



Seshasayee Paper and Boards Limited

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Erode - 638 007, Tamilnadu, India, Ph : 91 - 4288 - 240221 to 240228
Fax: 91 - 4288 - 240229 email : edoff@spbltd.com Web : www.spbltd.com
CIN : L21012TZ1960PLC000364

Ref: SH/ S-6/ 489

2023.06.18

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No C/1, G Block
Bandra - Kurla Complex, Bandra (E)
Mumbai 400 051

Stock Code: SESHAPAPER

BSE Limited
Floor 25
P J Towers
Dalal Street
Mumbai 400 001

Stock Code : 502450

Dear Sir,

Sub: 63rd Annual General Meeting (AGM) Proceedings

With regard to the 63rd Annual General Meeting of the Company held on June 17, 2023, through Video Conference, we enclose the following for your reference and records:

- 1 A copy of the Proceedings of the Meeting, in deference to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 A copy of Transcript of Meeting, in deference to General Circular No. 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs, Government of India.

Thanking you,

Yours faithfully

For Seshasayee Paper and Boards Limited

SRINIVAS

SESHADHRI

Digitally signed by SRINIVAS SESHADHRI
DN: cn=SRINIVAS SESHADHRI, o=Seshasayee Paper and Boards Limited, ou=SRINIVAS SESHADHRI, email=SRINIVAS.SESHADHRI@spbltd.com, c=IN

(S SRINIVAS)

Senior Vice President & CFO

Encl: as above





Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

Proceedings of the
63rd Annual General Meeting of the Company
held on June 17, 2023 at 11:00 AM

SESHASAYEE PAPER AND BOARDS LIMITED
CIN : L21012TZ1960PLC000364

Sixty Third Annual General Meeting

Proceedings

Date : Saturday, June 17, 2023
Time : 11.00 AM
Venue : Video Conference

PRESENT THROUGH VIDEO CONFERENCE

Sri N Gopalaratnam : Chairman
Sri V Sridar : Independent Director &
Chairman of the Audit Committee
Dr S Narayan : Independent Director & Chairman of the
Risk Management Committee
Sri A L Somayaji : Independent Director & Chairman of the
Stakeholders Relationship Committee and
Corporate Social Responsibility Committee
Dr Nanditha Krishna : Independent Director
Sri Mohan Verghese : Independent Director
Chunkath
Sri T Ritto Cyriac, IFS : Nominee Director, liable to retire by
rotation
Sri K S Kasi Viswanathan : Managing Director
Sri Ganesh Balakrishna Bhadti : Director (Operations)
Sri Arun J Bijur : By Special invitation

Key Managerial Personnel

Sri S Srinivas : Senior Vice President & CFO

Statutory Auditor :

Sri N R Suresh and Sri.
K.V.Srinivasan : Partner, M/s Maharaj N R Suresh and Co LLP

Secretarial Auditor :

Sri B Ravi : Managing Partner, B Ravi & Associates

Scrutiniser:

Sri K Sankara Subramanian : K Sankara Subramanian & Associates

Cost Auditor :

Mrs Meena Ramji : Partner, M/s S Mahadevan & Co.

Internal Auditor :

Sri Sanjeev Aditya : Partner, M/s Suri & Co.

Members present in person : 296 holding 3,01,26,639 Shares

I CHAIRMAN OF THE MEETING:

Sri N Gopalaratnam, Chairman of the Board of Directors, being the Chairman of the Meeting, in terms of Article 70 of the Articles of Association of the Company, took the Chair.

II QUORUM

The Chairman noted that 234 Shareholders were present in Video Conference (VC) at the beginning of the meeting. Requisite quorum being present, the Chairman called the meeting to order and welcomed the Shareholders present. The meeting commenced at 11.00 AM.

With further shareholders joining later, 296 shareholders were present while meeting got concluded. Quorum was present throughout the meeting.

III INTRODUCTION

The Chairman introduced the Directors present at the meeting to the Shareholders. Chairman took the roll call and each Director present, identified himself / herself and registered their presence in the AGM held thro' VC. Chairman recorded that Sri Hans Raj Verma, IAS, Nominee Director had sought leave of absence from this meeting.

The Chairman mentioned that Sri V Sridar, Chairman of Audit Committee & Nomination and Remuneration Committee, Dr S Narayan, Chairman of Risk Management Committee and Sri A L Somayaji, Chairman of Stakeholders' Relationship Committee and CSR Committee are present at the meeting.

Chairman noted the presence Statutory Auditor, Secretarial Auditor, Cost Auditor and Internal Auditor. Sri S Srinivas, Senior Vice President & CFO, provided the general instructions to the members regarding participation in the meeting.

IV REGISTERS

The Register of Directors and Key Managerial Personnel and their shareholdings and Register of Contracts were made available electronically for inspection by the Members during the AGM.

V NOTICE AND BOARD'S REPORT

The Notice for the meeting and the Board's Report to the Shareholders were taken as read with the consent of the Shareholders present.

VI CORPORATE VIDEO

A short Corporate Video, showcasing the Genesis and Growth Story of SPB was played, with the approval of the Chairman.

VII CHAIRMAN'S SPEECH

The Chairman then addressed the Shareholders. The Chairman's address covered areas of Global / Indian Economy, status of Indian Paper Industry, near term challenges, Company's performance in FY 2022-23, outlook for financial year 2023-24, Company's ESG initiatives, etc.

VIII PRESENTATION BY MANAGING DIRECTOR

Sri K S Kasi Viswanathan, Managing Director, made a presentation on the performance of the Company and the key highlights for the Financial Year 2022-23.

IX AUDIT REPORT

Sri S Srinivas, Senior Vice President & CFO, informed the shareholders that pursuant to Section 146 of the Companies Act, 2013, the Report of the Statutory Auditor, viz., M/s Maharaj N R Suresh and Company LLP who was present through their respective partner, included in Pages 149 to 156 relating to Standalone Ind-AS Financial Statements and Pages 227 to 236 relating to Consolidated Ind-AS Financial Statements of the 63rd Annual Report does not contain any qualifications, reservations or adverse comments. Thereupon, the Auditors' Report to Shareholders was taken as read.

X SECRETARIAL AUDIT REPORT

Sri S Srinivas, Senior Vice President & CFO, informed the Shareholders that the Company has obtained Secretarial Audit Report from M/s B Ravi & Associates, Practicing Company Secretaries, pursuant to Section 204 of the Companies Act, 2013 which is included in Pages 142 to 145 of the 63rd Annual Report. He informed the Shareholders that there are no qualifications, observations or comments or other remarks mentioned in the Secretarial Audit Report.

XI INTRODUCTION TO RESOLUTIONS

The Chairman observed that there are seven Resolutions proposed to be passed at this 63rd Annual General Meeting - 7 Ordinary Resolutions. He briefly narrated the background and purpose of each of these Resolutions.

XII VOTING OPTIONS

The Chairman mentioned that the Company has offered two alternative voting options to Shareholders, viz., Remote e-voting and E-voting during AGM.

XIII REMOTE E-VOTING

The Chairman mentioned that Remote e-voting facility had been offered pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014. The Company engaged the services of National Securities Depository Limited (NSDL) for this purpose. The Remote e-voting commenced on 14th June 2023 (09.00 AM) and closed on 16th June 2023 (05.00 PM).

XIV E-VOTING DURING AGM

The Chairman informed the Shareholders that pursuant to the amended Rule 20 & Rule 22 of the Companies (Management and Administration) Rules, 2014 and the circulars issued by the Ministry of Corporate Affairs in this regard, the Company is also offering the facility to vote through electronic means during the meeting. He further informed that only Shareholders who have not already exercised their voting rights under Remote e-voting would now be entitled to cast their vote at the AGM.

XV SCRUTINISER

The Chairman mentioned that Sri K Sankara Subramanian, Practicing Company Secretary (Membership No. F11241 / COP:15994) has been appointed as Scrutiniser for all the two modes of voting. He would furnish individual as well as combined report in respect of votes cast for all the seven Resolutions proposed at this meeting.

XVI QUERIES AND REPLY

The Chairman thereupon invited queries from the Shareholders relating to Annual Report, Accounts and functioning of the Company.

The Company had received requests from 3 shareholders, to be a 'Speaker Shareholder' for the purpose of AGM. All 3 shareholders were actually present in the VC and raised their questions. The Company had also received queries from a shareholder by E-mail. The Company had also received few queries through the Chat option in the VC module.

The Queries raised by the shareholders were answered by the Chairman.

XVII ANNOUNCEMENT OF VOTING RESULTS

The Chairman observed that only Shareholders who have not already exercised their voting rights under Remote e-voting can vote 'E-Voting during the meeting', which will be open until 15 minutes after the closure of the meeting. The Chairman authorised Sri S Srinivas, Senior Vice President & CFO, to declare the result of the voting and place the results on the website of the Company at the earliest.

The Chairman declared that the resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

XVIII CONCLUSION OF MEETING

The Chairman declared the meeting as closed by 01:05 PM.

XIX SCRUTINISER'S REPORT

The combined voting based on the Scrutiniser's Report in respect of the seven items of Resolutions, of which 7 are Ordinary Resolutions :

Item No. of Notice and Description of Resolution(s)	Votes For					Votes Against				
	No. of Members		No. of votes		Vote %	No. of Members		No. of votes		Vote %
	Poll	e-voting	Poll	e-voting		Poll	e-voting	Poll	e-voting	
Adoption of Accounts, etc.	--	333	--	32352435	100.00	--	--	--	--	--
Declaration of Dividend for the year 2022-23.	--	334	--	32558135	100.00	--	--	--	--	--
Re-appointment of Sri Ganesh Balakrishna Bhadti, director retiring by rotation in this AGM.	--	304	--	31408412	96.468	--	30	--	1149723	3.532
To appoint M/s Suri & Co., Chartered Accountants (Firm Registration Number : 004283S) as Statutory Auditors of the Company.	--	329	--	32425085	99.591	--	5	--	133050	0.409
Appointment of Sri T Ritto Cyriac, IFS, Special Secretary, as a Nominee Director, liable to retire by rotation.	--	303	--	31390652	96.414	--	31	--	1167483	3.586

Item No. of Notice and Description of Resolution(s)	Votes For					Votes Against				
	No. of Members		No. of votes		Vote %	No. of Members		No. of votes		Vote %
	Poll	e-voting	Poll	e-voting		Poll	e-voting	Poll	e-voting	
Payment of Commission to Non Wholetime Directors.	--	327	--	32557723	99.999	--	7	--	412	0.001
Remuneration to Cost Auditor.	--	330	--	32557853	99.999	--	4	--	282	0.001

Note : (a) There were no invalid votes, in the voting at the venue.

(b) Vote % is based on total number of valid votes cast (for and against).

XX VOTING RESULTS

Accordingly all the 7 Resolutions proposed as Ordinary Resolutions, as mentioned in the Notice for the 63rd Annual General Meeting have been passed with overwhelming majority and in due compliance of relevant provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XXI DECLARATION

The following Resolutions have been duly passed by the Shareholders in terms of the voting done through Remote e-voting and voting at the AGM based on the Scrutiniser's Report on the Results of voting dated June 17, 2023 and these Resolutions shall be deemed to be passed at and on the date of the General Meeting, viz., June 17, 2023.

- (i) **Adoption of Audited Financial Statements (Including the Consolidated Financial Statements) of the Company for the year ended March 31, 2023 and Report of Directors and Auditors thereon.**

"RESOLVED THAT the Audited Financial Statements, including the Consolidated Financial Statements, of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted".

