

Seshasayee Paper and Boards Limited

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Forty Sixth Annual Report
2005-06



Seshasayee Paper and Boards Limited



Regd. Office & Works : Pallipalayam, Namakkal District
Erode - 638 007, Tamilnadu, India. Ph : 91-4288-240221 to 240228
Fax : 91-4288-240229 E-mail : edoff@spbltd.com

2006 06 10

Dear Shareholder,

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

1. The Company is already utilising Electronic Clearing Service (ECS) for payment of dividend. ECS facility will provide the following benefits to the Shareholders :
 - ◇ 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, the Company will remit the dividend amount directly to the credit of Shareholders' 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 advised to avail this facility. Besides, SEBI also has 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 fifteen centres viz. Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Thiruvananthapuram and Patna.
- 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 Registrar and Transfer Agent of the Company, M/s Integrated Enterprises (India) Limited, 2nd Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017, immediately. 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 photo copy of a cheque leaf of your bank 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) with whom they have their Demat account, for incorporation in their records. The said information will be forwarded by the Depository Participant to the Registrar and Transfer Agent of the Company, for necessary action at the time of payment of dividend.

Thanking you,

Yours faithfully

For Seshasayee Paper and Boards Limited

(V PICHAI)

Director (Finance) &

Secretary

Enc. a/a

**SESHASAYEE PAPER AND BOARDS LIMITED**

Regd. Office : Pallipalayam, Cauvery RS PO, Erode 638 007 Namakkal District, Tamilnadu

ATTENDANCE SLIP

Date & Time Saturday
29th July, 2006
11.00 AM

Venue COMMUNITY CENTRE
S.P.B. COLONY,
ERODE - 638 010.

Folio No.**No. of Shares****DEMAT PARTICULARS**
DP ID No.

I N

Client ID No.**MEMBER** ☐**PROXY** ☐

(NAME IN CAPITAL LETTERS)

Note : 1. Only shareholders of the Company or their proxies will be allowed to attend the meeting ON PRODUCTION OF THIS ATTENDANCE SLIP duly completed and signed.
2. Shareholders are requested to bring their copies of Annual Report with them.
3. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

I hereby record my presence at the
46th Annual General Meeting of the Company

Signature of Member / Proxy

**SESHASAYEE PAPER AND BOARDS LIMITED**

Regd. Office : Pallipalayam, Cauvery RS PO, Erode 638 007 Namakkal District, Tamilnadu

DEMAT PARTICULARS

DP ID No.	I	N	
------------------	---	---	--

Client ID No.	
----------------------	--

FORM OF PROXY**Folio No.****No. of Shares held**

I / We of

(Address)

being Member(s) of SESHASAYEE PAPER AND BOARDS LIMITED hereby appoint

(Name of proxy)

..... of

(Address of proxy)

failing him of

(Name of alternate proxy)

(Address of alternate proxy)

..... as my / our

proxy to vote for me / us on my / our behalf at the FORTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at 11.00 AM on SATURDAY, the 29th JULY, 2006 and at any adjournment thereof.

Date

Signature

Note : Please refer to Notes 3 & 4 of the Notice for the 46th Annual General Meeting

Re. 1
Revenue
Stamp

FOR OFFICE USE ONLY

Sl. No.

From :

.....

To :

Messrs Integrated Enterprises (India) Limited
 2nd Floor "Kences Towers"
 No.1 Ramakrishna Street
 North Usman Road, T Nagar
 CHENNAI 600 017

Dear Sirs,

Sub: Payment of dividend by Messrs Seshasayee Paper and Boards Limited through Electronic Clearing Service (ECS).

