

Seshasayee Paper and Boards Limited

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Forty Ninth Annual Report
2008-09



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

2009 06 05

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, Bhubaneswar, 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 :

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d) Account type (Please tick) : ☐ Savings ☐ Current ☐ Cash credit

e) Ledger folio No. (if any) of
 your bank account :

f) Account No. :

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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 2008-09

(Rs Lakhs)

Sl. No.	Particulars	3 months ended		Year ended	
		31 03 2009	31 03 2008	31 03 2009	31 03 2008
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Gross Sales / Income from Operations	15072	14676	56116	54723
	Less : Excise Duty	501	1164	3205	5219
	Net Sales / Income from Operations	14571	13512	52911	49504
2	Other Operating Income	27	77	52	101
3	Total Income	14598	13589	52963	49605
4	Expenditure :				
	a) Increase / decrease in Stock-in-trade and Work-in-progress	1122	921	309	(-) 146
	b) Consumption of Raw materials	3546	5134	17149	18015
	c) Stores	2350	1912	8669	7345
	d) Power & Fuel	2675	1747	9479	6303
	e) Employees cost	877	742	3184	3335
	f) Depreciation	824	444	2629	1742
	g) Other expenditure	1942	1569	7484	6499
	Total	13336	12469	48903	43093
5	Profit from Operations before Other Income, Interest and Exceptional Items	1262	1120	4060	6512
6	Other Income	--	--	31	36
7	Profit before Interest and Exceptional Items	1262	1120	4091	6548
8	Interest	658	81	1700	497
9	Profit after Interest but before Exceptional Items	604	1039	2391	6051
10	Exceptional items	--	--	--	--
11	Profit from Ordinary Activities before Tax	604	1039	2391	6051
12	Tax expense	234	370	888	1472
13	Net Profit from Ordinary Activities after Tax	370	669	1503	4579
14	Extra-ordinary items	--	--	--	--
15	Net Profit for the period	370	669	1503	4579
16	Paid-up Equity Share Capital (Face value - Rs 10)	1125	1125	1125	1125
17	Reserves, excluding Revaluation Reserves and Deferred Tax as per Balance Sheet of previous accounting year			18128	17086

AUDITED FINANCIAL RESULTS FOR 2008-09 (Contd.)

(Rs Lakhs)

Sl. No.	Particulars	3 months ended		Year ended	
		31 03 2009	31 03 2008	31 03 2009	31 03 2008
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
18	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 <i>(not to be annualised)</i>	3.29	5.94	13.36	40.70
	b) Basic and diluted EPS after extra-ordinary items for the period, for the year to date and for the previous year <i>(not to be annualised)</i>	3.29	5.94	13.36	40.70
19	Public Shareholding :				
	- Number of Shares	6440139	6408130	6440139	6408130
	- Percentage of Shareholding	57.25%	56.96%	57.25%	56.96%
20	Promoter and Promoter Group Shareholding :				
	(a) Pledged / Encumbered :				
	- Number of Shares	0		0	
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	0		0	
	- Percentage of Shares (as a % of the total Share Capital of the Company)	0		0	
	(b) Non-encumbered :				
	- Number of Shares	4809861		4809861	
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	100%		100%	
	- Percentage of Shares (as a % of the total Share Capital of the Company)	42.75%		42.75%	

Notes :

- Paper is the only reportable segment of operation of the Company.
- The Board of Directors has recommended payment of dividend at Rs 3.50 per Equity Share of Rs 10 each for the year 2008-09.
- Investor complaints :

- Pending at the beginning of the Quarter	Nil
- Received and disposed off during the Quarter	2
- Un-resolved at the end of the Quarter	Nil
- The Profit for the quarter January - March 2009 and for the year ended March 2009, was impacted to the extent of Rs 750 lakhs and Rs 2667 lakhs, respectively, due to depreciation in the value of Indian Rupee against US \$ in respect of import bills for Coal, wood Pulp and Foreign Currency Loans and higher provision made for Interest and Depreciation consequent to capitalisation of remaining assets of Mill Development Project.
- Figures have been re-grouped, wherever necessary, to conform to current quarter's / year's classification.
- 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 05, 2009.

