

Seshasayee Paper and Boards Limited



Fifty Second Annual Report

2011-12

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N GOPALARATNAM, *Chairman and Managing Director*

Sri ARUN G BIJUR

Sri BIMAL KUMAR PODDAR

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

Dr S NARAYAN, I A S (Retd.)

Sri Md NASIMUDDIN, I A S, *Nominee of TIIC*

Mrs PHILOMINA THOMAS, *Nominee of LIC*

Sri C V SANKAR, I A S

Sri V SRIDAR

Sri K S KASI VISWANATHAN, *Deputy Managing Director*

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

AUDITORS

Messrs SURI & CO., Chennai

Messrs S VISWANATHAN, Chennai

COST AUDITOR

Messrs S MAHADEVAN & CO., Coimbatore

INTERNAL AUDITOR

Messrs MAHARAJ N R SURESH & CO., Chennai

BANKS

SYNDICATE BANK

CANARA BANK

CENTRAL BANK OF INDIA

UCO BANK

STATE BANK OF INDIA



REGD. OFFICE & WORKS


PALLIPALAYAM, CAUVERY RS PO

ERODE - 638 007, TAMIL NADU

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NOTICE

 Notice is hereby given that the Fifty Second Annual General Meeting of the Members of the Company will be held at the Community Centre, SPB Colony, Erode 638 010, on Saturday, the July 28, 2012, at 11.00 AM, to transact the following business :

ORDINARY BUSINESS

- 1 To consider and adopt the Balance Sheet as at 31st March 2012, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2 To declare a dividend.
- 3 To appoint Directors, in the place of Sri V Sridar and Sri Arun G Bijur who retire by rotation and being eligible, offer themselves for re-appointment.
- 4 To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. Messrs Suri & Co., Firm Registration No. 004283S, Chennai and Messrs S Viswanathan, Firm Registration No.004770S, Chennai, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT Sri C V Sankar, I A S, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mrs Philomina Thomas, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED that pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing moneys for the purpose of the business of the Company, from time to time, upon such terms and conditions as they think fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the Paid up Capital of the Company and its Free Reserves, provided that the total amount upto which money be borrowed by the Board of Directors, apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business, shall not exceed ₹ 1000 crores (Rupees one thousand crores only).

RESOLVED FURTHER that the consent of the Company be and is hereby given to the Board of Directors securing the repayment of the said borrowing, with interest, costs and other moneys in such manner as they may think fit and for that purpose to execute mortgages, charges and / or hypothecation in respect of the whole or any part of the properties and assets of the Company, both present and future and on such terms and conditions as the Board of Directors may think fit from time to time”.

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

(V PICHAI)
Director (Finance) & Secretary

Chennai
May 29, 2012

Notes :

- 1 The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business set out under items 5 to 7 is annexed hereto.
- 2 For appointment of Directors, disclosure, as required under Clause 49 of the Listing Agreement is annexed hereto.
- 3 A Member, entitled to attend and vote at the meeting, is entitled to appoint one or more Proxies, to attend and vote on a poll, instead of himself and such Proxy need not be a Member of the Company.
- 4 Proxies, in order to be effective, must be filed with the Company not later than 48 hours before the meeting.
- 5 The Register of Members and Share Transfer Books will be closed from Friday, the July 20, 2012, to Saturday, the July 28, 2012 (both days inclusive).
- 6 Dividend, if declared, will be paid to the Members whose names appear on the Register of Members as on July 28, 2012 and in respect of shares held in Electronic Form, to the beneficial owners, as per list that will be furnished by National Securities Depository Limited / Central Depository Services (India) Limited, as on that date.
- 7 Members holding shares in physical form are requested to notify, promptly, any change in their address, to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai, quoting their Membership Number, besides changes, if any, in the Dividend Mandates given by them and those holding shares in Electronic Form, may communicate the above information to their respective Depository Participants.
- 8 The amended provisions of the Companies Act, 1956, provide for Nomination facility to Members. Members are requested to write to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai, for more information, if any needed, on Nomination facility and / or to get a copy of Nomination Form.
- 9 Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends, upto the financial year ended March 31, 1995, have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Second Floor, Coimbatore Stock Exchange Building, Trichi Main Road, Singanallur, Coimbatore 641 005, Tamilnadu. In case any assistance is required in this regard, please write to the Registered Office of the Company.
- 10 As regards dividends pertaining to the financial year ended March 31, 1996 and thereafter, amounts remaining in the Unpaid Dividend Accounts of the Company have to be transferred to the Investor Education and Protection Fund, established by the Central Government, at the expiry of seven years from the date of transfer to the respective year's Unpaid Dividend Account. Thereafter, the Members shall have no claim against the Fund or the Company, in respect of his unpaid dividend. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1995-96 to 2003-04. The unpaid dividend for the financial year 2004-05 will be transferred to the above Fund during August 2012. Members are, therefore, requested to lodge their claims for unpaid dividend, if any, immediately with the Company.
- 11 In view of the advantages of the Depository System and for easy trading of the shares, Members are requested to opt for Dematerialisation of the shares of the Company, through any of the Depository Participants of their choice.
- 12 Members holding shares in DEMAT form are requested to incorporate the DP ID Number and Client ID Number in the Attendance Slip / Proxy Form, for easy identification of attendance at the Meeting.
- 13 For receiving Dividend through National Electronic Clearing Service (NECS), in the notified Centres, Members are requested to forward the Form attached to the Circular letter, duly filled in, to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai or to their respective Depository Participants.
- 14 Furnishing of Permanent Account Number (PAN) has been made mandatory by SEBI for all securities market transactions and off market /

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

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

To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through e-mail. For the above purpose, we request you to send an e-mail confirmation to our designated ID

investor@spbltd.com mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication.

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

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

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

(V PICHAI)
Director (Finance) & Secretary

Chennai
May 29, 2012

EXPLANATORY STATEMENT

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

Item No. 5

Consequent to nomination by the Government of Tamilnadu, Sri C V Sankar, IAS, was appointed as an Additional Director by the Board of Directors, at the meeting held on November 04, 2011, in the vacancy caused by the relinquishment of office by Dr V Irai Anbu, IAS, who was earlier appointed in the casual vacancy caused by the withdrawal of nomination of Sri Debendranath Sarangi, IAS.

He retires at this meeting, under Section 262 of the Companies Act, 1956, read with Article 96 of the Articles of Association of the Company. Notice, along with requisite deposit, as required under Section 257 of the Companies Act, 1956, has been received by the Company from a Member proposing the appointment of Sri C V Sankar, IAS, as a Director of the Company.

Sri C V Sankar, IAS, has filed with the Company his consent under Section 264(1) of the Companies Act, 1956, to act as a Director, if appointed.

This may be treated as notice under Section 257(1-A) of the Companies Act, 1956.

Sri C V Sankar, IAS, is concerned and interested in his appointment and none of the other Directors is concerned or interested in the said appointment.

Item No. 6

Life Insurance Corporation of India (LIC), nominated Mrs Philomina Thomas, Executive Director (Principal, Zonal Training Centre, LIC of India, Gurgaon), as a Director on the Board of our Company, to represent LIC.

LIC is holding 4.64% in the Equity Capital of the Company. Earlier LIC used to nominate their representatives on the Board when they had extended financial assistance in the form of Term Loans for our Projects. On repayment of the

said Loans, LIC discontinued such nominations. In view of their significant shareholding in the Company, LIC has again nominated their representative.

Board of Directors, at the meeting held on November 04, 2011, appointed Mrs Philomina Thomas, as an Additional Director liable to retire by rotation under Article 97 of the Articles of Association of the Company.

She retires at this meeting, under Section 262 of the Companies Act, 1956, read with Article 96 of the Articles of Association of the Company. Notice, along with requisite deposit, as required under Section 257 of the Companies Act, 1956, has been received by the Company from a Member proposing the appointment of Mrs Philomina Thomas, as a Director of the Company.

Mrs Philomina Thomas has filed with the Company her consent under Section 264(1) of the Companies Act, 1956, to act as a Director, if appointed.

This may be treated as notice under Section 257(1-A) of the Companies Act, 1956.

Mrs Philomina Thomas, is concerned and interested in her appointment and none of the other Directors is concerned or interested in the said appointment.

Item No. 7

Our Company (SPB), on a detailed techno commercial evaluation in 2011, decided to acquire SPB Papers Limited (SPBPL) (formerly Subburaj Papers Limited), by itself and through its Associates, with 100% Equity buyout from its erstwhile Promoters.

SPB, while finalising the acquisition of SPBPL in February 2011, had clear plans to amalgamate the same with it at the appropriate time and had disclosed this intent to the Stock Exchanges in its filing on 01 02 2011.

The Company, with its technical, financial and managerial inputs, has successfully de-bottlenecked the plant operations of SPBPL and has fairly stabilised production during the Financial Year 2011-12. Further, product quality of SPBPL is now well accepted by both the domestic and export markets.

In these circumstances and in the business interest of SPB and SPBPL and having regard to the synergistic linkages that exist between them, the Board of Directors have considered and proposed the amalgamation of the entire undertaking and business of the SPBPL with SPB. The amalgamation will enable appropriate consolidation of SPB and SPBPL with pooling and more efficient utilization of their combined resources, greater economy of scales, reduction in overheads and other expenses and improved operating performance. The benefit of such integrated operations could be derived from better resource management, reduction in overall working capital requirements and tie-up of resources on more competitive terms. The amalgamation will enable the business of the merged SPB to be carried on more conveniently and advantageously. The product range of SPB and SPBPL are complementary and hence the combined operations would help cater to a wider market segment. With the help of De-inking Plant located in SPBPL and facility to handle recovered fibre, there would be diversified raw material source, including environment friendly source of raw material, for the combined operations of SPB, post-amalgamation. The amalgamation is thus intended to have beneficial results for the said companies, their shareholders and other stakeholders.

Accordingly, the Board of Directors of both SPBPL and SPB have formulated and approved a Scheme of Amalgamation for the transfer and vesting of the Undertaking of SPBPL with and into SPB, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 at their meeting held on April 19, 2012. It is proposed to give effect to the amalgamation from the beginning of Financial Year 2012-13, i.e., with 'Appointed Date' as 01 04 2012.

The Scheme of Amalgamation envisages transfer of the entire undertaking and business of the SPBPL, viz., the entire assets and liabilities to SPB in order to benefit the stakeholders of said companies.

On amalgamation, the Term Loan outstanding in the books of SPBPL will get transferred to SPB, along with other assets and liabilities. Further, SPB will also undertake further expansion projects in SPBPL site where large stretch of land is available. This will also involve further borrowings. Under these circumstances, the present borrowing powers of the Board of Directors at ₹ 600 crores, as approved by the Members at the Extra-ordinary General Meeting held on December 24, 2005 is inadequate. Hence, it is proposed to increase the borrowing limit of the Board of Directors to ₹ 1000 crores.

