

Seshasayee Paper and Boards Limited



Fifty Ninth Annual Report

2018-19

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N GOPALARATNAM, *Chairman*

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

Mr MOHAN VERGHESE CHUNKATH

Dr NANDITHA KRISHNA

Dr S NARAYAN, I A S (Retd.)

Dr (Tmt) M AARTHI, I A S, *Nominee of TIIC*

Sri A L SOMAYAJI

Sri V SRIDAR

Sri SHAMBHU KALLOLIKAR, I A S, *Nominee of
Govt. of Tamilnadu*

Sri K S KASI VISWANATHAN, *Managing Director*

Sri V PICHAJ, *Deputy Managing Director & Secretary*

AUDITORS

M/s MAHARAJ N R SURESH AND CO., Chennai

M/s R SUBRAMANIAN AND COMPANY LLP, Chennai

COST AUDITOR

M/s S MAHADEVAN AND CO., Chennai

SECRETARIAL AUDITOR

M/s B K SUNDARAM & ASSOCIATES, Trichy

BANKS

CANARA BANK

CENTRAL BANK OF INDIA

REGD. OFFICE



PALLIPALAYAM, CAUVERY RS PO,
ERODE - 638 007, NAMAKKAL DISTRICT,
TAMIL NADU
CIN : L21012TZ1960PLC000364


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NOTICE

 Notice is hereby given that the 59th Annual General Meeting of the Company will be held at "Community Centre", SPB Colony, Erode 638 010, on Saturday, the 27th July 2019 at 11.00 AM to transact the following business:

ORDINARY BUSINESS

1 Adoption of Accounts, etc.

To consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.

2 Declaration of Dividend

To declare a dividend on Equity Shares.

3 Re-appointment of retiring Director

To appoint a Director in the place of Sri N Gopalaratnam (DIN : 00001945) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4 Remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year

2019-20, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take such steps as may be necessary, proper or expedient to give effect to this Resolution”.

5 Sub-division of existing Equity Share of face value of ₹ 10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up.

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

RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, subject to such approvals and consents as may be required from appropriate authorities, the consent of the Members of the Company be and is hereby accorded for sub-division of Equity Share of face value of ₹ 10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up.

RESOLVED FURTHER THAT pursuant to the sub-division of Equity Shares of the Company, each of the authorised, issued, subscribed and paid up Equity Shares of face value ₹ 10/- (Rupees Ten only) each of the Company existing on the record date, to be fixed by the Company, shall stand sub-divided into five Equity Shares of face value ₹ 2/- (Rupees Two only) each fully paid up.

RESOLVED FURTHER THAT pursuant to the sub-division of the face value of

Equity Shares as mentioned above, the share certificate(s) in relation to the existing issued Equity Shares of the face value of ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled with effect from the record date to be fixed by the Board and the Board be and is hereby authorised, without requiring to surrender the existing issued share certificate(s) by the Members, to issue new share certificates in lieu of the existing share certificate(s), with regard to the sub-divided shares, and in case of the Equity Shares held in the dematerialised form, the number of sub-divided equity shares be credited proportionately to the respective beneficiary accounts of the Members with the Depository Participants, in lieu of the existing credits in their beneficiary accounts representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be required to obtain approvals in relation to the above mentioned Resolutions and do such further acts, deeds or things as may be required to give effect to sub-division of Equity Shares of the Company.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to :

- a) execute and file necessary applications, declarations and other documents with Stock Exchanges, Depositories, Registrar and Transfer Agents and / or any other statutory authority(ies), if any,
- b) settle any question or difficulty that may arise with regards to sub-division of the shares as aforesaid or on any matters connected therewith or incidental thereto; and
- c) do all such acts, deeds, things, including all other matters incidental thereto

in order to implement the foregoing resolution.

6 Alteration of Capital Clause V of the Memorandum of Association.

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

RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) existing Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following :

“V: The Authorised Share Capital of the Company is ₹ 70 00 00 000/- (Rupees Seventy crores only) divided into 20 00 00 000 Equity Shares of ₹ 2/- (Rupees two only) each and 3 00 00 000 Redeemable Preference Shares of ₹ 10/- (Rupees ten only) each. The Company has the power from time to time to increase or reduce its capital and to issue any shares in the capital of the Company as Equity Shares or Preference Shares and to attach to any class or classes of such shares, any rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary the class of shares and/or Regulations of the Company as far as may be deemed necessary to give effect to the same and upon the sub-division of any shares to apportion the right to participate in profits in any manner”.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby

severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.

7 Alteration of Capital Clause 6 of the Articles of Association.

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

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) existing Clause 6 of the Articles of Association of the Company be and is hereby substituted with the following :

“6: The Authorised Share Capital of the Company is ₹ 70 00 00 000/- (Rupees Seventy crores only) divided into 20 00 00 000 Equity Shares of ₹ 2/- (Rupees two only) each and 3 00 00 000 Redeemable Preference Shares of ₹ 10/- (Rupees ten only) each. The Company has the power from time to time to increase or reduce its capital and to issue any shares in the capital of the Company as Equity Shares or Preference Shares and to attach to any class or classes of such shares, any rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary the class of shares and/or Regulations of the Company as far as may be deemed necessary to give effect to the same and upon the sub-division of any shares to

apportion the right to participate in profits in any manner”.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.