(By Order of the Board)

For SESHASAYEE PAPER AND BOARDS LIMITED

Place : Chennai
Date : June 05, 2009

N GOPALARATNAM
Chairman and Managing Director

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N GOPALARATNAM, *Chairman and Managing Director*

Sri ARUN G BIJUR

Sri BIMAL KUMAR PODDAR

Sri DEBENDRANATH SARANGI, I A S

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

Dr S NARAYAN, I A S (Retd.)

Mrs SHEELA RANI CHUNKATH, I A S, Nominee of TIIC

Sri V SRIDAR

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

BANKS

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


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SESHASAYEE PAPER AND BOARDS LIMITED**NOTICE**

 Notice is hereby given that the Forty Ninth 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 25, 2009, at 11.00 AM, to transact the following business :

ORDINARY BUSINESS

- 1 To consider and adopt the Balance Sheet as at 31st March 2009, 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 Dr S Narayan and Sri Bimal Kumar Poddar 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 R V Gupta, 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 Sri Debendranath Sarangi, IAS, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Sri V Sridar, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 8 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 five years, with effect from April 01, 2009 and upto March 31, 2014, 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 2 00 000 (Rupees two lakhs 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 12 00 000

SESHASAYEE PAPER AND BOARDS LIMITED

(Rupees twelve 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.

NOTES :

- 1 Net profits for this purpose shall be as per computation of Net Profits under Section 349 and 350 of the Companies Act, 1956.
- 2 The remuneration package is well within the overall limit prescribed under Schedule XIII to the Companies Act, 1956, which permits our 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".

(By Order of the Board)
For Seshasayee Paper and Boards Limited

(V PICHAI)
Director (Finance) & Secretary

Chennai
June 05, 2009

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, 6, 7 and 8 is annexed hereto.
- 2 For appointment of Directors, 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 Thursday, the July 16, 2009 to Saturday, the July 25, 2009 (both days inclusive).
- 6 Dividend, if declared, will be paid to the Members whose names appear on the Register of Members as on July 25, 2009 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

SESHASAYEE PAPER AND BOARDS LIMITED

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 2000-01. The unpaid dividend for the financial year 2001-02 will be transferred to the above Fund during August 2009. Members are, therefore, requested to lodge their claims for unpaid dividend, if any, immediately with the Company.
- 11 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.
- 12 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.
- 13 For receiving Dividend through Electronic Clearing Service (ECS), in the notified Centres, Members are requested to forward the Form attached to the Circular letter, duly filled in, to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai or to their respective Depository Participants.
- 14 As per amendment to Clause 11 of the Listing Agreement notified by SEBI, transferee(s) must furnish copy of their PAN Card to the Company / RTA's for registration of transfer of shares, for securities market transactions and off-market / private transactions involving transfer of shares in physical form.

EXPLANATORY STATEMENT

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

Item No. 5

Sri R V Gupta IAS (Retd.) belongs to the 1962 batch of Indian Administrative Service. He has held important positions in various State and Central Government Departments. He served the Government of India at the levels of Special Secretary (Ministry of Finance), Secretary (Ministry of Food), Additional Secretary (Ministry of Chemicals and Fertilisers), etc. He had also acted as the Principal Secretary to Government of Madhya Pradesh. Prior to retirement, he was the Deputy Governor, Reserve Bank of India and was closely involved in the economic reforms process. After retirement, he acted as Chairman of the Reserve Bank of India Committee on Agriculture Credit. He was also associated with Deutsche Bank, as Chairman of Local Advisory Board for India. He has held various Board level positions in the industry.

In 2002, IDBI Bank Limited (IDBI) nominated Sri R V Gupta, as its Nominee Director on the Board of our Company, in exercise of its powers conferred under the Loan Agreement subsisting between the Company and IDBI. IDBI has since withdrawn the nomination of Sri R V Gupta, as its Nominee Director on the Board of the Company, with effect from August 29, 2008. Sri R V Gupta served as a Nominee Director of IDBI on the Board of our Company for more than six years from May 2002 to August 2008. He also acted as Chairman of the Audit Committee of the Board of Directors between July 2006 and August 2008.

The Company was immensely benefited by the wise counsel and guidance provided by Sri R V Gupta during his tenure as a Nominee Director of IDBI.

Taking into consideration the experience and expertise that Sri R V Gupta brings to bear, it was considered prudent for the Company to re-induct Sri R V Gupta as an Additional Independent Director in the Board, to avail his