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

(ii) Declaration of Dividend

“RESOLVED THAT

- a) a dividend of Rs. 6.00 (Rupees six only) per fully paid up Equity Share, be and is hereby declared for the Financial Year 2022-23 on 6,30,68,140 Equity Shares of Rs. 2/- each fully paid-up;
- b) the dividend amount to each shareholder be rounded off to the nearest rupee;
- c) the dividend be paid to those Members of the Company whose names appear in the Register of Members of the Company in the case of physical holding and to the beneficial owner of the shares recorded with the Depositories in the case of demat holding as per details furnished by National Securities Depository Limited / Central Depository Services (India) Limited, as on June 07, 2023”.

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

(iii) Re-appointment of Sri Ganesh Balakrishna Bhaddi, retiring by rotation in this AGM

“RESOLVED THAT Sri Ganesh Balakrishna Bhaddi, Director (Operations) (DIN: 09634741), who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

(iv) To appoint M/s Suri & Co., Chartered Accountants (Firm Registration Number - 004283S) as Statutory Auditors of the Company

“RESOLVED that pursuant to the provisions of Sections 139, 141, 142, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, M/s Suri & Co., Chartered Accountants (Firm Registration Number 004283S) be appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of this meeting until the conclusion of the 68th Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix their remuneration on the recommendations of the Audit Committee each year”.

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

(v) Appointment of Sri T Ritto Cyriac, IFS, Special Secretary, as a Nominee Director, liable to retire by rotation.

“RESOLVED that Sri T Ritto Cyriac, IFS, Special Secretary (DIN: 07951031), who was nominated by Environment, Climate Change and Forests Department, Government of Tamil Nadu and thereupon appointed by the Board of Directors as an Additional Director of the Company with effect from March 24, 2023, pursuant to Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of the Director, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation”.

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

(vi) Payment of Commission to Non Wholetime Directors

“RESOLVED THAT the consent of the Company be and is hereby accorded for payment of commission to Non Wholetime Directors out of the net profits of the Company, over and above the Sitting Fees, for a period of three financial years from April 01, 2022.

PROVIDED FURTHER THAT the aggregate commission for all the Non Whole-time Directors shall be within the ceiling prescribed from time-to-time under Section 197 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof.

RESOLVED FURTHER THAT the commission is divisible among the Directors in such manner and proportion as the Board of Directors may deem fit, subject to a ceiling of Rs. 15.00 lakhs (Rupees fifteen lakhs only) per annum to each Non Whole-time Director.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary and expedient to give effect to the Resolution”.

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

(vii) Remuneration to Cost Auditor

“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 2023-24, 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”.

Declared that this Resolution has been passed by overwhelming majority as an Ordinary Resolution.

**Place : Erode
Date : 17.06.2023**

**(N GOPALARATNAM)
Chairman**



Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

Transcript of the
63rd Annual General Meeting of the Company
held on June 17, 2023 at 11:00 AM



AGM – JUNE 2023 - TRANSCRIPT

1 Welcome Address – Sri N Gopalaratnam, Chairman

Dear Shareholders

Good morning to all of you. I extend a warm welcome to all of you for the 63rd Annual General Meeting of the Company. I hope the shareholders are able to hear us and the audio and video are clear. I am N.Gopalaratnam, Chairman of Seshasayee Paper and Boards Limited and by virtue of the Articles of the Association of the Company, I am the Chairman for this meeting. I have joined this AGM from our Corporate Office in Erode, Tamil Nadu.

With the continued fear of resurgence of Covid-19 and the social distancing norms, we are compelled to have this AGM thro' VC. I look forward to meeting our shareholders in person, in the next AGM.

2 Introduction:

I am joining this AGM from the Corporate Office of the Company, at Erode. Before we start the main proceedings of the meeting, I request the other Board members, on the video conference, to introduce themselves.

V. Sridar, Independent Director and Chairman of the Audit Committee and Nomination and Remuneration Committee :

V.Sridar : I am Sridar, Independent Director and Chairman of the Audit Committee and Nomination and Remuneration Committee. I am participating from my home in Bangalore. I am alone in my room and audio and video are clear.

Dr. S. Narayan, Independent Director and Chairman of the Risk Management Committee:

Dr.S..Narayan : I am Narayan, participating from my residence in Chennai. I am alone in my room and has received all the papers.

Mr. A L Somayaji, Independent Director and Chairman of the Stakeholders Relationship Committee and CSR Committee:

A.L.Somayaji : I am Somayaji, participating from my office in Chennai. I have received all the papers and audio and video are good.

Dr. Nanditha Krishna, Independent Director :



Dr. Nanditha Krishna : I am Nanditha Krishna, Independent Director, participating in this meeting from Ooty. I have received all the papers and audio and video are good.

Mr. Mohan Verghese Chunkath, Independent Director :

Mr. Chunkath : I am Mohan Verghese Chunkath, Independent Director. I have joined this meeting from Boston. I have received all the papers and audio and video are good.

Mr. Hans Raj Verma, IAS, Nominee Director from Tamilnadu Industrial Investment Corporation of India (TIIC), the largest shareholder of the company since its inception :

He is unable to join and sought leave of absence.

Mr. Ritto Cyriac, IFS, Special Secretary, Environment and Forests Department, Nominee Director from Govt. of Tamil Nadu :

Mr. Ritto Cyriac : I am Ritto Cyriac, Special Secretary, Environment and Forests Department. I am travelling and I have joined this from the train. I have received all the papers and audio and video are good.

Mr. K S Kasi Viswanathan, Managing Director of the Company :

Mr. Kasi Viswanathan : I am Kasi Viswanathan, Managing Director. I have joined this meeting from our Corporate Office in Erode. I am along with my Chairman, Director (Operations) and CFO. I have received all the papers and audio and video are good.

Mr. Ganesh Balakrishna Bhaddi, Director (Operations) :

Mr. Ganesh Bhaddi : I am Ganesh Bhaddi, Director (Operations). I have joined this meeting from our Corporate Office at Erodel have received all the papers and audio and video are good.

Mr. Arun Bijur, Special Invitee :

Mr. Arun Bijur : I am Arun Bijur, participating in this meeting by invitation. I have joined this meeting from our my Residence at Bangalore. I have received all the papers and audio and video are good.

Mr. Srinivas, Senior Vice President & CFO:

Mr. Srinivas : I am Srinivas, CFO and compliance officer of the company, participating in this meeting from our Corporate Office in Erode. I am along with my Chairman, MD and Director (Operations).



Auditors :

Mr. N.R.Suresh, Statutory Auditor

Mr. Suresh : I am N.R.Suresh, Partner, Maharaj N.R.Suresh & Co LLP. I am attending this meeting from my office in Chennai along with my partner Mr. K.Srinivasan

Mr. Sanjeev Aditya, Internal Auditor

Mr. Suresh : I am Sanjeev Aditya, Partner, Suri & Co. I am attending this meeting from my office in Chennai.

Mr. B.Ravi, Secretarial Auditor

Mr. Ravi : I am Dr.B.Ravi, Secretarial Auditor of the company for FY 2022-23. I am attending this meeting from my office in Chennai.

Ms. Meena Ramji, Cost Auditor

Mr. Meena Ramji : I am Mrs. Meena Ramji, Partner S.Mahadevan & Co, Cost Accountants. I am attending this meeting from my office in Coimbatore.

Mr. Shankar Subramaniam, Scrutiniser

Mr. Shankar Subramaniam : I am Sankar Subramaniam, Practising Company Secretary & Scrutiniser for this meeting. I am attending this meeting from my office in Srirangam, Trichy.

3 QUORUM

234 shareholders have now joined the meeting thro' video conference.

Hence, we have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

I now request Mr. Srinivas, CFO and Compliance Officer of the Company, to provide general instructions to the members regarding participation in this meeting.

4 INSTRUCTION TO MEMBERS:

Sri S Srinivas, CFO:



Good Morning to our Directors and to our Shareholders. Members may note that the 63rd Annual General Meeting is being held through video conference in accordance with the provisions of the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-served basis. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, has been made available electronically for inspection by the members during the AGM.

Members seeking to inspect such documents can send their requests to secretarial@spbltd.com.

As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for questions and answers. Members can also post their views or questions on the "Ask a question" tab on their video conference screens before 12.00 Noon IST. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting cast their votes during the meeting through the e-voting system provided by NSDL, between 12:00 Noon and 01:00 PM.

Members are requested to refer to the Instructions provided in the notice or appearing on the video conference page, for a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers of NSDL mentioned in the notice to this AGM.

Thank you Chairman.



5 VIDEO PRESENTATION:

Chairman

I thank all the members, colleagues on the Board and Auditors for joining this meeting over video conference. Before I go ahead with my address to the shareholders, for the benefit of the shareholders who have joined the AGM of the Company for the first time, I would like to play you a Short Video presentation, capturing the Genesis and the Growth Story of SPB, over more than 6 decades.

[Corporate Video was played to all the participants.]

I hope that the Video was visible as well as audible and also hope that the video helped the Shareholders of the Company to understand and appreciate the Growth story of SPB and the continuous work done by SPB team in the areas of Efficient operations, development of New products, Greening the neighbourhood and massive tree farming.

With that, I would like to move on to the customary Chairman's address to the shareholders.

6 CHAIRMAN'S ADDRESS:

I extend a warm welcome to all our Shareholders, my colleagues on the Board, Auditors and other stakeholders of the Company to this 63rd Annual General Meeting.

I was keenly looking forward to meet our shareholders in-person for this AGM. Re-emergence of fear of the pandemic and requirement to adhere to Social Distancing Norms have thwarted our plans and we are compelled to meet only on video conference mode.

Be that as it may, let us make the best of this opportunity.

Global Scenario

A tentative recovery from Covid-19 pandemic in 2021 was followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of 2022, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit the world economy, already weakened by:

☐ pandemic:



- ☐ higher-than-expected inflation worldwide, especially in the United States and major European economies, triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID- 19 outbreaks and lockdowns;
- ☐ and further negative spillovers from the war in Ukraine.

Global outlook:

IMF, in April 2023, had projected Global growth forecast to fall from 3.4% in 2022 to 2.8% in 2023 before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown from 2.70% in 2022 to 1.3% in 2023. Global inflation was forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

Notably, emerging market and developing economies are already powering ahead in many cases with better growth rates. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom.

India Outlook

CARE Ratings in their recent report, while commenting on IIP data for Apr'2023, had observed that IIP surprised on the upside with a 4.2% growth in April'2023 as against 1.8% in March'2023; Mining and manufacturing sectors recorded encouraging growth, while electricity output weighed; Weak external demand weighed on export-intensive sectors like textiles, apparel and leather items; Output of consumer durables contracted; consumer non-durables output grew by an upbeat 10.7%; Going ahead, a durable pick-up in domestic consumption-including rural consumption- remains critical for the growth in industrial output.



Also, the Reserve Bank of India has projected overall GDP growth in 2023-24 to 6.5%.

Considering the above, India is expected to maintain its strong GDP performance in FY 2023-24, when compared to advanced economies.

Indian Paper Industry

Indian Paper Industry had bounced strongly in FY 2022-23 compared to previous 2 years of challenging financial years amidst the pandemic.

Demand for Paper, particularly in Printing and Writing segment, remained firm throughout the FY 2022-23. Demand for Boards, Packaging segment, which was firm in H-1 witnessed severe demand pressures and realisation drops in H2. However, prices remained firm and continued to increase without any pressures in the printing and writing segment, in which our company largely operates.

