

Seshasayee Paper and Boards Limited



Fifty Third Annual Report

2012-13

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, I A S (Retd.)

Sri MOHAN VERGHESE CHUNKATH, I A S, *Nominee of Government of Tamilnadu*

Dr S NARAYAN, I A S (Retd.)

Mrs PHILOMINA THOMAS, *Nominee of LIC*

Sri S K PRABAKAR, 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

BANKS

SYNDICATE BANK

CANARA BANK

CENTRAL BANK OF INDIA

UCO BANK

STATE BANK OF INDIA



REGD. OFFICE & WORKS

PALLIPALAYAM, CAUVERY RS PO

ERODE - 638 007, TAMIL NADU


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NOTICE

 Notice is hereby given that the Fifty Third 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, 2013, at 11.00 AM, to transact the following business :

ORDINARY BUSINESS

- 1 To consider and adopt the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement 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, IAS (Retd.), Sri K S Kasi Viswanathan and Sri V Pichai who retire by rotation and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT M/s Suri & Co., Firm Registration No. 004283S, Chennai and Messrs S Viswanathan, Firm Registration No. 004770S, Chennai, Chartered Accountants, the retiring Auditors be reappointed and M/s Maharaj N R Suresh & Co., Firm Registration No. 001931S, Chartered Accountants, Chennai be appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of ₹ 6 lakhs (Rupees Six lakhs only) to each of them together with Service Tax and Education Cess / Higher Education Cess, if any, in addition to

reimbursement of travelling and other out-of-pocket expenses actually incurred by them, in connection with the Audit.”

- 5 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 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 2012-13, 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)

Director (Finance) & Secretary

Chennai

May 30, 2013

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 4 and 5 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 Friday, the July 19, 2013, to Saturday, the July 27, 2013 (both days inclusive).
- 6 Dividend, if declared, will be paid to the Members whose names appear on the Register of Members as on July 27, 2013 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. As per the Scheme of Amalgamation approved by the Hon'ble High Court of Madras, the Shareholders of SPB Papers Limited who will be allotted Equity Shares in the Share Capital of our Company, are eligible for dividend for the full year of 2012-13.
- 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 2004-05. The unpaid dividend for the financial year 2005-06 will be transferred to the above Fund during August 2013. 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 (NECS), 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 Furnishing of Permanent Account Number (PAN) has been made mandatory by SEBI for all securities market transactions and off market / private transactions involving transfer of shares in

physical form. It is mandatory for transferee(s) to furnish copy of PAN card to the Company / RTA for registration of transfer of such shares. It has further been clarified by SEBI that it is mandatory to furnish a copy of PAN for (i) for deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders (ii) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and (iii) transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

- 15 The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the corporate sector. MCA, by its Circular dated April 21, 2011, has now made permissible the service of documents through electronic mode to shareholders.

To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through Email. For the above purpose, we request you to

send an Email confirmation to our designated ID investor@spbltd.com mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication.

On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through Email. Copies of the said documents would be available in the Company's website www.spbltd.com for your access. You will at all times be entitled to receive, free of cost, hard copy (paper version) of Annual Report and other communications on specific request. You are also at liberty to change the instructions from time to time.

We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.

(By Order of the Board)

For Seshasayee Paper and Boards Limited

(V PICHAI)

Director (Finance) & Secretary

Chennai

May 30, 2013

EXPLANATORY STATEMENT

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

Item No. 4

In view of the increased volume and activities of the Company with the amalgamation of SPB Papers Limited (now Unit: Tirunelveli), the Board of Directors, taking into consideration the expanded sphere of operations, considered it necessary to appoint M/s Maharaj N R Suresh & Co., Chennai, as Auditors of the Company along with M/s Suri & Co., Chartered Accountants, Chennai and Messrs S Viswanathan, Chartered Accountants, Chennai, the Retiring Auditors who are being re-appointed at this meeting. M/s Maharaj N R Suresh & Co., were the Statutory Auditors of SPB Papers Limited which has since been amalgamated with our Company.

Your Directors recommend the said appointment.

It is proposed to pass the above Resolution as an Ordinary Resolution.

None of the Directors is interested in this Resolution.

Item No. 5

The Members of the Company last approved payment of commission to Non Whole-time Directors, at the Forty Seventh Annual General Meeting held on July 28, 2007, for a period of five years, from 2007-08. The Central Government had also accorded approval for the said payment of commission to Non Whole-time

Directors, for a period of five years, from the financial year 2007-08.

The validity of the said approval is over with the financial year 2011-12. It is thought fit that the payment of remuneration to Non Whole-time Directors be continued for a further period of five years from the financial year 2012-13.