I have read the circular letter giving details of ECS printed overleaf. I wish to participate in the Electronic Clearing Service 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 of dividend amount due to me from Seshasayee Paper and Boards Limited, against the Folio / Client ID number mentioned against 1 below:

1 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 No. :

--	--	--	--	--	--	--	--	--

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

Regd. Office: Pallipalayam, Namakkal District, Cauvery RS PO, Erode-638 007

AUDITED FINANCIAL RESULTS FOR 2005-06

(Rs Lakhs)

Sl. No.	Particulars	9 months ended	3 months ended	3 months ended	Year ended	Year ended
		31 12 2005	31 03 2006	31 03 2005	31 03 2006	31 03 2005
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Gross Sales / Income from Operations	34500	12425	12158	46925	43212
	Less: Excise Duty	3826	1182	1155	5008	4656
	Net Sales / Income from Operations	30674	11243	11003	41917	38556
2	Other Income	46	49	20	95	47
3	Total Expenditure					
	a) Increase / decrease in Stock-in-trade	(-) 528	528	944	--	--
	b) Consumption of Raw materials	12178	3870	3714	16048	14986
	c) Stores	3766	1296	1151	5062	4561
	d) Power & Fuel	4990	1727	1976	6717	7742
	e) Staff cost	2341	694	763	3035	2813
	f) Other expenditure	4540	1810	1432	6350	5547
4	Profit before Interest, Depreciation and tax	3433	1367	1043	4800	2954
5	Interest	515	110	103	625	666
6	Depreciation	1193	259	228	1452	1128
7	Profit (+) / Loss (-) before Tax	1725	998	712	2723	1160
8	Taxation :					
	- Provision for Current Tax	145	80	56	225	90
	- MAT Credit Entitlement	--	(-) 138	--	(-) 138	--
	- Transfer to Deferred Tax	460	358	289	818	412
	- Fringe Benefit Tax	19	8	--	27	--
9	Net Profit (+) / Loss (-)	1101	690	367	1791	658

AUDITED FINANCIAL RESULTS FOR 2005-06 (Contd.)

(Rs Lakhs)

Sl. No.	Particulars	9 months ended	3 months ended	3 months ended	Year ended	Year ended
		31 12 2005	31 03 2006	31 03 2005	31 03 2006	31 03 2005
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
10	Paid-up Equity Share Capital (Face Value - Rs 10)	1125	1125	1125	1125	1125
11	Reserves, excluding Revaluation Reserves and Deferred Tax (as per Balance Sheet)				9304	7833
12	Basic and diluted EPS for the period, for the year to date and for the previous year (not to be annualised)	9.79	6.13	3.26	15.92	5.85
13	Aggregate of Non-Promoter Shareholding :					
	- Number of Shares	6380779	6388894	6377672	6388894	6377672
	- Percentage of Shareholding	56.72	56.79	56.69	56.79	56.69

Notes :

- Paper is the only segment of operation of the Company.
- The Board of Directors has recommended payment of dividend at 25% for the year 2005-06.
- Investor complaints :
 - Pending at the beginning of the Quarter Nil
 - Received and disposed off during the Quarter Nil
 - Un-resolved at the end of the Quarter Nil
- Figures have been re-grouped, wherever necessary, to conform to current quarter's / year's classification.
- The implementation of the Mill Development Plan, estimated to cost around Rs 350 Crores, was commenced during January 2006 and is expected to be completed by December 2007. Financial closure for the Project has been achieved and the project will be funded by Term Loans of Rs 270 Crores from a Consortium of Banks and the balance out of internal accruals
- The above results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on June 10, 2006.

(By Order of the Board)

For SESHASAYEE PAPER AND BOARDS LIMITED

Place : Chennai
Date : June 10, 2006

N GOPALARATNAM
Chairman and Managing Director

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N GOPALARATNAM, *Chairman and Managing Director*

Sri R V GUPTA, *Nominee of IDBI*

Sri BIMAL KUMAR PODDAR

Sri M R B PUNJA

Sri N RAVINDRANATHAN

Mrs D SABITHA, I A S, *Nominee of TIIC*

Sri SURJIT K CHAUDHARY, I A S

Sri K S KASI VISWANATHAN, *Director (Operations)*

Sri V PICHAI, *Director (Finance) & Secretary*

AUDITORS

Messrs SURI & CO., Chennai

Messrs S VISWANATHAN, Chennai

COST AUDITOR

Sri M B KANNAN

INTERNAL AUDITOR

Messrs MAHARAJ N R SURESH & CO., Chennai

BANKS

INDUSTRIAL DEVELOPMENT BANK OF INDIA LIMITED

UCO BANK

SYNDICATE BANK

CENTRAL BANK OF INDIA

CANARA BANK

UNITED BANK OF INDIA

STATE BANK OF INDIA



REGD. OFFICE & WORKS

PALLIPALAYAM, CAUVERY RS PO


ERODE - 638 007, TAMIL NADU

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CONTENTS

	Page
NOTICE	3
DIRECTORS' REPORT	9
AUDITORS' REPORT	39
BALANCE SHEET	41
PROFIT AND LOSS ACCOUNT	42
SCHEDULES	44
CASH FLOW STATEMENT	66