The Key triggers for Price Increases implemented by the Paper Industry during the year were :

- ☒ Exorbitant increase in the prices of imported pulp and recovered paper.
- ☒ Continuous increase in the cost of wood.
- ☒ Significant increase in the cost of chemicals and
- ☒ Continued high levels of cost of imported coal.

Most of the major pulp and paper manufacturers in India, including our company, have registered record levels of operational and financial performance in FY 2022-23.

FY 2022-23 was definitely the best ever year for the Indian Paper Industry.

Having said that, the international market for Paper, which remained extremely buoyant until early 2022 had seen pricing pressures in the last 6 months, with significant reduction in Pulp and Paper prices.

This trend had resulted in substantial increase in Import of Paper into India, exerting pressure on domestic paper prices. Though there is demand for volumes that can be manufactured by the company, prices are expected to soften and record realisation levels seen in Printing and Writing segment might no longer be sustained.



Year under Review

Our company could register record performance in FY 2022-23 thanks to the favourable market conditions and the realisation of benefits from project MDP-III in Unit – Erode. In the 1st full year post project completion, the company had registered key landmarks in production, sales, income and profits, which are the highest in the annals of the company's history.

The Company's Profit after tax stood at Rs 386 crores in the FY 2022-23 as against Rs 103 crores in the previous year.

The Annual Report and Audited Accounts for the year under review, have been with you for some time now. I trust you would have reviewed the same by now and you are happy with the results posted by the Company.

The strong Cash Flows and the Balance Sheet of the Company has allowed the Board of Directors to recommend a Dividend of 300% on face value, the highest ever in the history of the company.

The Company continues to report NIL Debt position.

Mr. Kasi Viswanathan, Managing Director would be covering the details of FY 2022-23 performance with a detailed presentation, post my address.

Strategically, the Company took the right steps in going ahead with the implementation of Project MDP-III in Unit – Erode during the challenging year of Covid-19 pandemic and this has placed the company in right stead and the company could capitalise on the favourable market conditions with higher production and significant cost reduction thanks to full realisation of the benefits from Project MDP-III.

The Company had initiated steps on following strategic drivers and the company has seen significant progress in these strategic areas during the year under review :

1. Increased focus on Green Energy
2. Setting up newer plants & processes for reduction in emission, reduction in chemical consumption
3. Further Diversification of product portfolio with entry in to multi-layer boards segment, MF Kraft segments, etc.
4. Pursuit of Organic and Inorganic Growth opportunities to augment pulp and paper production



The success that the company had derived from these areas have given confidence to the management to pursue further growth opportunities.

FY 2022-23 also marked with the notable awards and recognitions being bestowed on the company:

- ☐ Indian Paper Manufacturers Association (IPMA) Paper Mill of the year award for FY 2019-20.
- ☐ IPMA Energy Conservation Award for FY 2021-22.
- ☐ Excellent Energy Efficient Unit award for FY 2021-22, by CII – won by the company for 5 consecutive years.
- ☐ National Energy Leader Award for FY 2021-22 by CII – won by the company for the 3rd time in a row.

Growth Plans:

Recently, the Company has acquired the assets of Servalakshmi Paper Limited, situate close to our existing Tirunelveli unit, in an e-auction on a Going Concern basis and is awaiting closure of liquidation formalities to commence the repair, refurbishment and upgradation of the Plant and Machinery for manufacture of about 75000 tonnes per annum of Fine Papers.

In the meantime, the ex-promoters and a CoC member have filed appeals in the Hon'ble NCLAT against the orders of Hon'ble NCLT confirming the e-auction sale in favour of SPB. The Company will, of course, participate in the proceedings, take steps to have these appeals set aside..

With the successful completion of project MDP-III and with the acquisition of M/s. Servalakshmi Paper Limited, the company has identified the next round of strategic growth projects in further improving the sustainable competitive advantage by further augmentation of in-house pulp capacity.

The Board of Directors of the Company, in their meeting held on April 29, 2023, has accorded in-principle approval for the company to secure Environmental Clearances for project Mill Development Plan – IV (MDP – IV) in Company's manufacturing facility in Erode, to augment Paper Capacity from 1,65,000 tonnes p.a. to 2,31,000 tonnes p.a. and Pulp Capacity from 1,80,000 tonnes p.a. to 2,52,000 tonnes p.a.

Phase-I of MDP-IV will consist of activities for enhancing the pulp capacity to 2.52 lakh tonnes p.a. in Unit : Erode with a marginal increase in paper



capacity. The enhanced pulping capacity will help the company in replacing costlier purchased pulp (imported pulp / deinked pulp) and reduce the overall cost of manufacturing per tonne of Paper in Unit : at Tirunelveli and the Servalakshmi Unit.

The company has filed the necessary applications with the Ministry of Environment and Forests for Climate Change for Environment Clearances.

Project MDP-IV – Phase - I is expected to be completed in 30 months after securing necessary Environmental Clearances.

Indian Paper Industry - 2023 and beyond:

As mentioned by me in my speech at the time of last AGM, Paper consumption in India is likely to witness 6 to 7 per cent annual growth and is expected reach 30 million tonnes by FY 2026-27, largely driven by emphasis on education and literacy coupled with growth in organised retail trade, according to industry body IPMA. The paper Industry holds immense potential for growth in India as the per capita consumption globally is one of the lowest. Around 15 per cent of the world population lives in India but consumes only 5 per cent of the total paper produced in the world. Paper Industry in the country has undergone a transformation in the last few years. The industry has gone up the sustainability curve and has become far more technologically advanced. In the last five to seven years, an amount of over Rs 25,000 crores has been invested in new efficient capacities and induction of clean and green technologies.

However, Indian Paper Industry has been plagued for many years with challenges on 2 major accounts :

1. Raw Material (Wood) availability.
2. Increased import of Paper at NIL duties in to India.

India's Pulp & Paper Industry has agro forestry roots and strong backward linkages with the farming community, from whom wood, which is a key raw material, is sourced. Of the total demand for wood, over 90% is sourced from industry driven agro / farm forestry, rest from government and other sources. India's Paper Industry is wood-positive, that is, it plants more trees than it harvests.

In India an estimated 5 lakh farmers are engaged in growing plantations of Eucalyptus, Subabul, Casuarina, Acacia, Poplar, etc. About 1.25 lakh hectares are being brought under agro / farm forestry on an annual basis,



with around 12 lakh hectares on a cumulative basis across the country. This has generated significant employment opportunities for the local community, especially in the rural areas, apart from increasing the green cover in the country. However, lack of adequate land has been a major constraint in enhancing wood production by the Industry.

The Government should consider the long pending appeal by the Industry and making available some part of the country's degraded forest land, FDC (Forest Development Corporation) land and non-forest Government land available to the Paper Industry in the close proximity of the Mills for pulpwood (+fuel wood/fodder) plantation under collaborative arrangement.

Our Company has, on its part, expanded its wood sourcing programmes with sourcing from nearby states, sourcing of newer varieties of wood, renewed focus on Tree Farming and Contract Farming initiatives.

The next major challenge is from Imported Paper.

Imports of paper and paperboard in India have jumped 47 % from ₹7,839 crore in FY22 to ₹11,513 crore in FY23, according to the latest data issued by the Directorate General of Commercial Intelligence & Statistics (DGCI&S).

Imports from China have increased a stupendous 112 %, and from ASEAN countries by 97 % during the year. While the growth in imports have been across all the paper grades, the highest jump has been witnessed in the imports of uncoated writing and printing paper at 102 %, followed by coated paper and paperboard at 51 %, and tissue 41 %.

The duty-free import of Paper into India renders domestic paper non-competitive, thereby endangering the sustainability of the Indian Paper Industry.

Suitable safeguard, anti-dumping and countervailing duties on imports of various grades of paper should be expeditiously imposed.

Issue of quality control orders (QCOs) by the Government on all grades of paper and making BIS certification mandatory, like done for Copier grades earlier, will not only assure supply of quality products to the Indian consumers but also check the import of sub-standard products into the country.



Government is aware of the challenge from duty free Imports and have been vigorously holding discussions with Industry representatives to find suitable measure to mitigate the negative impact from imports.

Amidst these challenges, company has entered FY 2023-24 with a note of caution but is well prepared to pursue growth opportunities with focus on augmenting both in-house pulp and paper capacities.

ESG:

"The Company's ESG framework and the updates on the initiatives taken by the company on this front are given as Annexure-III to the Board's Report. Staying committed to the principles of Environmental and Social Governance, SPB always strives in the manufacture of paper in a CLEAN GREEN ENVIRONMENT. Our primary fibrous raw materials are obtained through sustainable models helping the local community. Our processes are ENERGY EFFICIENT and CLEAN. Major portion of our Energy requirements are addressed with GREEN sources. SPB is committed to be a truly sustainable and socially responsible business. The Company's ESG roadmap, Green initiatives and targets have been integrated with the Growth Strategy of the business."

Directorate

During the year, Tamilnadu Government withdrew the nomination of Sri.K.Rajkumar, IFS and in his place nominated, Sri Ritto Cyriac, IFS, the Special Secretary to Government, Environment and Forests Department, as its Nominee Director on the Board of our Company. Sri Ritto Cyriac, IFS, was appointed as an Additional Director on the Board of the Company on March 24, 2023. His appointment as a Nominee Director, liable to retire by rotation, has been approved and recommended by the Board of Directors and the same has been included as Special Business in the Notice for 63rd AGM, for consideration and approval by the shareholders of the Company.

Your Directors place on record the valuable services rendered by Sri K Rajkumar, IFS during his tenure as Directors of the Company.

Auditors :

M/s Maharaj N R Suresh & Co LLP, Chartered Accountants were the Statutory Auditors of the Company for FY 2022-23. However, the 2nd 5 year tenure of M/s Maharaj N R Suresh & Co LLP gets over with the



conclusion of this annual general meeting and the Board of Directors have approved and recommended appointment of M/s. Suri & Co as the statutory auditors of the Company for a period of 5 years from the conclusion of the 63rd AGM until the conclusion of the 68th AGM of the Company.

Acknowledgement :

My whole-hearted thanks are due to all our Shareholders for their sustained support to the Company. Shareholders strength has now swelled to 22,000 +.

I am extremely grateful to my colleagues on the Board for their guidance, support and wise counsel which helped us to steer the Company safely during challenging times.

Executives and employees of all ranks of the Company have put in creditable performance which enabled the Company to turn-out impressive performance. My thanks are due to them.

My special word of thanks to the supporting Lift Irrigation Scheme farmers and the participating farmers in our Tree Farming program.

I am grateful to all our Stakeholders, Customers, Indentors, Stockists, Overseas Agents, Suppliers and Service Providers for their whole-hearted support and co-operation.

My thanks are equally due to various departments of Central and State Governments and Banks.

Thank you Ladies and Gentlemen for your patient hearing.

7 MD'S PRESENTATION:

I now request Mr.Kasi Viswanathan, Managing Director to make a short slide presentation on the performance review of the year 2022-23.

Sri K S Kasi Viswanathan, Managing Director.

Thank you Chairman and good afternoon to all the shareholders. I will now take you thro' key highlights of our performance in FY 2022-23.

[Power point Presentation made by the Managing Director is enclosed as Annexure – 1 to this transcript.]



8 AUDITORS REPORTS

Chairman

I now request Mr. Srinivas, CFO & Compliance Officer of the Company, to provide a summary of the Auditors' Report.