(By Order of the Board)

For Seshasayee Paper and Boards Limited

(V PICHAI)

Deputy Managing Director & Secretary

Chennai

May 25, 2019

Notes :

1 Proxy

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.

A person can act as a Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person.

2 Deposit of Proxy Forms

The instrument appointing the Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

3 Particulars of Directors

Particulars of Director seeking re-appointment, pursuant to Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in Appendix - A.

4 Book Closure

The Register of Members and the Share Transfer Books will be closed from Thursday, the July 18, 2019 to Saturday, the July 27, 2019 (both days inclusive).

5 Dividend

Dividend on Declaration will be paid on 29th July 2019.

Members are advised to refer to 'Shareholder Information' Section of the Corporate Governance Report (Page 46 of the Annual Report) for details on dividend entitlement and payment options.

6 Unclaimed Dividend

Unclaimed dividend for over 7 years and the underlying shares thereof will be transferred to the Investor Education and Protection Fund. Members may refer to Page 50 of the Annual Report and lodge their claim, if any, immediately either with the Company's Registrar and Transfer Agents or Investor Education and Protection Fund.

7 E-Communication

Members are requested to opt for electronic mode of communication and support the Green initiatives of the Government.

8 Member Identification

Members are requested to bring the attendance slips duly filled in and copy of the Annual Report to the meeting.

9 Voting facilities

(a) Remote e-Voting

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company provides facility for its Members to exercise their voting right by electronic means.

(b) Voting at Annual General Meeting

The Company also offers the facility for voting through Polling Paper at the meeting.

(c) Voting option

Please note that a Shareholder can vote under only any one of the two options mentioned above.

(d) Voting instructions

Process and manner of voting containing detailed instructions is given in Appendix - B.

10 Gifts

No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in term of Clause 14 of the Secretarial Standards (SS-2) pertaining to distribution of Gifts at Annual General Meeting.

11 Route Map

Route Map showing the location of and directions to reach the venue of the 59th Annual General Meeting is attached pursuant to Secretarial Standard 2 on General Meeting.

STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 4

Remuneration to Cost Auditor

The Company is engaged in the manufacture of paper and paper boards at its Units at Erode and Tirunelveli. It has been maintaining cost accounting records and getting them audited under the provisions of the Companies Act, 2013.

While the remuneration for the audit of cost records is determined by the Board of Directors on the recommendations of Audit Committee, it will have to be ratified by the Members at the following General Meeting. The approval of Central Government is no longer required under the new Law.

Pursuant to the above, the Board of Directors have appointed M/s S Mahadevan & Co., Cost Accountants (Firm Registration No. 000007) for the audit of cost records of the Company for the financial year 2019-20 and determined the remuneration at ₹ 2 00 000/- (Rupees two lakhs only), in addition to Goods and Services Tax, if any, and reimbursement of actual expenses incurred in connection with the Audit, based on the recommendations of the Audit Committee. It is now placed for the approval of the Members in accordance with Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Copies of relevant Resolutions of the Audit Committee and Board are available for inspection of the Members on any working day of the Company between 11.00 AM and 01.00 PM.

No Director, Key Managerial Personnel or relative of them is concerned or interested, financially or otherwise, in this business.

Item Nos 5, 6 & 7

Sub-division of Equity Shares of the Company and alteration of the Capital Clause in the Memorandum of Association (MoA) and Articles of Association (AoA) of the Company

The operations of the Company has grown significantly during the last five years, generating considerable interest in the Company's Equity Shares in the market. This coupled with the general positive economic environment, the market price of the Company's shares has increased manifold over the last five years. In order to improve the liquidity in the Company's Equity Shares and to make the shares more affordable for the investors, the Board of Directors ('Board') at its meeting held on 25th May 2019, approved and recommended sub-division of each Equity Share having a face value of ₹ 10/- fully paid up into five Equity Shares of the face value of ₹ 2/- each, for Members' approval.

The Board / Committee shall determine the record date for sub-division of Equity Shares at a later date.

Sub-division of shares, requires amendments to the existing Clause V of the Memorandum of Association and Clause 6 of the Articles of Association, which provides for face value of shares to be ₹ 10/- per share. Presently, the Authorised Share Capital of the Company is ₹ 70 00 00 000/- (Rupees seventy crores only) consisting of 4 00 00 000 Equity Shares of ₹ 10/- (Rupees ten only) each and 3 00 00 000 Redeemable Preference Shares of ₹ 10/- (Rupees ten only) each which shall be altered as ₹ 70 00 00 000/- consisting of 20 00 00 000 Equity Shares of ₹ 2/- (Rupees two only) each and 3 00 00 000 Redeemable Preference Shares of ₹ 10/- (Rupees ten only)

each in view of the aforesaid sub-division of shares.

The Board recommends and seeks the approval of the Members for passing Resolution Nos. 5 and 6 as Ordinary Resolution and Resolution No.7 as a Special Resolution as stated in the Notice.

The above mentioned sub-division of shares does any change the voting percentage of the Shareholders.

The Memorandum of Association, Articles of Association and other relevant documents are available for inspection by the Members at the Registered Office of the company on any working day between 11.00 AM and 01.00 PM.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company. You are requested to communicate your assent or dissent for the aforesaid Resolutions, in accordance with the instructions set out herein.

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

(V PICHAI)
Deputy Managing Director & Secretary

Chennai
May 25, 2019