Under Section 293 of the Companies Act, 1956, the approval of the Company in General Meeting is necessary for the Board of Directors to borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Paid up Capital and its Free Reserves. The Resolution according sanction should also specify the limit upto which Board of Directors can borrow.

Your Directors, therefore, recommend fixing of a limit of ₹ 1000 crores for their borrowings.

The Draft Scheme of Amalgamation and other related papers thereto are available for inspection of Members on any working day at the Registered Office of the Company during business hours prior to the date of the meeting.

None of the Directors of the Company is interested or concerned in the Resolution(s).

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

(V PICHAI)
Director (Finance) & Secretary

Chennai
May 29, 2012

Appointment of Directors :

Disclosure required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment / re-appointment at the Fifty Second Annual General Meeting :

Sri V SRIDAR :

Date of birth and age	:	27 07 1947 (64 years)
Date of appointment	:	04 06 2009
Expertise in specific functional areas	:	<p>Sri V Sridar is a Science Graduate and Chartered Accountant with a brilliant academic record.</p> <p>He has to his credit more than three decades (1975 to 2007) of service in large public sector nationalised Banks. In 1975 he joined Union Bank of India in the Officer's Cadre and rose to positions of Chief Manager, Regional Manager, Assistant General Manager, Deputy General Manger and finally was the General Manager of the Bank between 1996 and 2000.</p> <p>He was elevated and transferred as Executive Director of UCO Bank in 2000. In 2002, again he was promoted and transferred as Chairman and Managing Director of National Housing Bank. He served in that position till 2004.</p> <p>In 2004, again he was promoted and posted as Chairman and Managing Director of UCO Bank which position he held till 2007. On superannuation he retired from that position in July 2007.</p> <p>During his tenure as Chairman and Managing Director, UCO Bank witnessed tremendous growth. Total business volume and operating profits of the Bank almost doubled. The Gross Non Performing Assets came down from about 6% to 3% and Net Non Performing Assets to around 2%. He was instrumental in bringing about organisation restructure of UCO Bank from the erstwhile geographically oriented four tier organisation structure to a functionally oriented three tier structure with due focus on the business strategy to be adopted by the Bank in future by segmenting the customers into Big Corporates, Mid Corporates, Small Enterprises and Retail Customers.</p>
Qualification	:	B Sc., ACA
Number of shares held in the Equity Capital of the Company	:	Nil

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Sri V SRIDAR (Contd.)

Relationship with other Directors	:	He is not related to any other Director.
Directorship in other companies	:	<p>STCI Finance Limited</p> <p>STCI Primary Dealer Limited</p> <p>Morpheus Capital Advisers Private Limited</p> <p>Lanco Tanjore Power Company Limited</p> <p>ICICI Bank Limited</p> <p>Ponni Sugars (Erode) Limited</p> <p>Sarada Metals and Alloys Limited</p> <p>Lanco Vidarbha Thermal Power Limited</p> <p>Aadhar Housing Finance Private Limited</p> <p>Hindusthan Natural Glass & Industries Ltd</p> <p>SPB Papers Limited</p> <p>SICOM Limited</p> <p>IDFC AMC Trustee Company Limited</p>
Committee / executive positions held in other companies	:	<p>STCI Primary Dealer Limited</p> <ul style="list-style-type: none"> - Audit Committee - Member <p>STCI Finance Limited :</p> <ul style="list-style-type: none"> - Audit Committee - Member - Credit & Investment Committee - Member - H R Committee - Member <p>Ponni Sugars (Erode) Limited :</p> <ul style="list-style-type: none"> - Audit Committee - Chairman - Remuneration Committee - Member <p>Lanco Tanjore Power Company Limited :</p> <ul style="list-style-type: none"> - Audit Committee - Chairman <p>ICICI Bank Limited :</p> <ul style="list-style-type: none"> - Audit Committee - Member - Risk Management Committee - Member - Fraud Monitoring Committee - Chairman - Share Transfer Committee - Member <p>Lanco Vidarbha Thermal Power Company Ltd :</p> <ul style="list-style-type: none"> - Audit Committee - Chairman - Remuneration Committee - Chairman <p>Sarada Metals and Alloys Ltd :</p> <ul style="list-style-type: none"> - Audit Committee - Chairman <p>Hindustan Natural Glass & Industries Ltd :</p> <ul style="list-style-type: none"> - Audit Committee - Member <p>Aadhar Housing Finance P Ltd :</p> <ul style="list-style-type: none"> - Audit Committee - Chairman

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SRI ARUN G BIJUR :

Date of birth and age	:	11 04 1948 (64 years)
Date of appointment	:	29 03 2008
Expertise in specific functional areas	:	<p>He is the Managing Director, M/s SPB Projects and Consultancy Limited (SPB-PC). He is a Graduate in Chemical Engineering from University of Madras. He has over 42 years of experience in Pulp and Paper and Sugar Industries, 11 years in Mill operations and nearly 31 years in Engineering Consultancy and managing large scale projects, involving co-ordination of all phases of engineering, procurement, construction, start-up and commissioning.</p> <p>He has distinguished himself by his extra-ordinary contribution to the promotion and growth of SPB-PC, which has emerged the most sought after consultancy organisation for Pulp and Paper Industry in India. All large paper mills have, time and again, preferred the services of SPB-PC. The success of SPB-PC reflects his strong fundamentals and professional integrity that has secured the trust of clients.</p>
Qualification	:	B. Tech. (Chem. Eng.)
Number of shares held in the Equity Capital of the Company	:	Nil
Relationship with other Directors	:	He is not related to any other Director.
Directorship in other companies	:	<p>Managing Director :</p> <ul style="list-style-type: none"> - SPB Projects and Consultancy Limited <p>Director :</p> <ul style="list-style-type: none"> - Ponni Sugars (Erode) Limited - Esvi International (Engineers & Exporters) Limited
Committee / executive positions held in other companies	:	<p>Ponni Sugars (Erode) Limited :</p> <ul style="list-style-type: none"> - Securities Transactions-cum-Investors Grievance Committee - Member

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Sri C V SANKAR, IAS :

Date of birth and age	:	02 07 1956 (55 years)
Date of appointment	:	04 11 2011
Expertise in specific functional areas	:	Sri C V Sankar, IAS, is a member of Indian Administrative Service and has varied administrative positions in Government. He is presently Principal Secretary to Government, Environment and Forests Department, Government of Tamilnadu.
Qualification	:	IAS
Number of shares held in the Equity Capital of the Company	:	Nil
Relationship with other Directors	:	He is not related to any other Director.
Directorship in other companies	:	Tamilnadu Tea Plantation Corporation Limited Tamilnadu Forest Plantation Corporation Limited Arasu Rubber Corporation Limited Tamilnadu Tourism Development Corporation Limited Tamilnadu Pollution Control Board (Member)
Committee / executive positions held in other companies	:	Nil

Mrs PHILOMINA THOMAS :

Date of birth and age	:	09 08 1952 (59 years)
Date of appointment	:	04 11 2011
Expertise in specific functional areas	:	She is presently Principal, Zonal Training Centre, Life Insurance Corporation of India, Gurgaon.
Qualification	:	MA, LLB
Number of shares held in the Equity Capital of the Company	:	Nil
Relationship with other Directors	:	She is not related to any other Director.
Directorship in other companies	:	Nil
Committee / executive positions held in other companies	:	Nil

DIRECTORS' REPORT

7 The Directors hereby present their Fifty Second Annual Report and the Audited Accounts for the year ended 31st March 2012 :

WORKING RESULTS

	2011-12 (Actuals) (in tonnes)	2010-11 (Actuals) (in tonnes)
Production	118282	120558
Sales	117522	121010
	(₹ lakhs)	(₹ lakhs)
Revenue from Operations		
Sales and Other Operating Income	63912	59515
Less: Excise Duty and Excise Cess	2770	2167
	61142	57348
Other Income	463	638
Total Revenue	61605	57986
Profit before interest, depreciation and tax	10354	11680
Interest	2432	2203
Depreciation	3426	3400
Profit before tax	4496	6077
Provision for current tax	1168	-
Transfer (from) / to Deferred Tax	(-) 82	(-) 423
Net Profit	3410	6500

DIVIDEND

The Directors recommend payment of Dividend at ₹ 5 per Equity Share, absorbing a sum of ₹ 562.50 lakhs. As per the provisions of the Income tax Act, 1961, no tax will be deducted at source on dividends distributed. However, the Company will bear the tax on the dividend distributed, amounting to ₹ 91.25 lakhs.

APPROPRIATIONS

Your Directors propose the following appropriations:

	2011-12 (₹ lakhs)
Net profit for the year	3410
<i>Add :</i>	
Surplus brought forward from the previous year	2195
Transfer from Investment Allowance Reserve	<u>75</u>
	2270
	5680
<i>Less :</i>	
Transfer to General Reserve	2000
Proposed dividend and tax thereon	<u>654</u>
	2654
Balance carried forward	<u>3026</u>

OPERATIONS

During the year, the Company's production was 1 18 282 tonnes, as compared to 1 20 558 tonnes, produced in the previous year. The production could have been higher but for the severe restrictions on power availability imposed by the State Government, which affected production whenever our Captive Power Plants were shut for annual inspection and during maintenance related outages.

The revenue was ₹ 61 605 lakhs for the year under review, as compared to ₹ 57 986 lakhs in the previous year. Total revenue was higher by 6.2%, on account of higher production and sale of Pulp.

The Profit before interest, depreciation and tax was ₹ 10 354 lakhs, as compared to ₹ 11 680 lakhs, in the previous year.

Major factors that impacted the profitability for the year under review were increases in prices of Wood, Bagasse, Coal and Chemicals.

After absorbing interest and financing charges and depreciation of ₹ 2 432 lakhs and ₹ 3 426 lakhs, respectively, the profit before tax was ₹ 4 496 lakhs, as compared to ₹ 6 077 lakhs, in the previous year.

There was no carried forward loss or depreciation available for set off against current year's profit. Consequently, the Company was liable for regular tax at normal rate. The said current tax liability worked out to ₹ 1 168 lakhs. The unutilised MAT Credit Entitlement could be utilised to the extent ₹ 287 lakhs to reduce the cash outgo.

As per the Accounting Standard (AS) 22 of The Companies (Accounting Standards) Rules, 2006, a sum of ₹ 82 lakhs has been transferred from Deferred Tax and credited to the Statement of Profit and Loss, as against ₹ 423 lakhs, in the previous year.

In the result, profit after tax for the year was ₹ 3 410 lakhs, as compared to ₹ 6 500 lakhs, in the previous year.