Mr. S.Srinivas, Senior Vice President & CFO :

The Statutory Auditors' report on standalone financial statements and consolidated financial statements are available in Page numbers 149 and 227 of the annual report, respectively. Secretarial Auditor report is enclosed as Annexure 8 to the Board's report on Page number 142 of the annual report.

The Statutory Auditors, Maharaj N.R.Suresh & Co LLP and the Secretarial Auditor, B.Ravi & Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2022-2023. There were no qualifications, observations or adverse comments on financial statements and matters.

Thank you.

9 Resolution:

Chairman

As the Notice is already circulated to all the members, I take the Notice convening the meeting as read.

Before we proceed, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the Company had provided you all the facility to cast your vote electronically, on all Resolutions set forth in the Notice. The period for 'Remote E-voting' has concluded by 5:00 PM yesterday.

Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by NSDL. Members may please note that there will be no voting by show of hands.

We now take up the 7 Resolutions as set forth in the Notice. We will open the floor for any questions by members after all the Resolutions are tabled.



Item No. 1 of the Notice – Adoption of Financial Statements.

The Financial Statements of the Company including the consolidated financial statements for the financial year ended March 31, 2023 including the reports of Board of Directors and Auditors have already been provided to the members.

Item No. 2 of the Notice - Declaration of Dividend.

The Board of Directors has recommended payment of Dividend of Rs. 6.0 per Equity Share of face value of Rs. 2 each, for the financial year 2022-23.

Item No. 3 of the Notice – Re-appointment of Sri Ganesh Balakrishna Bhadti, director retiring by rotation in this meeting, as Director, by an Ordinary Resolution

Item No. 4 of the Notice – To appoint M/s. Suri & Co, Chartered Accountants as Statutory Auditors of the Company for a period of 5 years from the conclusion of this 63rd AGM until the conclusion of 68th AGM.

M/s. Suri & Co is a reputed firm with extensive experience in handling audits since the year 1939. The company has received written consent and the required certificates of the proposed auditors to the appointment.

Item No. 5 of the Notice – Appointment of Sri Ritto Cyriac, IFS, Special Secretary as a Nominee Director on the Board of the Company.

Item No. 6 of the Notice – Payment of Remuneration to Non-Wholetime Directors.

Item No. 7 of the Notice – Remuneration to Cost Auditor for FY 2023-24.

The text of the Resolutions along with explanatory statement is provided in the Notice circulated to the members.

Members who have not cast their vote thro' "Remote E-voting", may cast their votes now through the e-voting system provided by NSDL. The platform is already open to the shareholders to cast their vote.

We have received requests from 3 shareholders to be "Speaker Shareholders". I will now call out their names one-by-one. The Speaker shareholders are requested to restrict their queries to the accounts for the FY 2022-23 and confine their observations / comments to preferably about 5 minutes. I need your co-operation.



Before we go live with the Q&A, here are some points to note for your convenience. Kindly turn on your video when you are projected on the broadcast screen, kindly unmute yourself, and proceed to ask the question. Please mention your name, Folio Number, and the location from where you are joining.

10 Queries & Answers

– ChairmnNow I'm opening the floor for Q&A. I request Mr. Saket Kapoor, speaker shareholder No. 1 to Unmute himself and kindly proceed with his question. Mr. Saket Kapoor, please.

– **Mr. Saket Kapoor:**

– Hello? Yeah. Namaskar Sir.

– **Sri N Gopalaratnam:**

– Namaskar. Welcome Mr. Kapoor.

– **Mr. Saket Kapoor:**

– Thank you, sir. Thank you for this opportunity, sir. Am I Audible?

– **Sri N Gopalaratnam:**

– Yes. You are audible. But you can raise your voice. That'll help.

– **Mr. Saket Kapoor:**

– Thank you sir. I will do that, sir.

– **Sri N Gopalaratnam:**

– Thank you. Okay.

– **Mr. Saket Kapoor:**

– Yeah. Yes, sir. Firstly, congratulations to the team, sir. For paying attention to the interest in the interest of the investors and holding the AGM before the conclusion of the first quarter of the next financial year. We used to do it in the month of July and now we are one month earlier to that. And before even, the quarter end, we are done with our AGM and the distribution of dividend. So, congratulations to the team, the secretary department, to the board of directors for doing the needful, and we hope for the continuity of the same. It sets a benchmark for the investing community. So now coming to the points.

First my observation. I truly find that there is a there is a procedure by which this AGM has been conducted. This I think is the 4th virtual AGM done by the company from year 2020. So we investors sitting in Kolkata, I'm from Kolkata, can have the benefit of in interaction with the team, on a live basis. So, even post this covid regulations being off, I would request to continue with the hybrid mode. So that would be providing us with an opportunity to interact with you.

And secondly, it is always, it is always good to come across and meet. So would definitely like to be there also. So, it's the both side story. Also, you are always holding AGM on Saturdays, that is also a very pleasant act, I would say, for investors also, because Saturday being an off day provides



good participation from our end also. So again sir, congratulations for continuously holding AGM on Saturday, not only for Seshasayee, but I think so high energy batteries will also be holding it on a Saturday itself. So, this is a very good practice. I must congratulate you, sir.

Coming to the business point, sir.

Firstly, sir, as our MD presented us with this investor presentation, I would request the team, that if this investor presentation be uploaded at the time of our annual results, so that we, investors would have got more time to go through the presentation earlier. we would've raised our queries on the basis of it much before had this been uploaded to the exchanges earlier. So would request, to have this presentations either on six months or an annual basis at least, so that we, we get an idea. Hello?

– **Sri N Gopalaratnam:**

– Yes. We able to hear you, please go ahead.

– **Mr. Saket Kapoor:**

– Yeah, I got interrupted. You yourself mentioned that from, from a base investor base of 19,000, now already 22000 & the base has grown. So would again request that paper being a cyclical industry, there are a different set of investors for all types of businesses. So, for the benefit of your investing community, if you could come up with investor presentation, press releases on quarterly basis.

So, I congratulate you again on this chairman's statement that earlier we used to get post the meetings. Now we receive on the email just immediately after the numbers are published. So that is also very conducive for us to get first hand experience, but would request you to, to give more specification in your letters. Sir, those who are interested will definitely go through them and that, all these, in all these investor conferences, the annual report, other secretarial parts, these are meant for people who are interested in the same, and I being an interested party is requesting that. So would request you to look into it. Your peers are doing it. It is not that we have to do things that peers do, but whatever is conducive and is important for investors and it is a good practice. Must be followed. Sir, this is my humble suggestion to the team.

So now in your in your note to us, you mentioned three points on the reasons which led to the profitability. I just read it out, the improved net sales realization from both the domestic and the export market, higher volume of production and sales, and improved performance of pulp mill and recovery operations. So how are these factors aligned for the current year in terms of firstly, if you could give us some colours that it is, it becomes an inevitable that in a cyclical industry, it won't be easy for our company also to repeat what performance we have done last year since market conditions are not going to remain the same. They're not even, they, they will go up and down. But if you could give us some colours on,



on the factors that would contribute to the spreads and the margins going ahead.

I think so sir major raw material coal which have created a lot of hazards for all industries have now cooled down, and the coal prices are back to pre-covid levels. So even much lower than that. So how are those factors going to impact the margins?. And on these three factors also, sir, how are these three factors are going to play their role for the current years?

And on the Capex front, you did mention about our NCLT acquisition and now the earlier promoters moving to NCLT for their objections. So how much have we spent currently and what have been the bid the amount we have bid for the mill, and what is the proposed Capex going ahead to streamline the operations, and especially for MDP four, also the mill development program.

Four, what have we aligned in terms of the Capex ON MDP-IV? How is that money going to be spent? If you could give us the understanding of the same. Our MD sir did mention about this White liquor and PCC Capex. How much, sir, have we exactly spent on these two aspects, sir, are these very minor Capex? That is what was alluded to in the presentation.

And other than that, one more request from my side post the numbers. I have tried over a period of last, maybe last year itself, contacting our CFO and just laying down whatever is there in the public domain, putting up a few questions. But somehow, because of the paucity of time or because of his busy schedule, he has been unable to reply over phone and has requested for email conversation. Sir, I, what I found that email conversation do not result in any in a one-on-one interaction, which, which leads to more information being exchanged. However, email is subjective and is limited to two or three points. However, I do respect the regulatory framework. But this is only my request that investors should be provided with an opportunity to interact with the management on, whichever forum which is open through all investors, whoever are interested may participate.

And also, sir, I would, I would love to come down and have a plant visit. So what, what's the procedure? How can one go ahead with the same? And other than that, sir, what other steps are there to improve shareholder valuation? Sir, market has definitely valued our company, but not up to the mark because it, it is taking into account the weakness of the cyclical nature of the business, sir.

So, if you could throw some more light, what steps are you taking to improve the valuation on the valuation front. Also, last year, sir, you did speak about high energy battery also. If you could give us some more color on how that, that part of the business is also shaping up that would be helpful and that, that these are the points, sir. Since only three speakers are there, I would request the moderator to allow me to keep my



camera open. So, if there is a point from my side, a very brief point, I would be raising my hand. And if the, if with your permission of the chair allow me and answer if feasible and possible.

– **Sri N Gopalaratnam:**

– Thank you. Thank you, Mr. Saket Kapoor I'll get back to you at the end of this Q&A session. We have only two more shareholders. Let me hear them also. Then we'll get back to you and then answer your queries. 2nd Shareholder is Mr. Santosh Kumar Saraf. I think another Kolkata man, I think, Mr. Saraf, Mr. Saraf are you there? How are you?

– **Mr. Santosh Kumar Saraf:**

– Just a minute. I start my video. Moderator allow me.

– **Sri N Gopalaratnam:**

– How are you?

– **Mr. Santosh Kumar Saraf:**

– Sir Fine, how are you?

– **Sri N Gopalaratnam:**

– I'm okay. I see you

– **Mr. Santosh Kumar Saraf:**

– Sir this is our 1st meeting in this year.

– **Sri N Gopalaratnam:**

– Yes.

– **Mr. Santosh Kumar Saraf:**

– Two other meeting will be held.

– **Sri N Gopalaratnam:**

– For you. I think I have advanced all the meeting Mr. Saraf.

– **Mr. Santosh Kumar Saraf:**

– Very goods sir. You thinking about me is very good. And I think so. Very good. Sir How your health? Good health.

– **Sri N Gopalaratnam:**

– I'm in good health.

– **Mr. Santosh Kumar Saraf:**

– And your family sir?

– **Sri N Gopalaratnam:**

– Everybody is fine.

– **Mr. Santosh Kumar Saraf:**

– Okay sir. And I hope all over our staff and managers are doing well

– **Sri N Gopalaratnam:**

– Everybody's doing well.

– **Mr. Santosh Kumar Saraf:**

– Sir in your presentation, you Explain so many things and Mr. Saket Kapoor ask so many questions. So many people listen to you. I have nothing to ask. Thanks sir. Thanks for dividend that you paid, highest dividend.. lifetime dividend of 6 rupees, sir, yes. This is highest dividend



and sir, Thank you. And your performance very good. I see your highlight, from the last 10 years every year, including the sales and including the dividend paid. I thank you and your team. So many awards received by the company. This is the only hard works of our team. So No questions. I only attended the meeting to see you in the good health sir. next meeting will be high energy batteries. Sir, we meet once again. Sir, I think video conferencing is very nice. So, video conferencing I attending this meeting from Kolkata otherwise, not possible to attend meetings. So, I hope, and I request to government of India, allow always video conferencing meeting, physical meeting plus video conferencing is very good. The local person can attend also, sir?