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. The requirement of getting this approval of Central Government has been dispensed with, vide circular dated 4th March 2011, issued by the Ministry of Corporate Affairs, Government of India.

All the Directors, other than the Chairman and Managing Director and two Whole-time Directors, 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)
Director (Finance) & Secretary

Chennai
May 30, 2013

Appointment of Directors :

Disclosure under Clause 49 of the Listing Agreement :

Dr S NARAYAN, I A S (Retd.) :

Date of birth and age	:	20 06 1943 (69 years)
Date of appointment	:	18 01 2007
Expertise in specific functional areas	:	<p>Dr S Narayan, IAS (Retd.) has to his credit nearly four decades (1965 to 2004) of public service in the State and Central Governments, in Development administration. Lastly (2003-04), he was Economic Adviser to the Prime Minister and was responsible for implementation of economic policies of several Ministries. The responsibility in this task was monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office and policy formulation.</p> <p>Prior to this assignment, he was in Government of India as Finance and Economic Affairs Secretary, Secretary in the Departments of Revenue, Petroleum, Industrial Development and Coal, since 1997.</p> <p>Between 2000 and 2003, he was in the Ministry of Finance with responsibilities for formulation of macro-economic policy for the Government, tariff and taxation policies, as well as initiatives for modernising the capital markets. Reforms in the Banking Sector and Financial Institutions were a major focus of this responsibility. He was involved in developing strategy for Foreign Direct Investment in India and for the reforms agenda. He was one of the key players in formulating the National Budget between 2000 and 2004. His special interests include public finance, investment policy, energy policy, commodities and mining, governance issues and international trade.</p> <p>He is a visiting faculty at several academic institutions, including the National University at Singapore and the LSE. He contributes articles regularly to newspapers, including Financial Express, Business Times (Singapore), Economic Times, etc., on issues relating to economic reforms, public policy, governance, public finance, trade and energy. He travels widely and lectures at several international fora.</p>

Dr S NARAYAN, I A S (Retd.) (Contd.)

Qualification	:	M.Sc., MBA, M Phil., I A S (Retd.)
Number of shares held in the Equity Capital of the Company	:	Nil
Relationship with other Directors	:	He is not related to any other Director.
Directorship in other companies	:	Apollo Tyres Limited Dabur India Limited Godrej Properties Limited Castlewood Trading Private Limited Artemis Medicare Services Private Limited Aviva Life Insurance Company Limited
Committee / executive positions held in other companies	:	Apollo Tyres Limited : - Audit Committee - Member Dabur India Limited : - Audit Committee - Member

SRI K S KASI VISWANATHAN :

Date of birth and age	:	28 03 1951 (62 years)
Date of appointment	:	January 29, 2005
Expertise in specific functional areas	:	He is a Chemical Engineer (B Tech. from the Regional Engineering College, Tiruchi) and MMS from University of Madras. He has to his credit nearly 38 years of Industrial experience, majority of which has been with the SPB Group companies. He has gained excellent exposure in management of integrated paper mills, besides project implementation. He is largely responsible for the efficient operations of the Mill. He is in charge of production operations, Project implementation and Human Resources Development. He reports to the Chairman and Managing Director.
Qualification	:	B. Tech., MMS
Number of shares held in the Equity Capital of the Company	:	492
Relationship with other Directors	:	He is not related to any other Director.
Directorship in other companies	:	Nil
Committee / executive positions held in other companies	:	Nil

SRI V PICHAJ :

Date of birth and age	:	12 09 1947 (65 years)
Date of appointment	:	January 29, 2005
Expertise in specific functional areas	:	<p>He is a Chartered Accountant and a Company Secretary. His qualifications are B. Com., ACA, ACS and CAIIB. He has to his credit nearly 43 years of experience. After a short stint of 7 years in a nationalised Bank, he joined the Company in 1980. He has completed nearly three decades of service in the Company. He has managed admirably various functional areas of the Company, viz., Accounts, Finance, Legal, Taxation, Secretarial, etc.</p> <p>He is in charge of the Finance, Accounts, Taxation, Legal and Secretarial functions of the Company. He reports to the Chairman and Managing Director.</p>
Qualification	:	B.Com., ACA, ACS, CAIIB
Number of shares held in the Equity Capital of the Company	:	8449
Relationship with other Directors	:	He is not related to any other Director.
Directorship in other companies	:	<p>Director :</p> <p>Dhanashree Investments Private Limited</p> <p>Time Square Investments Private Limited</p> <p>Ultra Investments and Leasing Company Private Limited</p>
Committee / executive positions held in other companies	:	Nil