FINANCE

The Company paid the instalments of the Term Loans and the interest dues on Term Loans and Working Capital borrowings, on or before the respective due dates.

INTEREST FREE SALES TAX DEFERRAL SCHEME

During the year 2011-12, the Company availed ₹ 401 lakhs under the Scheme and the cumulative amount availed, upto March 31, 2012, was ₹ 4 406 lakhs.

MARKET CONDITIONS

The year 2011-12 began with buoyant paper market conditions as paper sourcing for notebooks was getting shifted to big integrated mills. As in earlier years, the Company started the year with Zero Stock of the finished goods inventory. Paper prices were up-revised in April 2011 and May 2011 to offset, in part, the continuous escalation in prices of coal, wood, chemicals, etc.

The buoyancy that had set-in, disappeared by June 2011 with the notebook season coming to an end. Paper Mills had to roll back the price revisions, made earlier, to garner orders to keep the units running. The Calendar /

Diary season could not provide any relief to the paper manufacturers due to weak demand for these products. While the poor off take for uncoated woodfree grades (Maplitho, Creamwove varieties) continued till year end, MG and Yankee products maintained normal demand and stable prices.

The Company had taken the initiative of stepping-up exports of the woodfree varieties and resorting to high volume 'Contract Orders' – albeit – at lower margins to combat the floundering domestic market.

During the year, Government of India replaced the DEPB Scheme (an incentive for exports) with a less attractive Duty Draw Back Scheme. The Company could not achieve Zero Stock at the end of the financial year, as the export goods, awaiting the arrival of ships, at the port, could not be shipped due to work stoppage by a section of the workmen at the Dock.

Outlook for the current year appears subdued. Market sentiments may remain weak, consistent with the falling economic conditions prevalent in the country. The excess capacity available in the woodfree grade is not likely to get fully absorbed till 2013-14. Till then, stepping-up exports may provide better margins and relief.

EXPORT PERFORMANCE

The Company exported 10 533 tonnes of paper and paper boards during the year, as compared to 8 773 tonnes, during 2010-11. The Exports accounted for about 8.9% of total production.

The export proceeds amounted to US \$ 9 513 777, equivalent to ₹ 4 620 lakhs, as compared to ₹ 3 703 lakhs, during the previous year.

Besides the above, the Company also sold 409 tonnes, under deemed exports whose proceeds amounted to ₹ 194 lakhs.

TREE FARMING ACTIVITY

Last year, the Contract Tree Farming Scheme was discontinued and a modified

Scheme was introduced whereby the Company provides quality Clonal Seedlings of Eucalyptus, as well as Casuarina Seedlings at subsidised rates to interested farmers and assist them with technical help to achieve higher yields.

Technical support for this initiative is provided by the Department of Tree Breeding of Forest College and Research Institute, Mettupalayam, (FC&RI) attached to Tamilnadu Agricultural University, Coimbatore, through a Collaborative Research Project. Last year, farmers planted Eucalyptus and Casuarina to the extent of 8169 acres under this programme.

ISO 9001 / ISO 14001 ACCREDITATION

Company's Quality Management Systems continue to be covered by the "ISO 9001" accreditation. Company's Environmental Management System, continues to enjoy "ISO 14001", accreditation.

OHSAS 18001 CERTIFICATION

The Company continues to enjoy certification under Occupational Health and Safety Assessment Series 18001 (OHSAS) which is an international standard which facilitates management of Occupational Health and Safety risks associated with the business of the organisation.

FOREST STEWARDSHIP COUNCIL® FSC® (FSC-C084458) CERTIFICATION

In May 2010, Scientific Certification Systems (SCS), who is accredited by the FSC, awarded to the Company the Forest Stewardship Council (FSC) Certification, valid till May 2015. FSC is an international certification and labeling system that guarantees that paper and wood products carrying the FSC label come from environmentally and socially responsible sources.

The Company has been certified under three Standards of FSC, viz., FSC-STD-40-004 v2-0, FSC-STD-40-005 v2-1 and FSC-STD-40-003 v1-0. By this, the Company assures its stakeholders that the wood, wood fibre and pulp purchased by it are traceable to responsibly

managed forests and that adequate document controls are in place to ensure identification and traceability throughout the Chain of Custody. This also means that the Company is capable of manufacturing and selling FSC Pure and FSC Mixed products in the domestic and international markets.

AWARDS

The Company received the EHS Excellence Award 2011 instituted by Confederation of Indian Industry (CII) (Southern Region) in recognition of best practices of EHS (Environment, Health and Safety) in Plant / Manufacturing Sector for the year 2011.

EXPORT HOUSE STATUS

The Company continues to enjoy "Two Star Export House" Status, awarded by the Government of India, Ministry of Commerce, Directorate General of Foreign Trade, in recognition of its export performance.

DEPOSITORY SYSTEM

As on March 31, 2012, 5 106 Members were holding their shares in demat form and 87 33 435 Equity shares, representing 77.63% of the total Paid up Equity Share Capital of the Company, have been dematerialised.

SPB PAPERS LIMITED

As informed in last year's Directors' Report, Subburaj Papers Limited (SPL) set up a de-inked waste paper pulp based Paper Mill, with an annual capacity of 90 000 tonnes, in Tirunelveli District, Tamilnadu. The unit commenced operations in August 2009. The Project encountered huge cost and time overruns. Despite all financial support from the Banks to complete erection and commissioning, the unit could not be operated continuously.

As per the technical study conducted, at the request of the Promoters of SPL, the unit required further investment to add certain balancing equipments to reach the capacity of 90 000 tonnes per annum and make it viable.

As Promoters of SPL expressed inability to invest further funds and requested the Company to take over the unit as management buy out, the Company evaluated the option and found that the proposal offered advantages to the Company and will strengthen the existing operations, besides providing great opportunity for future growth.

SPL was acquired by ESVIN-SPB Group in February 2011 by taking over the assets and liabilities and also by purchase of the entire Equity Shares. In the process, our Company acquired 62 50 000 Equity Shares of ₹ 10 each, constituting 41.67% of the total Equity Capital of SPL. Among others, the acquisition involved settlement of the dues of the existing Banks through a negotiated One Time Settlement (OTS). For this purpose, the Company availed a Short Term Loan of ₹ 210 crores from Canara Bank and advanced to SPL a sum of ₹ 180 crores to enable them to settle the Banks under OTS. On sanction of regular fund based limits, SPL has since repaid the said loan to the Company.

After take over, the name of SPL was altered as SPB Papers Limited (SPBPL). Balancing equipments for manufacture of fine papers from purchased pulp were installed and production operations commenced from April 2011 onwards.

Our Company, while finalising the acquisition of SPBPL in February 2011 had clear plans to merge the same with it at the appropriate time and had disclosed this intent to the Stock Exchanges in its filing on 01 02 2011. SPB, with its technical, financial and managerial inputs, has successfully de-bottlenecked the plant operations of SPBPL and has fairly stabilised production during the Financial Year 2011-12. Further, product quality of SPBPL is now well accepted by both the domestic and export markets.

SPBPL is located close to Tuticorin Port giving it logistical advantage for export of Paper and import of pulp, fuel and recovered fibre. It is also in close proximity to major consumer segment in Sivakasi and Kerala. The merged

operations would help leverage these strengths for overall cost optimisation.

The amalgamation will enable appropriate consolidation of SPB and SPBPL, with pooling and more efficient utilisation of their combined resources, greater economy of scales, reduction in overheads and other expenses and improved operating performance. The benefit of such integrated operations could be derived from better resource management, reduction in overall working capital requirements and tie-up of resources on more competitive terms. The amalgamation will enable the business of the merged entity to be carried on more conveniently and advantageously. The amalgamation is, thus, intended to have beneficial results for the said companies, their shareholders and other stakeholders.

The product range of SPB and SPBPL are complementary and hence the combined operations would help cater to a wider market segment. With the help of De-inking Plant located in SPBPL and facility to handle recovered fibre, there would be diversified raw material source, including environment friendly source of raw material, for the combined operations of SPB post-amalgamation.

In these circumstances and in the business interest of the SPB and SPBPL and having regard to the synergistic linkages that exist between them, it was considered desirable and expedient to amalgamate SPBPL with SPB and give effect to the amalgamation from the beginning of Financial Year 2012-13, i.e., with effect from 01 04 2012.

Accordingly, the Board of Directors of both SPBPL and SPB have formulated and approved a Scheme for the transfer and vesting of the Undertaking of SPBPL with and into SPB, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

Based on independent valuations, a Share Exchange Ratio was fixed at one (1) Equity Share of ₹ 10 each of SPB for every Eleven (11) Equity Shares of ₹ 10 each of SPBPL. The Equity

Shares of SPB will be allotted to the Shareholders of SPBPL whose names appear in the Register of Members of SPBPL on the Record Date to be fixed for this purpose. The fairness of the Share Exchange Ratio was certified by a SEBI recognised Category - I Merchant Banker.

The Scheme is to be approved by the Stock Exchanges, the Secured Creditors, Un-secured Creditors, Members of both the Companies and the Hon'ble High Court of Madras.

CURRENT YEAR (2012-13)

Production, during April 2012, was 10345 tonnes as compared to 9388 tonnes, produced during April 2011. Total Revenue (net of Excise Duty and Cess), during April 2012 amounted to ₹ 3 896 lakhs, compared to ₹ 3 146 lakhs, during April 2011.

During April 2012, 935 tonnes of paper, valued at US\$ 786 778 (equivalent to ₹ 406 lakhs) were exported.

Market conditions continue to exhibit weak sentiments during April 2012.

ENVIRONMENTAL PROTECTION

The Company continues to provide utmost attention to the conservation and improvement of the environment. The Power Boilers and Recovery Boilers are equipped with Electro Static Precipitators, to arrest dust emissions. The Company has installed and operates an Anaerobic Lagoon, for high BOD liquid effluents and a Secondary Treatment System, for total Mill effluent. These facilities are operating efficiently, enabling the Company to comply with the pollution control norms, prescribed by the Pollution Control Authorities, on a sustained basis. The treated effluent water continues to be utilised for irrigating nearby sugar cane fields.

With the commissioning of all the equipment under the Mill Development Plan, the Mill has enhanced its environmental performance and compliance thereby complying with the Charter on Corporate Responsibility for Environmental Protection (CREP) on a sustained basis.

AUDIT COMMITTEE

The Audit Committee of the Board consists of four members and all of them are Non-Whole-time Directors, viz., Sri R V Gupta, Dr S Narayan, Sri Bimal Kumar Poddar and Sri V Sridar.