– **Sri N Gopalaratnam:**

– Yes,

– **Mr. Santosh Kumar Saraf:**

– At last, I once again hope and wish all our directors, all our managers and all our shareholders good health and for their family, sir. Thank you, sir.

– **Mr. Santosh Kumar Saraf:**

– I attend 391 meeting last year, sir.

– **Sri N Gopalaratnam:**

– Yeah, how much?

– **Mr. Santosh Kumar Saraf:**

– 391

– **Sri N Gopalaratnam:**

– This should be a Guinness record.

– **Mr. Santosh Kumar Saraf:**

– Sir, its Not a Guinness records so many shareholders so many meetings, but I have interest in meeting to attend sir and see chairman in good health and also achieve company's goal. This is my habit. This is my hobby. Sir. When I am at Home what can I do sir? No work because my age is 75 years. Sir, I'm retired So this is my work and this is my hobby sir. So, attend all the meetings. Today I already attend the meeting of UCO bank. This is second meeting I attending today.

– **Sri N Gopalaratnam:**

– UCO Bank?

– **Mr. Santosh Kumar Saraf:**

– UCO Bank already attend. Thank you sir. Once again, I wish for good health all our team, sir. Thank you.

– **Sri N Gopalaratnam:**

– Next Speaker Shareholder Mr. Ramasundaram.

– **Mr Ramasundaram:** *(Speaker shareholder spoke in Tamil and the same is translated here)*

– Thank you sir. I am not able to connect with my video. I will go ahead with my questions. You have given 300% Dividend. For the profits generated,



you could have given dividend upto 400%. Many companies give interim dividend. You may also consider. Filter Cake, Fly ash, ETP pulp disposal by the company can be given more attention. You may also take care of the contract workmen. AGM could have also been conducted in physical mode.

– **Sri N Gopalaratman:**

– Ok. I will now try and answer the questions raised by the shareholders. Let me get back to queries raised by Mr. Saket Kapoor. Thanks for your favourable observations on our responses to some of the suggestions made by the shareholders. We have advanced our Board Meeting, AGM etc. I will also definitely consider your request for a hybrid mode next year. Our meetings will also continue to be held on Saturday to facilitate all shareholders also to attend.

On the business front, your first query was on NSR as well as costs trends for the current year. Last year, I would consider as one-off year. For 1st quarter, our NSR has remained marginally lower, but not by much. Export prices have come down. International prices of Pulp and Paper have come down. As you mentioned yourselves, coal prices have come down. All these will definitely have an impact on selling prices as well. Most of these are being offset by huge cost increases in wood. Throughout India, access to wood has remained an issue and prices are going up on a continuous basis. Variable cost as such might not come down.

As I mentioned in my speech, one of the major concern is the huge import of paper taking place from China and Asean countries, especially in the printing and writing grades. This definitely has impacted the offtake from Domestic mills as well as the prices of these products. If this continues, it will definitely impact negatively the margins of domestic mills this year. We have discussed this subject on couple of occasions with the government. They are serious about it and they are trying to see how to combat this. Hopefully some solution will emerge in the months to come. Domestic demand has not come down. On the one hand, Government says that we want to encourage Domestic Manufacture and on the other hand, thro' FTAs, they have allowed a lot of these imports to take place at Zero duties. That is a main problem.

To some extent, this will affect the margins and the ultimate profits of the Paper Industry.

Your next question was on the Servalakshmi acquisition. It is a mill which has remained closed for more than 5 years. It also has some equipment missing. These has been some loss of electrical cables, copper etc. All these things should have to be attended to. Taking all these in to account, we have been careful with the amount that we have quoted. We pitched for about Rs.105 crores. That is the amount that we have paid for the auction. But, we may have spend much more to make it to produce 75000



tpa of quality papers. This will take a little bit of time. It will take several months before we assess the status and assess what is required to be done. I am sure that at the end of the day, we will be able to come up with a good project. We have a lot of experience in this field both in operations as well as engineering. All this will help us to come up with a good project, which will be profitable without undue time delays.

You have also asked about MDP-IV. Our idea is to fund all these projects thro' internal resources. Phase-I will consist of augmenting our pulp production. Augmenting our pulp production will help in replacing costly pulp both in current Tirunelveli unit and Servalakshmi unit, as and when it commences production. This project will help in reducing or eliminating use of imported pulp and therefore will give us a cost advantage. In Erode unit, this also gives us an opportunity to increase our Green Fuel. When we make more pulp, we also make more bio-fuel. It is a project which would involve high levels of Synergy among 3 mills. We want to bring a lot of Synergy among 3 units to maximise paper production as well as reduce costs. It will take some time for these to materialise. We have to 1st get the EC. As and when it is implemented, it will help the company as a whole.

PCC Plant that we have put up is in collaboration with an American Company called SMI. Plant has been put up them; they have to operate the plant and supply PCC at a contracted rate. We have spent, from our part, a crore and half on civil engineering.

White Liquor Oxidation plant is another small investment at less than 2 crores. It has been working well, contributing to some cost reduction.

Also, on your next query, I will ask my CFO to try and answer your questions in phone as much as possible. There are some SEBI regulations that need to be kept in mind in this regard. It is difficult to answer supplementary questions over phone, considering the various regulations in place.

You can visit our Plant anytime. You can contact our CFO and visit at convenient time.

Further to your other query, about 70-75% of the energy that we use in Erode comes from Bio-materials.

On the questions raised by Mr. Ramasundaram, the market for Filtercake, ETP is dependant on market for boards, made at low cost. Their demand has fallen recently and even at reduced price, we are not able to find buyers.

On the query on lower exports, we have exported less to take advantage of our Domestic markets and prices etc. We always don't have fixed export targets. We will always be there in Export market; but how much we export is dependent on relative prices.



On your query on Dividend, dividend is dependant on capital commitments pending, which we try to finance thro' internal resources. 300% dividend declared is considered good by many shareholders.

A shareholder Mr. Vaibhav Badjatya had also submitted few questions by email. We will try and answer those questions also.

Q: Do you see any potential impact from water availability at Cauvery river, should the rainfall goes below normal? What are the alternate water arrangements?

Reply : Fortunately for the company, a hydro-electric project has come up in the last 10 years in the downstream. This means that the river adjoining our mill becomes a storage area for the power plant. This ensures water storage at all points of time in the river for the mill to draw water. However, paucity of water is a risk but an extremely remote risk.

Q: Relative competitiveness of the company improved significantly over last year due to sharp increase in global pulp prices since we have in house farm forestry programme. Given the sharp decline in global pulp prices recently, do you see change in relative competitiveness of the company?

Reply : This doesn't affect the competitiveness of the company since the industry as a whole is affected by global pulp / paper prices. This may however mute the margins.

Q: Indian Printing and Writing Paper companies benefited significantly over last 2 years due increased competitiveness in exports due to relative freight related changes and global disruptions. This lead to more pricing power given stagnant capacity due to COVID. However, there are now signs of slowdown in export demand and many companies have announced debottlenecking and brownfield expansion in WPP segment. Do you see demand supply balance turning unfavourable over next 1-2 years?

Reply : Thanks to Govt of India's consistent thrust on education and literacy programs, writing and printing paper is expected to have a steady growth year after year. However, slowing down of exports / enhanced imports can alter the balance.

Q: Tamilnadu News Print and Paper (TNPL) has a programme for exchange of coal with Bagasse. That exchange proved unfavorable over last 1-1.5 year due to sharp increase in coal prices. However over long term TNPL has benefited from this strategy of exchange. Whether we have considered similar strategy earlier and if not why not? Is bagasse from Ponni Sugar sufficient for all of our capacity and hence we have not pursued this strategy?

Reply : We have a similar strategy in respect of bagasse procurement from Ponni. Our exchange ratio also takes in to account use of bio-fuel in addition to coal. Incidentally, you may be aware that SPB played a leading



role in creating TNPL and the exchange ratio strategy was structured by us in association with Sugar Corporation of Tamil Nadu.

Q: Can you please help us understand the economics of INR 700cr investment in Phase 1 of MDP IV? Given that benefit will largely be in form of replacement of purchased pulp with in house pulp, how much savings can this generate given that investment is almost equal to 88% of our current net block of assets?

Reply : INR 700 crores is an indicative figure and will be finalised only at the time of preparation of detailed project report for approval of the Board of Directors, on receipt of environment clearances.

Q: Can you please walk us through strategic rationale for acquisition of Servalaxmi Papers? What would be the synergies with existing paper units of our company? What is likely to be capex required to start the production at this unit and how much time will it take?

Reply : Servalakshmi Mill is adjacent (3 kms) to our Tirunelveli unit and has a Paper Machine and a deinking plant, in addition to 15 MW Power Plant, which will help in meeting part of the requirements of our existing Tirunelveli unit. Paper Machine will be suitably structured to produce quality Printing and Writing Papers for both Domestic and Export markets. We expect that this investment will add value to SPB as a whole.

We have received some questions thro' Chat.

We have some questions in Chat box.

Mr. Sivaraman has asked "I understand that there is de-growth in writing and printing segment". No there is no de-growth.

He had also asked "Sir, Is there a proposal to reward shareholders with Bonus Shares".

We will continue to reward the shareholders with high dividend.

Mr. Srivatsa has asked " We are at record profits, what is the sense of normalised profitability in the medium term? Pricing is 30% higher than pre-covid, what are the key risks you see esp. given the sharp fall in pulp prices."

Sharp fall in Pulp prices mean there will be a fall in prices of paper, as well outside of India. If Paper at these lower prices come in to India, it will definitely affect domestic prices. This will have significant impact on the profitability in the near term as well as medium term.

He has also asked "Given strong cash flows and capex of Rs 500 crs, still we have huge surplus of cash, what is the plan to return cash to shareholders?"

Our first priority is to really build capacities and return the cash back to shareholders can wait, till we complete these projects.

Nalini has asked "Why employee low strength?"

I am not able to understand this questions. I believe we have adequate number of employees, if not more.



I think I have answered various queries raised by the shareholders to the best of my ability. If you have any supplementary or any clarifications etc. please mail us we will certainly respond to you quickly. I think that concludes the question and answer session and we move on to with the concluding session.

11 Concluding Remarks

Members may note that the voting on the NSDL platform will continue to be open for 15 more minutes after the closure of the meeting. As of now, about 296 shareholders are present or participating in this meeting and have remained so in most part of this meeting. I am thankful to the shareholders for their sustained interests.

Members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Sankarasubramanian, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process.

I also hereby authorise Mr. S.Srinivas, CFO & Compliance Officer, to declare the result of the voting and place the results on the website of the Company at the earliest.

The Resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

We had 296 members participating today in this 63rd Annual General Meeting. We are grateful to all our shareholders from across the country who have participated in this AGM, thro' video conferencing. Thank you all for attending the meeting and I hereby declare the proceedings as closed. Kindly Take Care for your health and Stay Safe. Thank you for your sustained support to the Company.



Seshasayee Paper

FY 2022-23 Performance

June 17, 2023

**Key
Achievements
in FY 2022-23**



Highest ever Production – 2.41 lakh tonnes



Highest ever Sales – 2.41 lakh tonnes



Highest ever total income – Rs 2113 crores



Highest ever PAT – Rs. 386.5 crores



ZERO Stock of Finished Goods as on 31.03.2023 – 22nd time in the last 29 years

Key Achievements in FY 2022-23



Capacity Utilisation in Unit Erode close to 100% (in the 1st full year post MDP-III)



Benefits of Project MDP-III realised in full in Erode unit.



