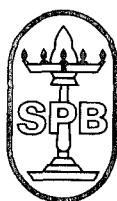


Seshasayee Paper and Boards Limited

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Forty Eighth Annual Report

2007-08



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@spb ltd.com

2008 06 07

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

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. 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 2007-08

(Rs Lakhs)

Sl. No.	Particulars	3 months ended		Year ended	
		31 03 2008	31 03 2007	31 03 2008	31 03 2007
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Gross Sales / Income from Operations	14676	13753	54723	50390
	Less : Excise Duty	1164	1195	5219	4630
	Net Sales / Income from Operations	13512	12558	49504	45760
2	Other Income	77	78	137	164
3	Total Income	13589	12636	49641	45924
4	Expenditure :				
	a) Increase / decrease in Stock-in-trade and Work-in-progress	921	689	(-) 146	(-) 221
	b) Consumption of Raw materials	5134	4197	18015	17666
	c) Stores	1912	1750	7345	6166
	d) Power & Fuel	1747	1660	6303	6468
	e) Staff cost	742	710	3335	2827
	f) Depreciation	444	304	1742	1483
	g) Other expenditure	1569	1414	6499	6672
	Total	12469	10724	43093	41061
5	Interest	81	70	497	493
6	Exceptional items	--	--	--	--
7	Profit from Ordinary Activities before Tax	1039	1842	6051	4370
8	Tax expense	370	382	1472	230
9	Net Profit from Ordinary Activities after Tax	669	1460	4579	4140
10	Extra-ordinary items	--	--	--	--
11	Net Profit for the period	669	1460	4579	4140
12	Paid-up Equity Share Capital (Face value - Rs 10)	1125	1125	1125	1125

AUDITED FINANCIAL RESULTS FOR 2007-08 (Contd.)

(Rs Lakhs)

Sl. No.	Particulars	3 months ended		Year ended	
		31 03 2008	31 03 2007	31 03 2008	31 03 2007
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
13	Reserves, excluding Revaluation Reserves and Deferred Tax as per Balance Sheet of previous year			17086	12983
14	Earnings Per Share (EPS) :				
	a) Basic and diluted EPS before extra-ordinary items for the period, for the year to date and for the previous year (not to be annualised)	5.94	12.98	40.70	36.80
	b) Basic and diluted EPS after extra-ordinary items for the period, for the year to date and for the previous year (not to be annualised)	5.94	12.98	40.70	36.80
15	Public Shareholding :				
	- Number of Shares	6408130	6395179	6408130	6395179
	- Percentage of Shareholding	56.96%	56.85%	56.96%	56.85%

Notes :

- Paper is the only reportable segment of operation of the Company.
- The Board of Directors has recommended payment of dividend at 40% for the year 2007-08.
- 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 is in progress. While majority of the equipment have been erected and are under trials, due to delay in supply of some key equipment, the commissioning of the entire Mill Development Plan is expected to be completed by end June 2008.
- 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 07, 2008.

(By Order of the Board)

For SESHASAYEE PAPER AND BOARDS LIMITED

Place : Chennai
Date : June 07, 2008

N GOPALARATNAM
Chairman and Managing Director


SESHASAYEE PAPER AND BOARDS LIMITED

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

ATTENDANCE SLIP
Date & Time Saturday
26th July 2008
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. Shareholders 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
48th 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)

(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 EIGHTH ANNUAL GENERAL MEETING of the Company to be held at 11.00 AM on SATURDAY, the 26th July 2008 and at any adjournment thereof.