Sri R V Gupta is the Chairman of the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

While preparing the annual financial statements, the Company has adhered to the following:

- ◇ Applicable Accounting Standards referred to in Section 211(3-C) of the Companies Act, 1956 have been followed.
- ◇ The said Accounting Standards are being applied consistently. The Company has made judgements and estimates that are reasonable, prudent and are in the interest of the Company's business so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the said period.
- ◇ The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- ◇ The Directors have prepared the financial statements on a "going concern" basis.

CORPORATE GOVERNANCE

The Report on Management's Discussion and Analysis and Report on Corporate Governance are forming part of Directors' Report and are annexed as Annexure - II and Annexure - III.

As required by the Listing Agreement, an Auditors' Report on Corporate Governance and a Declaration by the Chairman and Managing Director with regard to Code of Conduct are attached to the said Report.

Further, as required by Clause 49 of the Listing Agreement, a Certificate, duly signed by the Chairman and Managing Director and Director (Finance) & Secretary, was submitted to the Board of Directors on the financial statements and cash flow statement of the Company for the year ended March 31, 2012 at the meeting held on May 29, 2012.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure - I and forms part of this Report.

PARTICULARS OF EMPLOYEES

During the year 2011-12, none of the employees of the Company was in receipt of remuneration, in excess of the limit prescribed in Sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

CASH FLOW STATEMENT

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, a Cash Flow Statement is attached to the Balance Sheet.

EMPLOYEES

Relations between the Management and Employees were cordial throughout the year under review.

DIRECTORS

Sri V Sridar and Sri Arun G Bijur retire by rotation, under Article 104 of the Articles of Association of the Company at the conclusion of the ensuing Fifty Second Annual General Meeting and being eligible offer themselves for re-election at the said Meeting.

During the year, The Tamilnadu Industrial Investment Corporation of India Limited (TIIC) withdrew the nomination of Mrs Sheela Rani Chunkath, IAS and nominated its Principal Secretary / Chairman and Managing Director, Sri T Prabhakara Rao, IAS, as its Nominee Director on the Board of the Company. Later, the nomination of Sri T Prabhakara Rao, IAS was withdrawn and TIIC nominated its Chairman and Managing Director, Sri Md. Nasimuddin, IAS, as its Nominee Director on the Board of the Company. Sri Md. Nasimuddin, IAS is not liable to retire by rotation.

During the year, the Tamilnadu Government withdrew the nomination of Dr V Irai Anbu, IAS, as its Nominee on the Board of our Company, who was earlier appointed in the casual vacancy caused by the withdrawal of nomination of Sri Debendranath Sarangi. As there was no casual vacancy, Sri C V Sankar, IAS was appointed as an Additional Director and is liable to retire by rotation under Article 97 of the Articles of Association of the Company. Accordingly, he retires at the ensuing Annual General Meeting and being eligible offers himself for election at the said meeting.

During the year, Life Insurance Corporation of India (LIC), nominated Mrs Philomina Thomas, Executive Director, (Principal, Zonal Training Centre, LIC of India, Gurgaon), as a Director on the Board of our Company, to represent LIC. Board of Directors, at the meeting held on November 04, 2011, appointed Mrs Philomina Thomas, as an Additional Director liable to retire by rotation under Article 97 of the Articles of Association of the Company. Accordingly, she retires at the ensuing Annual General Meeting and being eligible offers herself for election at the said meeting.

Your Directors place on record the valuable services rendered by Dr V Irai Anbu, IAS, Mrs Sheela Rani Chunkath, IAS and Sri T Prabhakara Rao, IAS, during their tenure as Directors of the Company.

AUDITORS

Messrs Suri & Co., Chennai and Messrs S Viswanathan, Chennai, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Necessary Resolution for their appointment is proposed at the ensuing Annual General Meeting.

COST AUDIT

Pursuant to Section 233-B of the Companies Act, 1956, the Central Government has ordered that the Company carries out an audit of cost accounts relating to paper every year. M/s S Mahadevan & Co., Cost Accountants, was appointed as Cost Auditor for the year 2011-12. The Cost Audit Report for the year 2011-12 will be submitted to the Central Government before the due date.

ACKNOWLEDGEMENT

The Directors place on record their great appreciation of the tireless efforts of all Executives and Employees of the Company for their fine performance in a difficult year. The Directors also express their sincere thanks to the Government of India, Government of Tamilnadu and Commercial Banks, for their understanding, guidance and assistance and Dealers, Customers and Suppliers, for their excellent support, at all times.

On behalf of the Board

N GOPALARATNAM
Chairman and Managing Director

Chennai
May 29, 2012

**INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956
READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN
THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

A. CONSERVATION OF ENERGY

a) Measures taken for conservation of energy :

- ◇ NANSULATE application in Dryer end Covers and Scanner Sensor Vicinity, related to Paper Machine - 5.
- ◇ Increased HP steam generation from Chemical Recovery Boiler through reduction in Soot Blower and Air Pre-heater steam consumption.
- ◇ Specific steam consumption reduction through implementation of newly developed scheme for ensuring high Condenser vacuum and exhaust steam dryness in the 21 MW Extraction Condensing Steam Turbine.
- ◇ Mist Cooling System with the Evaporation Plant process condensate, ensuring saving in fresh water consumption.
- ◇ Higher inlet feed concentration of Black Liquor Solids and improved Condenser vacuum in Multi-effect Evaporator had resulted in lowering of LP steam consumption.
- ◇ Variable Frequency Drive for Boiler 10 ID Fan.
- ◇ Reduction in Power consumption in the Evaporator and Recusticizing / Lime Kiln sections.

- ◇ Refining Power reduction through Enzyme addition.

b) Additional investments and proposals, if any :

- ◇ Green Power enhancement through increased HP Steam flow from Recovery Boiler to 16 MW STG through Steam switch over from HP Steam (75 bar) to MP steam (29 bar) derived from Low pressure Boilers.
- ◇ Substantial reduction in Furnace Oil consumption in Rotary Lime Kiln through installation of additional Producer Gasifier unit, based on solid fuel.
- ◇ Increased Steam and Power generation through enhanced Black Liquor Solid firing in the existing Chemical Recovery High Pressure Cogeneration Unit.
- ◇ Double stage LP Steam driven state of the art VAM System in ClO₂ Plant.
- ◇ Green Energy through partial Fuel switch from Coal to Biomass firing in Boiler # 7.

c) Impact of the above measures on consumption of energy :

The above measures have resulted in reduced consumption of energy, increased productivity, reduced machines downtime, etc.

SESHASAYEE PAPER AND BOARDS LIMITED

d) Total energy consumption and energy consumption per unit of production as per Form - A:

FORM - A

	Year ended			Year ended	
	31-3-2012	31-3-2011		31-3-2012	31-3-2011
A POWER AND FUEL CONSUMPTION			3 Raw Lignite		
1 Electricity			Quantity - tonnes	--	988
a) Purchased			Total cost - ₹ lakhs	--	21.75
Unit - lakh kWh	122.26	101.52	Rate/unit - ₹/ tonne	--	2201
Energy charges - ₹ lakhs	556.16	449.29	4 Furnace oil		
MD and other charges	474.32	456.57	Quantity - kilo litres	5945	8224
Total charges	1030.48	905.86	Total cost - ₹ lakhs	2165.32	2116.79
Rate/unit - ₹	4.5489	4.4254	Average rate - ₹/kilo litre	36423	25739
b) Own generation			B CONSUMPTION PER UNIT OF PRODUCTION		
Through Steam Turbine			Electricity - kWh	1748	1750
Units - lakh kWh	2039.05	2007.81	Coal - tonne	1.511	1.402
Units per kg of fuel	--	--	Raw Lignite - tonne	--	0.008
Cost/unit - (Variable) - ₹	3.16	2.64	Furnace oil - kilo litre	0.050	0.068
2 Coal					
Quantity - tonnes	180133	169067			
Total cost - ₹ lakhs	9268.74	7689.91			
Average rate - ₹/tonne	5146	4548			

B. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption as per Form - B :

FORM - B

RESEARCH AND DEVELOPMENT (R & D)

1 Specific areas in which R & D was carried out by the Company

- (i) Hardwood/Bagasse pulping and bleaching :
 - Pulping and bleaching studies of new wood species such as Malaivembu, Cashew and Jute Sticks, etc.
 - Studies on Effect of Bark on Pulp characteristics of Eucalyptus Hybrid, Casuarina and Soobabul, etc.

- (ii) R & D trials and tests for quality improvement and cost effectiveness :
 - Development of new products like, Light Green Poster, Dark coloured Ballot Paper, Drawing Papers, etc.
 - Development of new shade for Branded Paper Products with higher brightness and pleasant shade.
 - Implementation of Refining Enzyme for improving the quality and reducing the power consumption.
 - Conducting various plant trials with different Polymer Additives for improving strength and surface properties of paper.
 - Introduction of high bright filler like Soap Stone Powder 92% with finer particle size for improving the quality and filler retention.
 - Introduction of Carbonate Filler, like PCC and GCC, along with Pigment Dyes for branded varieties.

2 Benefits derived as a result of the above R & D

- Consistent Pulp quality of both Wood and Bagasse Pulp with improved strength helps to improve the quality of paper.
- Due to proper refining filler loading is increased resulting in lower fiber consumption.
- Cost savings in the manufacture of Green Posters, Drawing Papers and Orange Posters.
- Considerable cost reduction by using Refining Aid during Hardwood Pulp refining.

SESHASAYEE PAPER AND BOARDS LIMITED

3 Future plan of action	<ul style="list-style-type: none">- Use of Carbonate Fillers during manufacture of white varieties.- Elimination of Acid Sizing process for all colored papers.- Conducting plant trials for ASA Sizing process.- Elimination of Acid Zizing process for all products.
4 Expenditure on R & D	<ul style="list-style-type: none">- The R & D work is carried out in the Central Laboratory attached to the Mill.
(a) Capital	- --
(b) Recurring	- ₹ 34.25 lakhs
(c) Total	- ₹ 34.25 lakhs
(d) Total R & D expenditure as a percentage of total turnover	- 0.05%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f) During the year under review the Company exported 10 533 tonnes of Paper and Boards valued at US \$ 9 513 777, equivalent to ₹ 4 620 lakhs.

g) Total Foreign Exchange earned and used :

(i) Earnings	- ₹ 4 620 lakhs
(ii) Outgo :	
Raw Materials	- ₹ 545 lakhs
Components, Spare Parts & Chemicals	- ₹ 6 729 lakhs
Stock-in-Trade	- ₹ 350 lakhs
Capital Goods	- ₹ 199 lakhs
Others	- ₹ 106 lakhs
Total	- ₹ 7 929 lakhs

REPORT ON MANAGEMENT'S DISCUSSION AND ANALYSIS

(i) Industry structure and developments

Global :

Paper is of significant importance to the society. Its contribution in the areas of education, dissemination of information and knowledge, hygiene and packaging cannot be easily matched.