**Highest annual production in Unit :
Tirunelveli – 77236 tonnes**

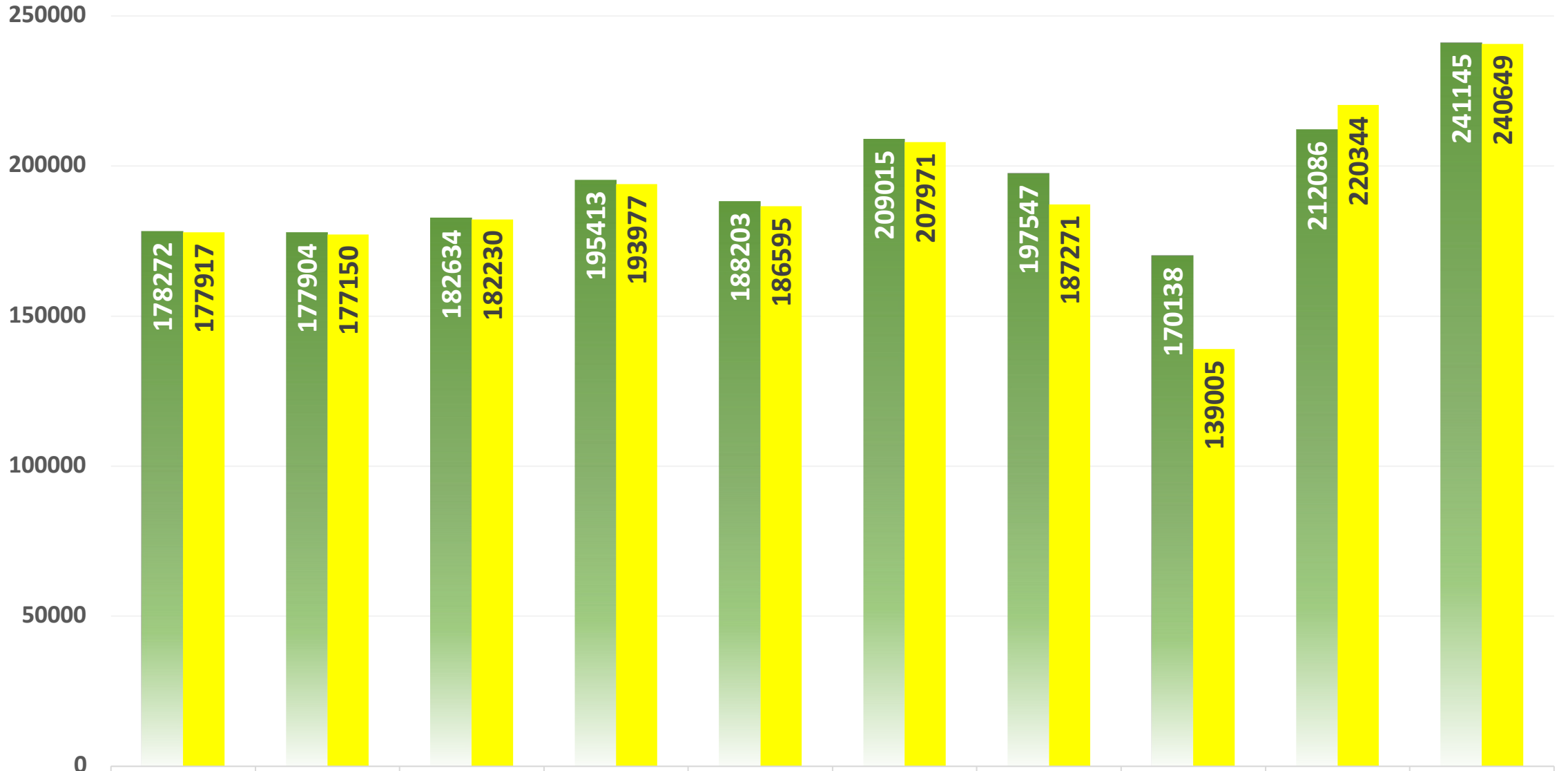


Benefits from MDP-III and favourable market conditions helped achieve record profitability in FY 2022-23.

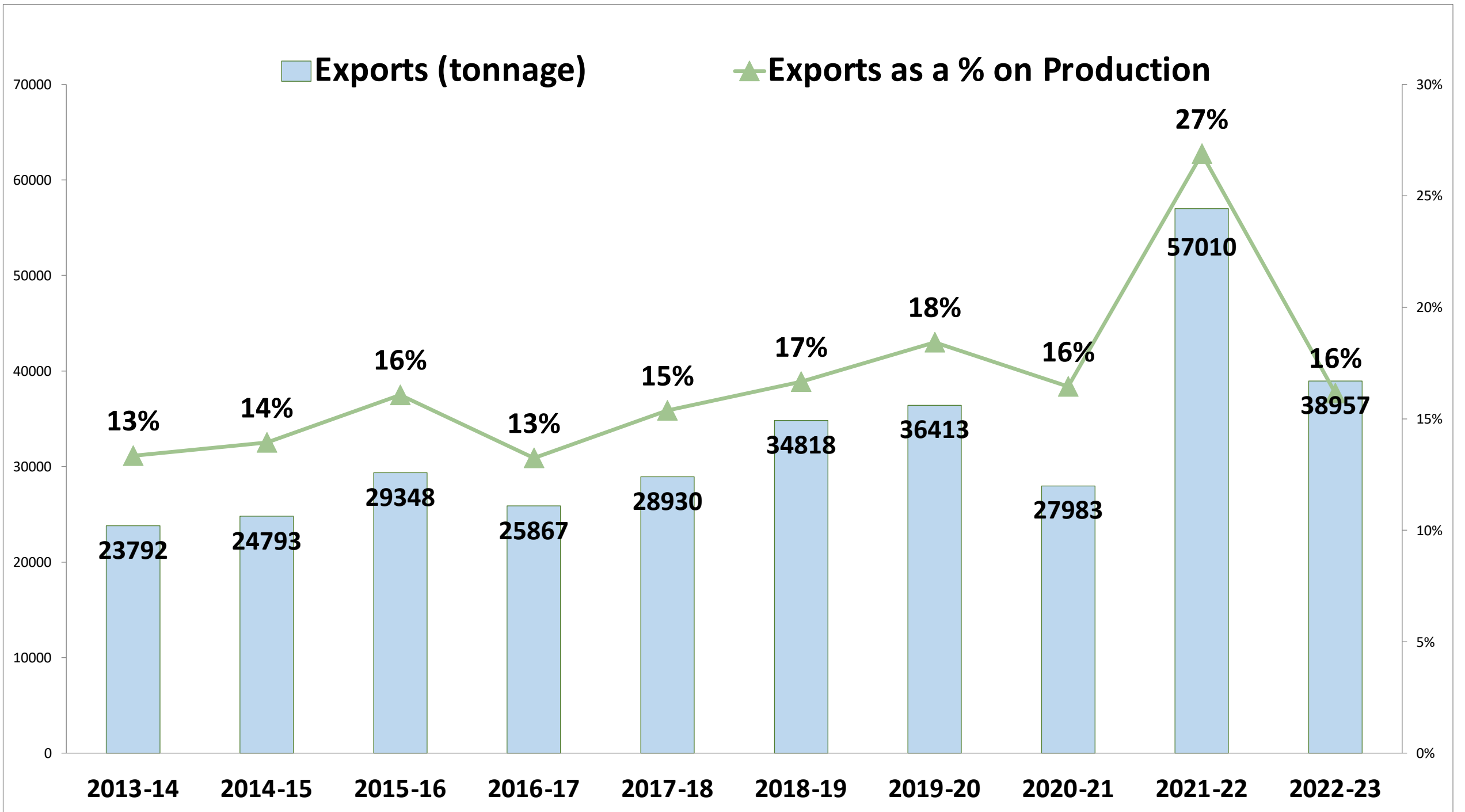


Update on Operations & Green Initiatives

■ Production (tonnage) ■ Sales (tonnage)



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Production (tonnage)	178272	177904	182634	195413	188203	209015	197547	170138	212086	241145
Sales (tonnage)	177917	177150	182230	193977	186595	207971	187271	139005	220344	240649



Key additions to Plant / Processes

- **Commissioning of White Liquor Oxidation Plant in Erode unit – Saves purchase of 5 tpd of fresh Caustic.**
- **Commissioning of New PCC Plant in partnership with SMI, US – Improvement in Quality of Paper; Helps reduction of CO2 emissions.**

Optimization of Energy Cost thro'

- **Improvement in Green Steam Production by 20% over the previous year due to increased in-house pulp production.**
- **Improvement in Green Power Generation by 24% over previous year.**
- **Reduction in Specific Power & Steam Consumption.**
- **Nearly 70% of the Energy Requirements in Erode Unit is met thro' Non-fossil fuels**

Other updates

- To augment Wood sourcing and to tie-up with farmers directly, company has launched Contract Farming Program in FY 2022-23 in addition to existing tree farming program.
- 22502 acres of land covered under Tree Planting Program.
- Company remains **WOOD POSITIVE & CARBON POSITIVE.**

Other updates

- **Company continues to be certified under FOREST STEWARDSHIP COUNCIL (FSC) CERTIFICATION.**
- **Both the units of the company have achieved the targets under the PAT Cycle, as prescribed by the Govt. of India and accordingly are eligible for ESCerts (Energy Saving Certificates).**
- **Company continues to be accredited with “Star Export House” Status.**



Notable Awards received during FY 2022-23



✧ ✧ ✧
IPMA Paper Mill of the Year Award 2019-20

presented to ✧ ✧ ✧

M/s Seshasayee Paper and Boards Ltd., Erode

Paper Mill of the Year Award recognizes an Indian paper mill that sets an example in areas of productivity, quality, HRD, research & development, developing export markets etc.



INDIAN PAPER MANUFACTURERS ASSOCIATION

ANNUAL SESSION

Program of IPMA Awards 2021-22: 19-20 & 20-21

Theme

Green Paper Industry

Competitive

January 2022



IPMA Energy Conservation Award 2021-22

presented to

M/s Seshasayee Paper and Boards Ltd., Erode

IPMA Energy Conservation Award recognises the efforts of Indian paper mills to become more energy efficient employing a range of innovations and technologies.



