an amendment to the Articles of Association of the Company, by inserting

a new Article 98A to the Articles of Association of the Company and was approved by the Members of the Company, through a Special Resolution.

The quantum of payment of such remuneration, by way of commission payable to Non Whole time Directors, would be determined by the Board of Directors, within the limits specified under the Companies Act, 1956, and shared amongst the Directors, in such proportion and in such manner, as may be determined by the Board of Directors, from time to time.

An application was made to the Central Government, for their approval, for payment of remuneration to Non Whole time Directors, under Section 309(4) / 310 of the Companies Act, 1956.

The Central Government accorded approval, for the said payment, for a period of five years, from the Financial Year 1994-95.

On the expiry of the said period of five years, the Members of the Company approved payment of the said commission to Non Whole time Directors, for a further period of five years, from 1999-2000, at the Fortieth Annual General Meeting held on July 22, 2000. The Central Government had accorded approval for payment of the said commission to Non Whole time Directors, for a period of three years, from the financial year 1999-2000.

The validity of the said approval is over with the financial year 2001-02. It is thought fit that the payment of remuneration to Non Whole time Directors be continued, as hitherto, from the financial year 2002-03.

The continuance of the said payment shall be subject to the approval by Members of the Company, in General Meeting and accordingly, the subject is placed before the Members, for their approval. It is also subject to the approval of the Central Government.

All the Directors, other than the Chairman and Managing Director, may be deemed to be concerned or interested in the Resolution, to the extent of the amount of remuneration by way of commission that may be received by them, from time to time.

(By Order of the Board)

For SESHASAYEE PAPER AND BOARDS LIMITED

(V PICHAI)

VICE PRESIDENT (FINANCE) & SECRETARY

Chennai
June 8, 2002

SESHASAYEE PAPER AND BOARDS LIMITED**Appointment of Directors:**

Disclosure required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment / reappointment at the Forty Second Annual General Meeting:

| | | | | |
|--|----------|---|--|--|
| Name of the Director | : | Sri N Ravindranathan | Dr V Gaurishanker | Mrs Girija Vaidyanathan, I A S |
| Date of Birth and Age | : | 02 03 1927 (75 years) | 21 12 1921 (81 years) | 01 07 1959 (43 years) |
| Date of appointment | : | 29 12 1986 | 29 12 1986 | 19 01 2002 |
| Expertise in specific functional areas | : | A reputed Technocrat, having wide experience in operations of Pulp and Paper Industry and in general management. | Senior Supreme Court Lawyer and an expert in Taxation. | She is an Administrator in the Indian Administrative Service. She is presently the Secretary to Government, Environment and Forests Department, Government of Tamilnadu. |
| Qualification | : | B.Sc., B.Sc. (Hons) (Tech), MS (Pulp & Paper) University of Maine (U S A) | L.L.B., M.Phil., Ph.D | I A S |
| Directorships in other companies | : | Ponni Sugars (Erode) Limited Sri Sakthi Paper Mills Limited Abhilash Consultants and Management Services Private Limited | Madras Cements Limited Hindustan Gums and Chemicals Limited Gwalior Webbing Company Limited East India Investment Company (P) Limited | SIV Industries Limited Tamilnadu Tea Plantation Corporation Limited Tamilnadu Forest Plantation Corporation Limited Arasu Rubber Corporation Limited Tamilnadu Tourism Development Corporation Limited Tamilnadu Pollution Control Board (Member) |
| Committee / executive positions held in other companies | : | Nil | Nil | Nil |