Paper is interwoven with human life in hundreds of ways. It is also a bio-degradable product and has a benign footprint at the end of its life cycle. Despite the projections that digital age would render paper obsolete, Paper Industry has been growing year after year.

Paper Industry has also a very prominent role in the World Economy. Annual revenue from this Sector exceeds US \$ 500 billions. World consumption of paper and boards grew from 169 million tonnes in 1981, to 253 million tonnes in 1993 and to 352 million tonnes in 2005. Current consumption is of the order of 400 million tonnes.

Demand is projected to exceed 500 million tonnes by 2020. While the mature market may record a flat growth rate, the emerging markets are expected to grow at a CAGR of 4 - 5%. India is forecast to have the highest growth rate of 6 - 7% per annum. China and Russia are expected to register impressive growth rates, in excess of 5% per annum.

Global Pulp and Paper Industry is dominated by North American countries (USA and Canada), Northern Europe (Finland, Sweden, North-west Russia), and East Asian Countries (China, Japan and South Korea). Australasia Countries and Brazil have also significant pulp and paper enterprises.

The four key paper and board categories are Newsprint, Coated / Uncoated Wood-free Papers, Tissue and Papers and Boards for the packaging applications. The growth rate will vary by grade. Tissue, Container Boards and Carton Boards are expected to witness higher growth rates.

The year 2011 saw a mild recovery in the fortunes of the Paper Industry. The production / consumption of the year 2011 were of the order of 394 million tonnes. In 2010, China had maintained the top spot with 93 million tonnes of production. USA accounted for 76 million tonnes of paper, Japan 27 million tonnes, Germany 23 million tonnes and Canada 13 million tonnes.

India's production in the year 2010 registered 9.223 million tonnes and helped to move up to become the 11th largest pulp and paper producing country in the world, from 15th place it occupied some years ago.

As per the American Forest and Paper Association, (AF&PA), the US paper and board capacity decline slowed down to 1.4% in 2011. This was smaller than the 3.1% reduction registered in 2010. Paper and paper board capacity in US is expected to decline by 1% in 2012 and then register increases by 0.6% and 0.5% in 2013 and 2014, respectively.

The Pulp and Paper Industry is capital intensive and cyclical in nature. North American block of nations consumed over 100 million tonnes of paper and paper boards while Asia, including China and Japan, account for 140 million tonnes of paper. Europe's share is of the order of 102 million tonnes. China, which registered the fastest growth (9.3% per annum) in recent times, is expected to slow down. India, whose consumption is a low 10 - 11 million tonnes per annum, has the distinction of being the fastest growing nation in the Paper Sector at 7.4% per annum.

Unlike consumption trends in the other mature commodity sectors, paper consumption follows closely economic growth. Per capita consumption has grown to about 190 kg per annum in Western Europe and more than 300 kg per annum in North America. In the developing economies, paper consumption is growing rapidly, but the per capita consumption is still a low 17.5 kg per annum. However, paper and

board consumption in Asia already exceeds that of Europe. This growth rate would eventually make the region the largest paper consumer in the world.

Domestic :

The Indian Paper Industry has recently moved up to the 11th position in production. It is however highly fragmented. As per estimates, there are more than 1000 paper mills in the Country. There are three segments in the entire Industry, other than newsprint segment, viz., (i) large integrated mills, using bamboo and hardwood and large mills using waste paper / recycled fibre, (ii) medium mills using agricultural residues and (iii) small / medium mills using waste paper / recycled fibres. All the three sectors contribute equally to the total production of paper and paper board in the country. The installed capacities of these mills range from 1000 tonnes per annum to 5 00 000 tonnes per annum.

The Paper Industry is an important industrial sector having a bearing on the socio-economic development of the Country. The Industry mirrors the Country's economic growth. It creates economic wealth in the hands of the poor, by generating rural employment. Indian Paper Industry is an important vehicle to drive the Government's National Literacy Mission. It is also an important contributor to greening India through Social Forestry Programmes. The Indian Paper Industry is a rural based industry with linkages to Agriculture and Agro Forestry.

The Industry's current installed capacity is around 11.0 million tonnes. The annual output is of the order of 10.0 million tonnes. The consumption is currently estimated at 11.0 million tonnes and is set to grow to 20.0 million tonnes by 2020. The Industry provides direct employment to more than 5 lakhs people, besides indirect employment to over 11 lakhs rural poor. The Industry has grown at a CAGR of 6% in the last few years and is projected to grow at a CAGR of 7.6% in the next 2 - 3 years.

The global demand for paper and paper board is projected to grow to over 500 million

tonnes by the year 2020. This growth is being driven by emerging markets, including India, while in the matured market, the demand is expected to be flat or decline.

According to Poyry, India will witness highest annual growth of about 6.5% per annum while China's growth is projected to be in the order of 5.25%. Japan and North America may witness marginal or negative growth.

Amongst the various grades, Container Boards, Tissue Paper, followed by Carton Boards will witness higher rates of growth, while growth rate of Coated / Uncoated Wood-free Paper is expected to be under 2%.

(ii) Opportunities and Threats

The competitive strengths and the opportunities that are available to the Indian Paper Industry are:

- ◇ its large and growing domestic paper market and potential export market
- ◇ qualified technical manpower with capability to manage world scale pulp and paper mills
- ◇ relatively low employee cost
- ◇ well established Research and Development (R & D) facilities / activities encouraging innovation
- ◇ fast growing contemporary printing sector
- ◇ Government's thrust for improving literacy in the Country
- ◇ potential for growth of forest plantation.

While so, the competitive weaknesses and threats that face the Industry are :

- ◇ inadequate availability of virgin fibre, resulting in high cost of raw materials, including wood, non-wood and waste paper.
- ◇ delay in creation of sustainable raw material base through industrial plantations
- ◇ small and fragmented industry structure

- ◇ many non-competitive mills
- ◇ inconsistent multi-tiered quality of products.
- ◇ environmental problems of most of the small pulp mills and also some large mills
- ◇ high energy consumption and costs
- ◇ poor infrastructure
- ◇ likely closures, owing to increasingly stringent environmental regulations
- ◇ numerous Regional Trade Agreements (RTAs) / Free Trade Agreements (FTAs) without adequate safeguards
- ◇ with the bunched-up creation of about 10.0 lakh tonnes of additional capacity (between 2008 and 2010), demand / supply mismatch will confront the domestic manufacturers, impacting capacity utilisation and margins.

International Competitiveness is the key issue that is confronting the Indian Paper Industry, today, especially in the context of Government's resolve to bring down import tariff every year and RTAs / FTAs proposed to be entered into with ASEAN / SAARC countries, including China.

Paper Industry is capital intensive and yields poor returns on investments. The issues that require the urgent attention of the Government are, creation of robust raw material base, fiscal incentive for assimilation of eco-friendly technologies, etc.

The major players, alive to the emerging international threats, have been aggressively pursuing quality improvement programmes, coupled with cost rationalisations and capacity additions. Increasingly, more up-to-date technologies are sought to be implemented, with added focus on environmental regulations.

(iii) Segment-wise or Product-wise performance

The Company is a single product Company and hence segment-wise or product-wise performance is not provided.

(iv) Risks and Concerns

- ◇ There has been some improvement in the availability of wood from within the State. However, the price of wood is witnessing substantial increase, year after year. For the supplies effected from Government sources, the State Government is increasing the price, substantially, every year. Such price increases have impacted / will impact severely the margins of operations.
- ◇ The Company depends entirely on imported coal for operating its Captive Power Plant. The price of imported coal witnessed an unprecedented increase of more than 100% during 2007-08. Prices which softened from second half of 2008-09 are set to climb steeply. Future profitability of the Company will be impacted substantially by price increases as well as by weakening of Indian Rupee.
- ◇ Undue haste in reducing tariffs, for imports from countries covered by Government of India's RTAs / FTAs, will likewise expose the Industry to inexpensive imports from low cost producers of paper.
- ◇ Spurt in interest rates in the garb of containing inflation will impact the cost of future projects and operating margins.
- ◇ In recent times, there has been a steep weakening of the Indian Rupee against the US Dollar. This substantial depreciation of the Indian Rupee will impact the margins, since the Company imports substantial quantities of coal. The import of pulp has got reduced substantially with the completion of Mill Development Plan and the new Pulp Mill is in full operation.
- ◇ Rise in rate of inflation will impact the profitability of the Company, since there will be increase in prices of all inputs and cost of services, without matching increase in price for the Company's products.

- ◇ Failure of monsoon and absence of water flow in the River Cauvery, from where the Company draws its water requirements, had created anxious moments to the Company in the past. Such contingencies can recur in the future. Further, inter-state sharing of River Cauvery water has become a political / legal issue in recent times. The Company has, however, taken all steps to curtail quantum of water used in the process, substantially.

(v) Outlook for 2012-13 :

Global :

Pulp and Paper Sector although, global in nature, continues to operate at the regional level. This introduces challenges that major producers of the world, are influenced by different dynamics. While many felt the impact from the macro economic conditions in 2011, the severity, varied greatly, by region.

China continues to outpace the market, with projected sector growth rate of 7 - 8% range in 2011. Although China's short-term outlook is positive, this sector confronts profitability challenges, due to rising raw material cost and producers' fragmentation.

Europe is facing potential economic recession, where producers must address its declining demand and over-capacity of paper production. North America is, however, anticipating a modest growth in 2012 though several of its coated wood-free segments are being challenged.

As per the study, conducted by Deloitte, the economic situation is not as bleak as it was in 2008, when companies were not prepared for the downturn in the market. As per Moody's, global paper and forest produce industry remains a risk, as falling demand threatens the profitability of the Corporates. The Printing and Writing sub-sector of the Paper Industry is exposed to declining demand in mature markets and face earnings pressures if machines and mill closures do not keep pace with this decline.

Domestic :

Asia has been and will continue to be the growth drivers of the Paper Industry. India is no exception. However, the fall in GDP growth last year, has had a significant impact on the demand growth of this sector. Excess capacity, coupled with declining demand growth, impacted the margins of the Paper Industry. While this trend is expected to continue, Paper Industry is likely to operate under more stable conditions during the current year.

Indian Paper Industry, however, must bear in mind, its environmental footprint, has come under critical scrutiny by several international organisations who would like to transform the way, pulp and paper industry operates. These transformations include minimising paper consumption, maximising use of recycled paper in the furnish, responsible sourcing of virgin fibre, and adoption of cleaner pulping processes in the manufacture of paper.

Some Indian Paper Manufacturers will have to turn to environmentally friendly manufacturing processes and become responsible paper manufacturers. With a view to curtail the carbon emission, Government of India, have introduced the PAT (Perform, Achieve and Trade) Scheme, calling for significant reduction in energy usage by the Pulp and Paper Units in a specified time frame. Further, REC (Renewable Energy Certificate) Scheme requires the Indian Paper Industry using a minimum percentage of bio-fuel in the fuel-mix.