CII – 2022 – 3rd Consecutive National Energy Leader & 5th Consecutive Excellence in Energy Management





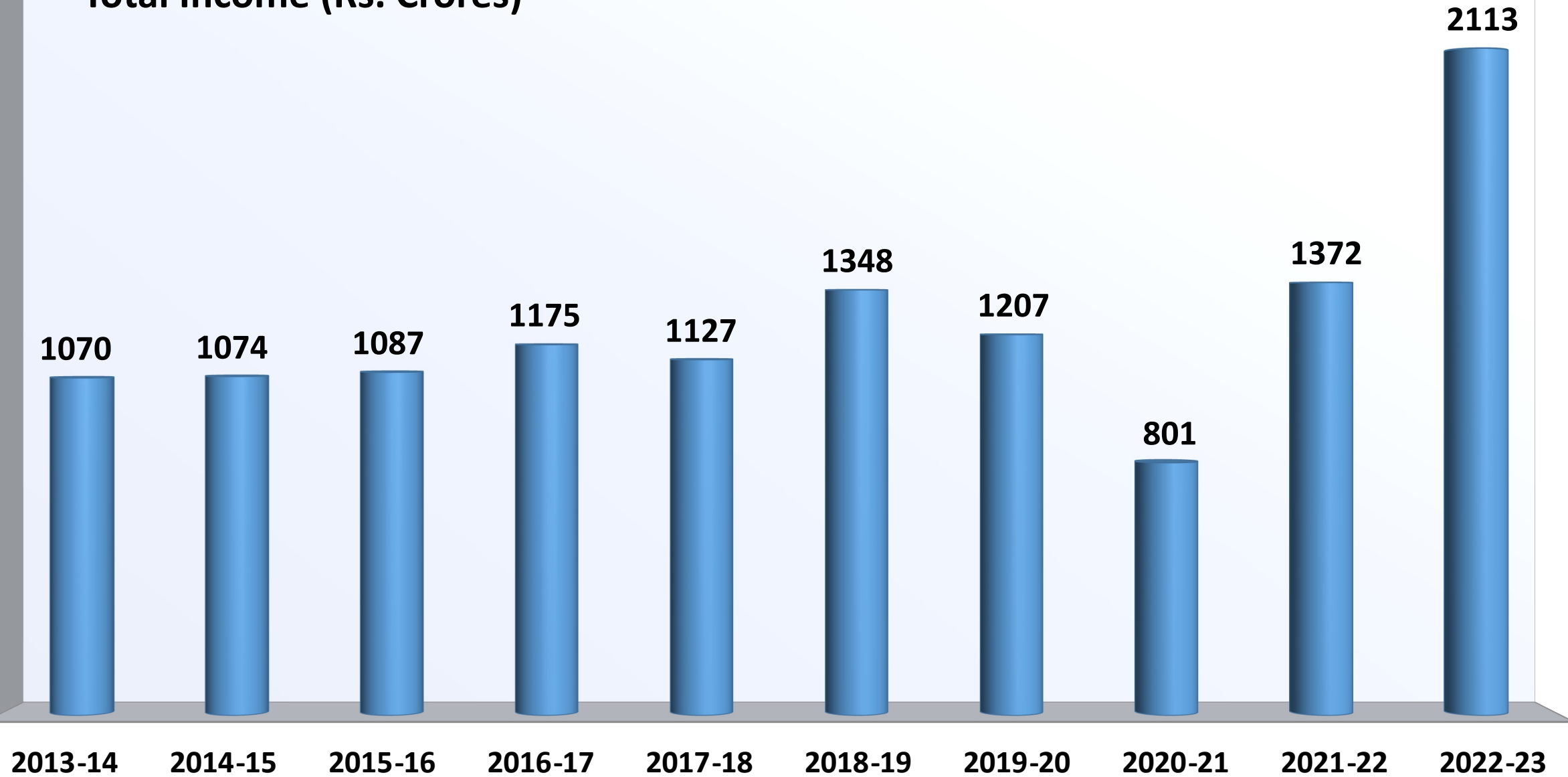
CII –SR EHS Excellence Award -2022



Financial Performance

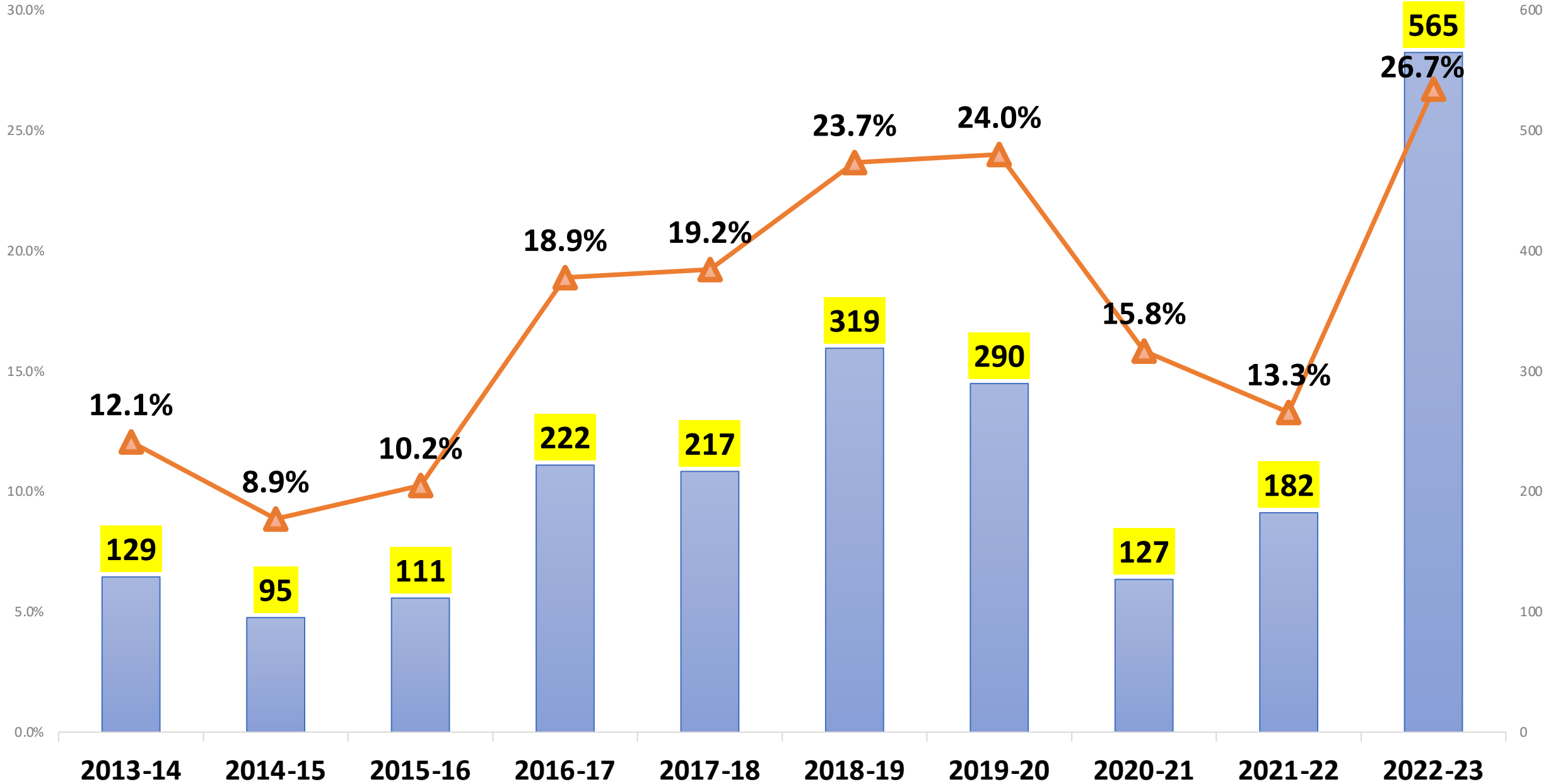
– 10 Years at a glance

Total Income (Rs. Crores)



EBIDTA (Rs. Crores)