Date

Signature

Note : Please refer to Notes 3 & 4 of the Notice for the 48th Annual General Meeting

 Re. 1
Revenue
Stamp

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N GOPALARATNAM, *Chairman and Managing Director*

Sri ARUN G BIJUR

Sri BIMAL KUMAR PODDAR

Sri R V GUPTA, *Nominee of IDBI Bank Limited*

Dr S NARAYAN

Sri S K PRABAKAR, I A S, *Nominee of TIIC*

Sri R RAJAGOPAL, I A S

Sri K S KASI VISWANATHAN, *Deputy Managing Director*

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

AUDITORS

Messrs SURI & CO., Chennai

Messrs S VISWANATHAN, Chennai

COST AUDITOR

Messrs S MAHADEVAN & CO., Coimbatore

INTERNAL AUDITOR

Messrs MAHARAJ N R SURESH & CO., Chennai

FINANCIAL INSTITUTION / BANKS

IDBI BANK LIMITED

UCO BANK

SYNDICATE BANK

CENTRAL BANK OF INDIA

CANARA BANK

STATE BANK OF INDIA



REGD. OFFICE & WORKS

PALLIPALAYAM, CAUVERY RS PO

ERODE - 638 007, TAMIL NADU

SESHASAYEE PAPER AND BOARDS LIMITED

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CONTENTS

	Page
NOTICE	3
DIRECTORS' REPORT	14
AUDITORS' REPORT	44
BALANCE SHEET	47
PROFIT AND LOSS ACCOUNT	48
SCHEDULES	50
CASH FLOW STATEMENT	74

SESHASAYEE PAPER AND BOARDS LIMITED

NOTICE



Notice is hereby given that the Forty Eighth 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 26, 2008, at 11.00 AM, to transact the following business :

ORDINARY BUSINESS

- 1 To consider and adopt the Balance Sheet as at 31st March 2008, 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 Bimal Kumar Poddar and Sri V Pichai who retire by rotation and being eligible, offer themselves for re-appointment.
- 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 re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT Sri Arun G Bijur, 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 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 appointment of Sri K S Kasi Viswanathan as Deputy Managing Director of the Company, liable to retire by rotation, for a term of three years from April 1, 2008 to March 31, 2011, on the terms and conditions set out below :

I REMUNERATION

(a) SALARY

Rs 1 00 000 (Rupees one lakh only) per month, including Dearness Allowance and other Allowances.

(b) INCENTIVE / COMMISSION

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

II PERQUISITES

(a) HOUSING

The Company shall provide free un-furnished accommodation. The value of benefit will be determined as per the Income Tax Rules.

(b) REIMBURSEMENT OF MEDICAL EXPENSES

Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of three years, as per Rules of the Company.

For the above purpose, "Family" includes spouse, dependent children and parents.

(c) LEAVE TRAVEL CONCESSION

Leave Travel Concession for self and family, once a year, incurred in accordance with the Rules of the Company.

For the above purpose, "Family" includes spouse, dependent children and parents.

—SESHASAYEE PAPER AND BOARDS LIMITED—

(d) PERSONAL ACCIDENT INSURANCE

Personal accident insurance cover of an amount, the annual premium of which does not exceed Rs 5000.

(e) CONTRIBUTION TO PROVIDENT FUND AND SUPERANNUATION FUND

Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

(f) LEAVE AND ENCASHMENT OF LEAVE

As per Rules of the Company.

(g) GRATUITY AND / OR CONTRIBUTION TO GRATUITY FUND

As per Rules of the Company.

(h) USE OF CAR AND TELEPHONE

Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

(i) REIMBURSEMENT OF EXPENSES

Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company, as per Rules of the Company.

III MINIMUM REMUNERATION

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to Incentive / Commission being restricted to 50% of annual salary and applicable provisions of Schedule XIII to the Companies Act, 1956.

NOTES :

- (a) Net profits for this purpose shall be as per computation of Net Profits under Sections 349 and 350 of the Companies Act, 1956.

- (b) The remuneration package is well within the overall limit prescribed under Schedule XIII to the Companies Act, 1956, which permits the Company to pay an overall remuneration, not exceeding 10% of the Net Profits in any year, to all its Directors.

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".

- 7 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 V Pichai as Director (Finance) & Secretary of the Company, liable to retire by rotation, for a term of three years from April 1, 2008 to March 31, 2011, on the terms and conditions set out below :

I REMUNERATION

(a) SALARY

Rs 1 00 000 (Rupees one lakh only) per month, including Dearness Allowance and other Allowances.

(b) INCENTIVE / COMMISSION

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

II PERQUISITES

(a) HOUSING

The Company shall provide free un-furnished accommodation. The value of benefit will be determined as per the Income Tax Rules.