These Schemes, though appearing to be threats, provide great opportunities for the Paper Industry to significantly improve its carbon emissions footprint and simultaneously augment their income through higher usage of bio-fuels.

(vi) Internal control systems and their adequacy

The Company is having an efficient and well established internal control system commensurate with the size and level of operations of the Company.

(vii) Discussion on financial performance with respect to operational performance

During the year, the Company produced 1 18 282 tonnes, compared to the installed capacity of 1 15 000 tonnes per annum, thus achieving a capacity utilisation in excess of 103%. The production was marginally lower by 1.9% compared to the previous year.

The Company sold 1 16 631 tonnes, during the year, as against 1 20 056 tonnes, in the previous year, excluding 891 tonnes (previous year 954 tonnes) of paper and note books bought and sold. The Company could not achieve Zero Stock of Finished Goods inventory at the close of the Financial Year, as the export goods, awaiting the arrival of ships, at the port, could not be shipped due to work stoppage by a section of the workmen at the Dock.

The revenue was ₹ 61 605 lakhs for the year under review, as compared to ₹ 57 986 lakhs in the previous year. Total revenue went up by 6.2%, despite lower production during the year, compared to previous year and fall in paper in prices. The increase in total revenue was mainly on account of higher production and sale of Wet Lap Pulp, increase in prices of paper effected during the first quarter and increase in cum-duty prices of products, due to increase in rate of Excise Duty from 4% to 5% with effect from 1st March 2011 and 5% to 6% from 17th March 2012.

The year witnessed steep restrictions on power supply from the State Grid. During April 2012, there was a breakdown in Chemical Recovery Boiler. Production was severely affected during outage periods of Captive Power Plant for annual shuts, as well as during breakdown period. Also, the paper market was unfavourable from second quarter onwards, forcing the Company to reduce the prices of its products steeply in sympathy with the other players in the market.

The Excise Duty on Paper was enhanced from 5% to 6% in the Central Government Budget presented in March 2012. In addition, the

Tamilnadu Government increased the rate of VAT for Paper from 4% to 5%.

The Company exported 10 533 tonnes of paper and paper boards during the year, as compared to 8 773 tonnes, during 2010-11. The exports accounted for about 8.9% of total production.

The export proceeds amounted to US \$ 9 513 777, equivalent to ₹ 4 620 lakhs, as compared to ₹ 3 703 lakhs, during the previous year.

Besides the above, the Company also sold 409 tonnes, under deemed exports whose proceeds amounted to ₹ 194 lakhs.

The Company's imports, consisting of coal, pulp, chemicals and capital goods, were ₹ 7 823 lakhs, as compared to ₹ 3 959 lakhs, in the previous year. Consequently, the net foreign exchange outgo was ₹ 3 309 lakhs, compared to ₹ 446 lakhs, during 2010-11. The higher foreign exchange outgo was mainly on account of import of pulp and coal for supplying to SPB Papers Limited.

During the year 2011-12, the Company availed ₹ 401 lakhs under the Interest Fee Sales Tax Deferral Scheme and the cumulative amount availed, upto March 31, 2012, was ₹ 4 406 lakhs.

The Profit before interest, depreciation and tax, for the year under review, was ₹ 10 354 lakhs, as compared to ₹ 11 679 lakhs, in the previous year. Major factors that impacted the profitability were the steep increase in prices of input materials, like wood, bagasse, imported pulp, coal, chemicals, etc. Further, the unfavourable market conditions forced the Company to reduce its prices consistently. The rate of interest on bank borrowings also went up steeply during the year. Further, enhanced bank borrowings have to be utilised to support the operations of SPB Papers Limited.

After absorbing interest and financing charges and depreciation of ₹ 2 432 lakhs and ₹ 3 426 lakhs, respectively, the profit before tax

was ₹ 4 496 lakhs, as compared to ₹ 6 077 lakhs, in the previous year.

There was no carried forward loss or depreciation available for set off against current year's profit. Consequently, the Company was liable for regular tax at normal rate. The said Current Tax liability worked out to ₹ 1 168 lakhs. The unutilised MAT Credit Entitlement could be utilised to the extent of ₹ 287 lakhs to reduce the cash outgo.

As per Accounting Standard (AS) 22 of The Companies (Accounting Standards) Rules, 2006, dealing with "Accounting for taxes on income", there will be a reversal of Deferred Tax liability created in earlier years, in view of the Book Depreciation being higher than the Depreciation claim under the Income Tax Act. Consequently, there will be reversal of Deferred Tax liability of ₹ 82 lakhs for the

year under review, as against ₹ 423 lakhs for the previous year.

In the result, Profit After Tax for the year was ₹ 3 410 lakhs, as compared to ₹ 6 500 lakhs, in the previous year.

Cash generation during the year was ₹ 6 754 lakhs, compared to ₹ 9 476 lakhs, in the previous year.

(viii) Material developments in Human Resources / Industrial Relations front, including number of people employed.

Relations between the Management and the labour were cordial, throughout the year under review.

Currently, the Company has 1321 employees, of all ranks, on its rolls.

REPORT ON CORPORATE GOVERNANCE

1 A brief statement on company's philosophy on code of governance

Corporate Governance has several claimants, viz., Shareholders, and other stakeholders which include suppliers, customers, creditors, bankers, the employees of the Company, the Government and the society at large. The three key aspects of Corporate Governance are accountability, transparency and equality of treatment for all stakeholders. The fundamental objective of Corporate Governance is the "enhancement of Shareholder value, keeping in view the interest of other stakeholders". In the above context, the Company's Philosophy on Corporate Governance is:

- ◇ To have systems in place which will allow sufficient freedom to the Board of Directors and Management to take decision towards the progress of the Company and to innovate while remaining within a framework of effective accountability.

- ◇ To provide transparent corporate disclosures and adopt high quality accounting practices.
- ◇ Timely and proper dissemination of material price sensitive information and ensure insiders do not transact in securities of the Company till such information is made public.
- ◇ To adopt good Corporate Governance policies that will contribute to the efficiency of the enterprise, creation of wealth for the Shareholders and Country's economy.

2 Board of Directors

The Board of Directors, as on date, consists of eleven Directors, of whom eight Directors are Non Executive Directors of the Company. The Chairman and Managing Director, Deputy Managing Director and Director (Finance) & Secretary are the other three Directors who are in whole-time employment of the Company.

The details are furnished hereunder:

SI No.	Name of the Directors	No. of Shares held	Executive / Non Executive Director	Promoter / Independent / Nominee Director
1	Sri N Gopalaratnam	9141	Chairman and Managing Director - Executive Director	Promoter Director
2	Sri Arun G Bijur	Nil	Non Executive Director	Non Independent Director
3	Sri Bimal Kumar Poddar	Nil	Non Executive Director	Non Independent Director
4	Sri R V Gupta, IAS (Retd.)	Nil	Non Executive Director	Independent Director
5	Sri Md. Nasimuddin, IAS	Nil	Non Executive Director	Nominee of TIIC as Equity Investor, Independent Director
6	Dr S Narayan, IAS (Retd.)	Nil	Non Executive Director	Independent Director
7	Mrs Philomina Thomas	Nil	Non Executive Director	Nominee of Life Insurance Corporation of India, Independent Director
8	Sri C V Sankar, IAS	Nil	Non Executive Director	Nominee of Tamilnadu Government, Independent Director
9	Sri V Sridar	Nil	Non Executive Director	Independent Director
10	Sri K S Kasi Viswanathan	492	Deputy Managing Director - Executive Director	Whole-time Director - Non Independent Director
11	Sri V Pichai	8449	Director (Finance) & Secretary - Executive Director	Whole-time Director - Non Independent Director

SESHASAYEE PAPER AND BOARDS LIMITED

Board Meetings :

During the year 2011-12, five Board Meetings were held on May 28, 2011, July 23, 2011, November 04, 2011, January 28, 2012 and March 24, 2012. The Annual General Meeting was held on July 23, 2011.

Attendance of each Director, at the Board Meetings held during the Financial Year 2011-12 and at the last Annual General Meeting, is furnished hereunder:

SI No.	Name of the Directors	Board Meetings		Last Annual General Meeting	
		Held	Attended	Attended	Not attended
1	Sri N Gopalaratnam	5	5	Yes	--
2	Sri Arun G Bijur	5	4	Yes	--
3	Sri Bimal Kumar Poddar	5	4	Yes	--
4	Sri R V Gupta, IAS (Retd.)	5	5	Yes	--
5	Dr V Irai Anbu, IAS [@]	5	--	--	Yes
6	Sri Md. Nasimuddin, IAS [#]	5	1	--	Yes
7	Dr S Narayan, IAS (Retd.)	5	4	Yes	--
8	Mrs Philomina Thomas [#]	5	3	--	Yes
9	Dr T Prabhakara Rao, IAS ^{+@}	5	1	Yes	--
10	Sri C V Sankar, IAS [#]	5	--	--	Yes
11	Mrs Sheela Rani Chunkath, IAS ^{\$}	5	--	--	Yes
12	Sri V Sridar	5	4	Yes	--
13	Sri K S Kasi Viswanathan	5	5	Yes	--
14	Sri V Pichai	5	5	Yes	--

+ Appointed as Director on July 23, 2011

\$ Ceased to be a Director from July 23, 2011

Appointed as Director on November 04, 2011

@ Ceased to be a Director from November 04, 2011

SESHASAYEE PAPER AND BOARDS LIMITED

Number of other Company Boards or Board Committees in which each of the Directors of

the Company is a Member or Chairperson, as on March 31, 2012 :

SI No.	Name of the Directors	Other Boards		Other Board Committees	
		Number	Member / Chairperson	Number	Member / Chairperson
1	Sri N Gopalaratnam	6 [@]	5 - Chairman 1 - Member	2	2 - Chairman
2	Sri Arun G Bijur	3	3 - Member	1	1 - Member
3	Sri Bimal Kumar Poddar	11 [#]	5 - Chairman 6 - Member	1	1 - Member
4	Sri R V Gupta, IAS (Retd.)	6	6 - Member	6	1 - Chairman 5 - Member
5	Sri Md. Nasimuddin, IAS	7	1 - Chairman 6 - Member	2	2 - Member
6	Dr S Narayan, IAS (Retd.)	8 ^{\$}	2 - Chairman 6 - Member	2	2 - Member
7	Mrs Philomina Thomas	--	--	--	--
8	Sri C V Sankar, IAS	4	1 - Chairman 3 - Member	--	--
9	Sri V Sridar	13 [#]	13 - Member	12	6 - Chairman 6 - Member
10	Sri K S Kasi Viswanathan	1	1 - Member	--	--
11	Sri V Pichai	4 ^{\$}	4 - Member	--	--

@ Includes 1 Private Limited Company

Includes 2 Private Limited Companies

\$ Includes 3 Private Limited Companies

3 Audit Committee

Audit Committee of the Board was constituted in 1986 itself and is functioning effectively, without interruption. The terms of reference of the Audit Committee are:

To undertake periodical review of Company's operations and more particularly in the following areas :

- ◇ Financial performance of the Company
- ◇ Payment of dues to Banks, both interest and principal
- ◇ Payment of Government dues, such as Customs Duties, Excise Duties, Value Added Tax, Income Tax, etc.