EBIDTA % on Total Income

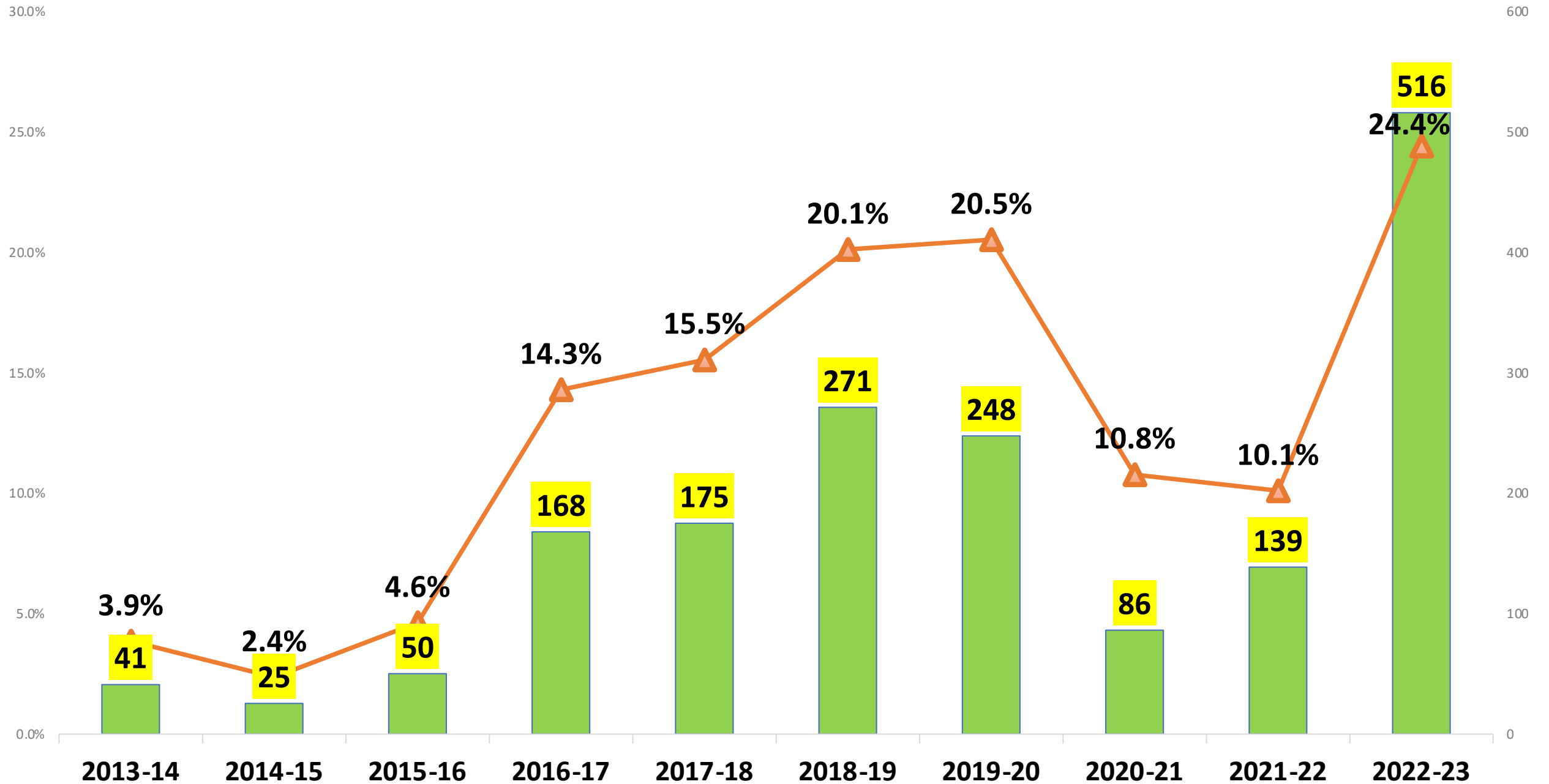


Reason for improved Profitability

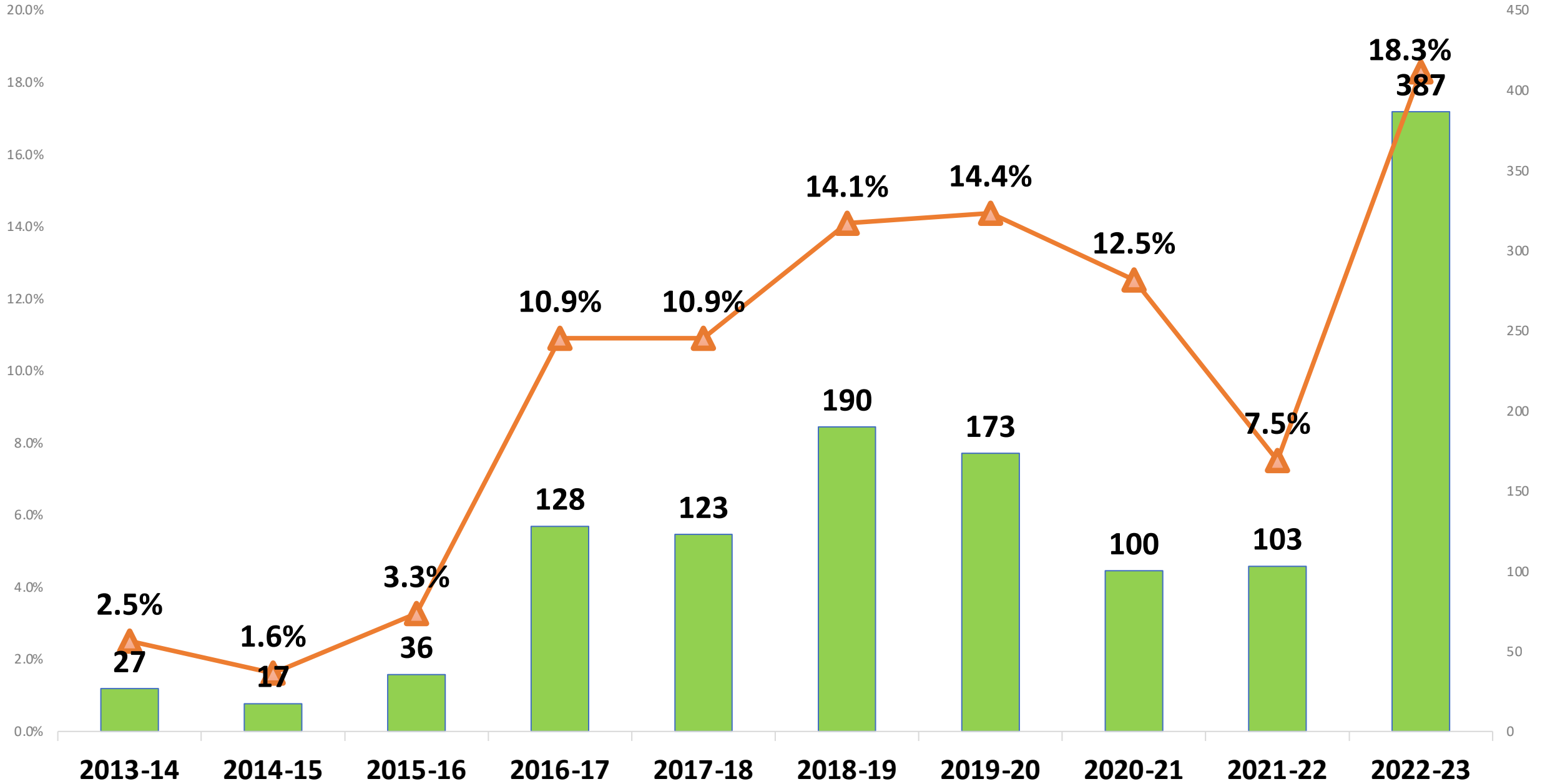
The improved profitability during the FY 2022-23, as compared to the previous year, is mainly on account of :

- Higher Net Sales Realisations from both Domestic and Export markets.**
- Higher volumes of production and sales.**
- Improved performance of Pulp Mill and Recovery operations.**

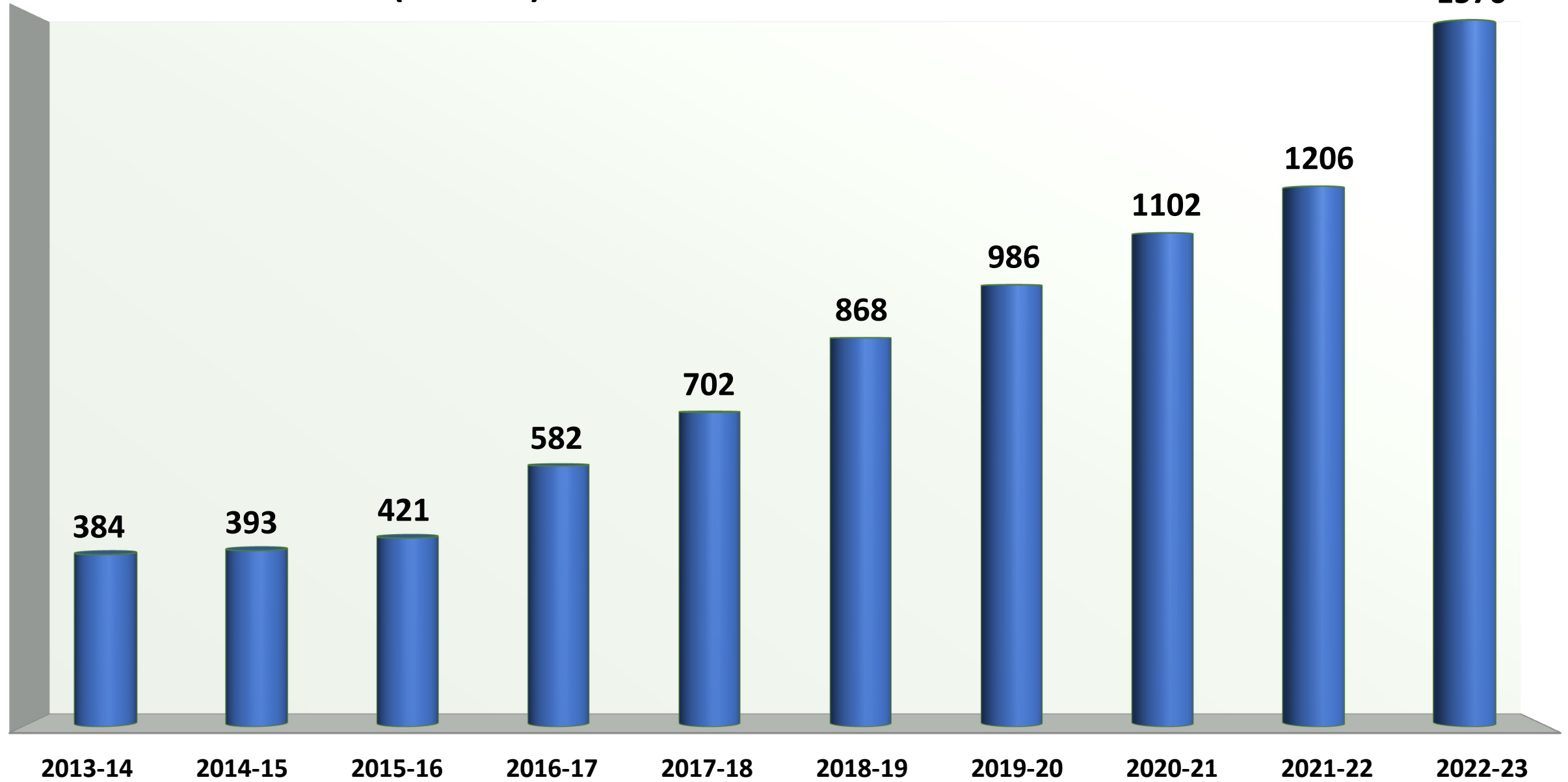
■ PBT (Rs. Crores) ▲ PBT % on Total Income



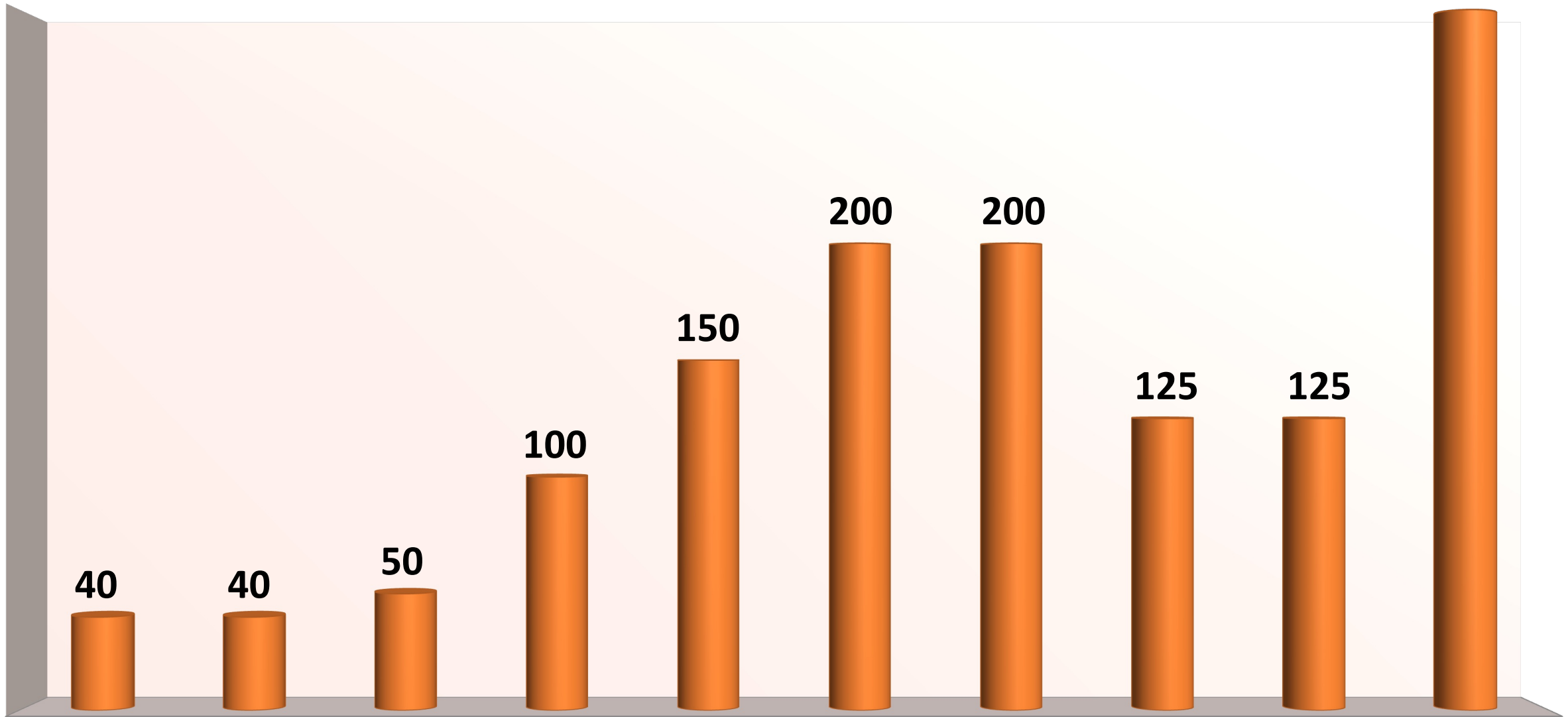
PAT (Rs. Crores) **PAT as a % on Total Income**



■ Net Worth (Rs. Crs.)



■ Dividend - % on Share Capital



2013-14

2014-15

2015-16

2016-17

2017-18

2018-19

2019-20

2020-21

2021-22

2022-23

THANK YOU