SESHASAYEE PAPER AND BOARDS LIMITED**NOTICE**

 Notice is hereby given that the Forty Sixth 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 29, 2006, at 11.00 AM, to transact the following business :

ORDINARY BUSINESS

- 1 To consider and adopt the Balance Sheet as at 31st March 2006, 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 Sri M R B Punja retires by rotation at this meeting and does not seek re-election.
- 4 To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. Messrs Suri & Co., Chennai and Messrs S Viswanathan, Chennai, the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

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

“RESOLVED THAT in accordance with the provisions of Sections 269, 309, 198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, as may be necessary, approval of the Members of the Company be and is hereby accorded to the re-appointment of Sri N Gopalaratnam as Chairman and Managing Director of the Company for a period of three years, with effect from April 1, 2006 and upto March 31, 2009, to exercise all the powers of management, subject to the supervision and

control of the Board of Directors, on the terms and conditions set out below :

SALARY :

Rs 1 50 000/- (Rupees one lakh fifty thousands only) per month.

COMMISSION :

Equivalent to 1% of the net profits of the Company, subject to a ceiling of an amount equal to annual salary.

PERQUISITES :

Perquisites shall be restricted to an amount equal to annual salary.

Contribution to Provident Fund, Superannuation Fund and Annuity Fund shall, however, be excluded in reckoning the said ceiling.

MINIMUM REMUNERATION :

In the event of loss or inadequacy of profits in any financial year, the Chairman and Managing Director shall be paid a Special Allowance not exceeding Rs 9 00 000 (Rupees nine lakhs only) per year, in addition to salary and perquisites as specified above. In any event, the total of salary, perquisites and special allowance will be within the overall ceiling as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956. No commission is payable in such a year.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to revise the remuneration, including commission and perquisites, from time to time, within the limits prescribed in Schedule XIII to the Companies Act, 1956, or any amendment or any statutory modifications thereto”.

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

“RESOLVED THAT approval be and is hereby given to:

- ◇ the Company, in terms of Section 149(2A) of the Companies Act, 1956, to

SESHASAYEE PAPER AND BOARDS LIMITED

commence the business of trading in all kinds of fuels, including petrol, diesel and other petroleum products and

- ◇ the Board of Directors to exercise all such powers incidental thereto.”

(By Order of the Board)
For SESHASAYEE PAPER AND BOARDS LIMITED

(V PICHAI)
DIRECTOR (FINANCE) & SECRETARY

Chennai
June 10, 2006

NOTES :

- 1 The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business set out under items 5 and 6, is annexed hereto.
- 2 For appointment of Chairman and Managing Director, disclosure, as required under Clause 49 of the Listing Agreement, is annexed hereto.
- 3 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.
- 4 Proxies, in order to be effective, must be filed with the Company not later than 48 hours before the meeting.
- 5 The Register of Members and Share Transfer Books will be closed from Tuesday, the July 18, 2006, to Saturday, the July 29, 2006 (both days inclusive).
- 6 Dividend, if declared, will be paid to the Members whose names appear on the Register of Members as on July 29, 2006 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.
- 7 Members holding shares in physical form are requested to notify, promptly, any change in their address, to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai, 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.
- 8 The amended provisions of the Companies Act, 1956, provide for Nomination facility to Members. Members are requested to write to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai, for more information, if any needed, on Nomination facility and / or to get a copy of Nomination Form.
- 9 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 Revenue 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, Trichi 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.
- 10 As regards dividends pertaining to the financial year ended March 31, 1996 and thereafter, amounts remaining in the Unpaid Dividend Accounts of the Company have to be transferred to the Investor Education and Protection Fund, established by the Central Government, at the expiry of seven years from the date of transfer to the respective year's Unpaid Dividend Account. Thereafter, the Members shall have no claim against the Fund or the Company, in respect of his unpaid dividend. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1995-96 to 1997-98. The