- ◇ Inter Corporate Investments
- ◇ Policies relating to award of contracts, purchase and sale of raw materials, finished goods, etc.
- ◇ Overview of different items of expenditure incurred by the Company, with particular reference to whether they are extravagant or lavish and whether any diversion of funds, not directly relating to the affairs of the Company, has taken place and
- ◇ To do such other acts, deeds or things, as may be necessary from time to time, to fulfil the objectives aforementioned.

SESHASAYEE PAPER AND BOARDS LIMITED

The Audit Committee currently consists of three Independent Non Executive Directors and one Non Independent Non Executive Director.

Attendance of each Member Director, at the Audit Committee Meetings held during the Financial Year 2011-12, is furnished hereunder:

SI No.	Name of the Directors	Independent / Non Independent	Position	Audit Committee Meetings	
				Held	Attended
1	Sri R V Gupta, IAS (Retd.)	Independent Director	Chairman	5	5
2	Sri Bimal Kumar Poddar	Non Independent Director	Member	5	4
3	Dr S Narayan, IAS (Retd.)	Independent Director	Member	5	3
4	Sri V Sridar	Independent Director	Member	5	5

Sri R V Gupta, IAS (Retd.) is the Chairman of the Audit Committee. Sri V Pichai, Director (Finance) & Secretary acts as the Secretary to the Committee.

4 Remuneration Committee

The Company has constituted a Remuneration Committee of the Board which currently consists of the following Directors:

- ◇ Sri R V Gupta, IAS (Retd.)
- ◇ Sri Bimal Kumar Poddar
- ◇ Dr S Narayan, IAS (Retd.) and
- ◇ Sri V Sridar.

Remuneration to Non Whole-time Directors :

Remuneration to Non Whole-time Directors is paid, with the approval of the Board of Directors, Members of the Company in General Meeting and the Government of India, effective from the Financial Year 1994-95 onwards.

Currently, the Non Whole-time Directors are paid the following remuneration:

- ◇ Commission, restricted to a maximum of 1% of the net profits of the Company, computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956, for all of them together.
- ◇ The above shall be shared amongst the Non Whole-time Directors equally.
- ◇ The above shall be subject to a further ceiling of ₹ 1 00 000 per financial year, for each Director.
- ◇ In case any Director has held the office of Director only for a part of the financial year, then the remuneration shall be paid only proportionately, in proportion to the period for which he was a Director during that financial year.

Besides the above, the Non Whole-time Directors are paid Sitting Fee for attending the Board / Committee Meetings of the Board of Directors, in accordance with the provisions of Articles of Association of the Company.

During the Financial Year 2011-12, a sum of ₹ 4 80 000 was paid as Sitting Fee to all the

SESHASAYEE PAPER AND BOARDS LIMITED

Non Whole-time Directors. Further, a sum of ₹ 7 41 667 is payable, as Commission on Net Profits, for the Financial Year 2011-12. Details are furnished hereunder:

SI No.	Name of the Non Whole-time Directors	Sitting Fee paid		Commission payable for 2011-12
		Board Meetings	Committee Meetings	
		₹	₹	
1	Sri Arun G Bijur	40 000	50 000	1 00 000
2	Sri Bimal Kumar Poddar	40 000	40 000	1 00 000
3	Sri R V Gupta, IAS (Retd.)	50 000	50 000	1 00 000
4	Sri Md. Nasimuddin, IAS	10 000 [@]	--	1 00 000 [@]
5	Dr S Narayan, IAS (Retd.)	40 000	30 000	1 00 000
6	Mrs Philomina Thomas	30 000 ^{\$}	--	41 667 ^{\$}
7	Dr T Prabhakara Rao, IAS	10 000 [@]	--	--
8	Sri C V Sankar, IAS	--	--	1 00 000 [#]
9	Sri V Sridar	40 000	50 000	1 00 000
	Total	2 60 000	2 20 000	7 41 667

Payable to Government of Tamilnadu

@ Payable to The Tamilnadu Industrial Investment Corporation Limited

\$ Payable to Life Insurance Corporation of India

Remuneration to Chairman and Managing Director / Whole-time Directors :

Remuneration to Chairman and Managing Director / Deputy Managing Director / Whole-time Director is approved by the Audit Committee / Board of Directors within the ceiling prescribed under Schedule XIII to the Companies Act, 1956. The same is also approved by the Members of the Company in General Meeting.

No Sitting Fee is paid to the Chairman and Managing Director / Deputy Managing Director / Whole-time Director.

Remuneration to Chairman and Managing Director / Deputy Managing Director / Whole-time Director, for the Financial Year 2011-12 is as under:

	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai
	₹	₹	₹
Salary	24 00 000	19 80 000	19 80 000
Commission for the year	24 00 000	19 80 000	19 80 000
Contribution to:			
(i) Provident Fund	2 88 000	2 37 600	2 37 600
(ii) Superannuation Fund	3 60 000	2 97 000	2 97 000
(iii) Gratuity Fund	3 59 270	2 60 015	3 92 762
Other Perquisites	5 000	2 20 161	2 75 639
Total	58 12 270	49 74 776	51 63 001

5 Share Transfer and Shareholders / Investors Grievance Committee

Name of the Non Executive Director heading the Committee:

Sri Arun G Bijur

Name and designation of compliance officer :

Sri V Pichai
Director (Finance) & Secretary

Number of shareholders' complaints received during 2011-12 :

Nil

Number of complaints not solved to the satisfaction of shareholders :

Nil

Number of pending complaints as on March 31, 2012 :

Nil

6 General Body Meetings

Last three Annual General Meetings were held at 11.00 AM on July 25, 2009, July 24, 2010 and July 23, 2011, at the "Community Centre", SPB Colony, Erode 638 010.

There were no Special Resolutions at the above three the Annual General Meetings.

The system of voting, by Postal Ballot, was introduced by the Companies (Amendment) Act, 2000, through the insertion of a new Section 192A to the Companies Act, 1956. The new provision has come into effect from May 10, 2001. Government of India has also notified, items of business that require voting through Postal Ballot. After the notified date, none of the items of business mentioned in the Notification, requiring voting by Postal Ballot, has been included in the Agenda of the General Body Meetings of the Company.

7 Disclosures**(i) (a) Ponni Sugars (Erode) Limited (PEL) :**

Our Company holds 18 35 260 Shares of ₹ 10 each, representing 21.34%, in the Equity Capital of Ponni Sugars (Erode) Limited (PEL).

Four of our Directors, viz., Sri N Gopalaratnam, Sri Bimal Kumar Poddar, Sri Arun G Bijur and Sri V Sridar, are also the Directors of PEL. Sri N Gopalaratnam, Chairman and Managing Director of our Company is also the Chairman of PEL.

PEL holds 12 00 000 Equity Shares of ₹ 10 each, representing 10.67%, in the Equity Capital of our Company.

Our Company has entered into a long term arrangement, with PEL, for procurement of entire bagasse produced by them in their unit at Erode. The arrangement includes procurement and supply of fuels to them, establishment and maintenance of infrastructure facilities, like Boilers and Turbo Alternator Sets, supply of water, etc.

Our Company has a tri-partite arrangement, with PEL and three Lift Irrigation Societies, for supply of treated effluent water to the members of the Lift Irrigation Societies, for growing sugar cane in their fields and in turn, to supply the sugar cane so grown to PEL. The running and maintenance cost of the Pump Houses, for distribution of the treated effluent water to the fields of the farmers, is shared, equally, between our Company and PEL.

(b) SPB Projects and Consultancy Limited (SPB-PC) :

SPB-PC is a renowned consultancy company in pulp and paper. Their services were enlisted as Project Consultants for all our major Projects, including the recent Mill Development Plan. Sri N Gopalaratnam, our Company's Chairman and Managing Director, is on the Board of SPB-PC and he is also the Chairman of SPB-PC. Sri Arun G Bijur, a Director of our Company is the Managing Director of SPB-PC. Our Company has invested ₹ 5 lakhs, in the Equity Share Capital of SPB-PC, representing 16.67% of the Equity Capital of SPB-PC.

(c) High Energy Batteries (India) Limited (HEB) :

HEB was established in 1979-80, at the instance of Directorate of Technical Development and Production (DTD & P) Air, to initially develop and manufacture high energy specialised batteries for use by the Air Force in MIG Aircrafts, in substitution of batteries that were then being imported from USSR.

Their current production range include batteries for Commercial and Military Aircrafts, Underwater Propulsion (Torpedo), Remote Sensing and Telemetry, Power Sources for Satellite Launch Vehicles, Missile Guidance Power Source, NiCd / NiMh rechargeable batteries, Fuel Cells, Cuprous Chloride batteries, etc.

The National Awards for the R & D efforts in industry for the years 1990-91 and 2004 were given to HEB in recognition of their outstanding

work in the battery technology field. In recognition of the successful indigenisation of the primary battery for SUT Torpedo, HEB received an award for indigenisation during the year 1998-99. Again in 2004, HEB received the Defence Technology Absorption Award from Defence Research & Development Organisation, Ministry of Defence, along with a Cash Prize. The Award was presented by the Hon'ble Prime Minister of India.

HEB has set up a Plant at a cost of ₹ 20 crores (appx.), to diversify its product range and manufacture Automotive Lead Acid Batteries and VRLA Batteries for commercial applications in the domestic market. The Company expects to double its turnover from the current level of ₹ 25 crores in the next couple of years.

Sri N Gopalaratnam, our Company's Chairman and Managing Director, is on the Board of HEB and he is also the Chairman of HEB. Our Company is holding 2 82 911 Equity Shares of ₹ 10 each, in the Equity Capital of HEB, constituting 15.78% of the total Equity Share Capital of HEB.

HEB holds 10 329 Equity Shares of ₹ 10 each, representing 0.09%, in the Equity Capital of our Company.

(d) Time Square Investments Private Limited (TSI) :

TSI is an investment company belonging to the promoter group. TSI holds 11 72 225 Equity Shares of ₹ 10 each, representing 10.42% in the Equity Capital of our Company. Sri N Gopalaratnam, our Company's Chairman and Managing Director and Sri V Pichai, our Company's Director (Finance) & Secretary are on the Board of TSI.

(e) SPB Papers Limited (SPBPL) :

SPB Papers Limited (SPBPL) (formerly Subburaj Papers Limited) is a 90 000 tonnes per annum, secondary pulp based paper mill located near Tirunelveli in Tamilnadu. SPBPL was acquired by ESVIN-SPB Group in February 2011 by taking over the assets and liabilities and also

by purchase of the entire Equity Shares. In the process our Company acquired 62 50 000 Equity Shares of ₹ 10 each, constituting 41.67% of the total Equity Capital of SPBPL. Among others, the acquisition involved settlement of the dues of the existing Banks through a negotiated One Time Settlement (OTS). For this purpose, the Company availed a Short Term Loan of ₹ 210 crores from Canara Bank and advanced to SPBPL a sum of ₹ 180 crores to enable them to settle the Banks under OTS. On sanction of regular fund based limits, SPBPL has since repaid the said loan to the Company.

A Scheme of Amalgamation has been drawn up to amalgamate SPBPL with SPB with effect from April 01, 2012, as provided for under Sections 391 to 394 of the Companies Act, 1956. Based on valuations, a Share Exchange Ratio was fixed at one (1) Equity Share of ₹ 10 each of SPB for every Eleven (11) Equity Shares of ₹ 10 each of SPBPL. The Equity Shares of SPB will be allotted to the Shareholders of SPBPL whose names appear in the Register of Members of SPBPL on the Record Date to be fixed for this purpose.

The fairness of the Share Exchange Ratio was certified by a SEBI recognised Category - I Merchant Banker.

The Scheme is to be approved by the Stock Exchanges, the Secured Creditors, Un-secured Creditors, Members of both the Companies and the Hon'ble High Court of Madras.

(ii) The Company has complied with all the Regulations of the Securities Exchange Board of India (SEBI) and Stock Exchanges. Hence, no penalties or strictures were imposed on the Company, by any Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

8 Compliance with Mandatory and Non-mandatory requirements

The Company complies with all mandatory requirements of Corporate Governance contained in SEBI Guidelines and Listing Agreement.

The Company is in the regime of unqualified financial statements.

Though non-mandatory, Remuneration Committee of the Board has been constituted by the Company. Other Non-mandatory requirements, in the opinion of the Board, have no material bearing on the current standard of Corporate Governance by the Company and hence will be addressed as appropriate in future.

9 Means of communication

The Un-audited Quarterly Financial Results are published not only in news papers, but are also sent to each Shareholder, by post. The Results are generally published in 'The Hindu Business Line', in English and in 'Dinamalar', in Tamil. The Results are also placed on the Company's Web Site, www.spbltd.com.

As per the directions of the Securities and Exchange Board of India and the provisions of the amended Listing Agreements with the Stock Exchanges, the Company has created an exclusive e-mail ID, viz., investor@spbltd.com for redressal of investor grievances.

10 Management's Discussion and Analysis Report

Management's Discussion and Analysis Report is made a part of the Annual Report and attached to the Directors' Report to Shareholders.

11 CEO / CFO Certification

CEO / CFO certification by Sri N Gopalaratnam, Chairman and Managing Director and Sri V Pichai, Director (Finance) & Secretary, as stipulated by Clause 49 of the Listing Agreement was placed before the Board of Directors at its meeting held on May 29, 2012.

12 Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management Executives of the Company. The said Code of

Conduct has been posted on the Web Site of the Company, viz., www.spbltd.com.

CEO Declaration :

DECLARATION

I, N Gopalaratnam, Chairman and Managing Director of Seshasayee Paper and Boards Limited hereby declare that all Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct laid down by the Board of Directors.

Sd/-

(N GOPALARATNAM)
Chairman and
Managing Director

Chennai
May 29, 2012

13 Compliance Certificate of the Auditors

Certificate of Statutory Auditors has been obtained on the compliance of conditions of Corporate Governance in deference to Clause 49 of the Listing Agreement and the same is annexed. Copy of the Certificate is furnished to the Stock Exchanges, as required.

14 Reconciliation of Share Capital Audit Reports

Quarterly Reconciliation of Share Capital Audit Reports, on reconciliation of the total admitted capital with NSDL / CDSL and the total issued and listed capital, were furnished to the Stock Exchanges on the following dates:

For the Quarter ended	Furnished on
30 06 2011	16 07 2011
30 09 2011	18 10 2011
31 12 2011	13 01 2012
31 03 2012	16 04 2012

15 General Shareholder information

- (i) AGM : Date, time and venue :
- 11.00 AM
Saturday, July 28, 2012
"Community Centre", SPB Colony
Erode 638 010, Tamilnadu.
- (ii) Financial Calendar (tentative and subject to change) :
- May 2012 :
Audited Results for 2011-12
- July 2012 :
Annual General Meeting and First Quarter Results for 2012-13
- October 2012 :
Second Quarter Results
- January 2013 :
Third Quarter Results
- March 2013 :
Review of Performance
- May 2013 :
Audited Results for 2012-13
- July 2013 :
Annual General Meeting and First Quarter Results for 2013-14.
- (iii) Date of Book closure :
- From July 20, 2012 to July 28, 2012 (both days inclusive).
- (iv) Dividend Payment Date :
- On declaration by the Members at the Fifty Second Annual General Meeting being held on July 28, 2012, the dividend will be paid on July 30, 2012.

- (v) Listing on Stock Exchanges :

(a) BSE Limited

Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Ph: (91)(22)2272 1233 - 1234 (General)
Web Site: www.bseindia.com
E-mail: corp.relations@bseindia.com
Fax: (91)(22)2272 2041 / 2272 3121

(b) National Stock Exchange of India Limited

"Exchange Plaza"
Bandra - Kurla Complex
Bandra (East)
Mumbai 400 051
Ph: (91)(22)2659 8235 - 8236
Web Site: www.nseindia.com
E-mail: cmlist@nse.co.in
Fax: (91)(22)2659 8237 / 2659 8238

- (vi) Payment of Annual Listing Fees to the Stock Exchanges :

Listing Fee has been paid to the above two Stock Exchanges, in which the Company's Equity Shares are listed, upto March 31, 2013.

- (vii) Stock Codes :

Under Demat System, the ISIN allotted to the Company's Equity Shares is INE630A01016.

The Company's Stock Codes are **SESHAPAPER** in the National Stock Exchange and **502450** in the BSE Limited.

SESHASAYEE PAPER AND BOARDS LIMITED

15 General Shareholder information (Contd.)

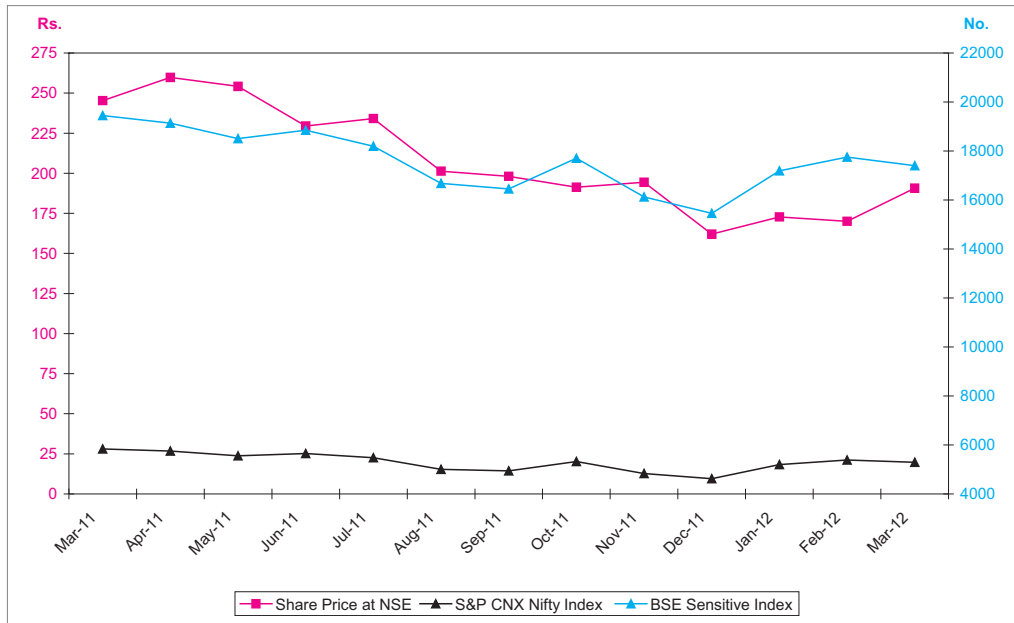
(viii) Market Price Data :

High, low and volume during each month in the last financial year (reported at the BSE Limited and National Stock Exchange of India Limited).

Month	Bombay Stock Exchange				National Stock Exchange			
	Share Price		Volume		Share Price		Volume	
	High ₹	Low ₹	No. of Shares	Value (₹ lakhs)	High ₹	Low ₹	No. of Shares	Value (₹ lakhs)
2011								
April	272.00	235.00	46369	119.23	271.70	240.00	106537	271.68
May	268.95	232.30	13857	34.38	269.95	233.05	26636	66.83
June	258.80	212.20	7425	17.55	250.00	222.00	11297	26.49
July	259.90	228.50	87740	211.26	260.00	226.00	113961	275.67
August	244.00	187.00	33205	65.81	238.70	188.05	36881	77.49
September	239.85	193.15	5258	10.66	227.00	187.00	28132	57.43
October	219.95	184.15	6045	11.84	220.00	183.95	8266	16.15
November	232.95	185.00	34847	71.25	250.00	185.30	48373	98.97
December	210.00	157.00	290772	609.18	209.00	158.00	7094	13.16
2012								
January	201.35	161.05	4790	8.55	202.40	158.00	15468	28.06
February	205.00	166.00	26895	47.41	189.00	163.70	307133	551.74
March	224.70	162.70	647927	1262.43	224.25	155.50	760369	1491.17

15 General Shareholder information (Contd.)

(ix) Performance, in comparison of the Price movement of the Company's Shares with BSE Sensex and Nifty Index movement. :



(x) Registrar and Transfer Agents both for shares held in physical form and in electronic mode :

Integrated Enterprises (India) Limited

'Kences Towers', II Floor
 No.1, Ramakrishna Street
 North Usman Road
 T Nagar
 Chennai 600 017
 Ph: (91)(44) 2814 0801 - 803
 Fax: (91)(44) 2814 2479
 E-mail: corpserve@integratedindia.com

(xi) Share Transfer System :

Share transfers are registered and returned within the statutory time limit, if the documents are clear in all respects.

The Share Transfer and Shareholders / Investors Grievance Committee of the Board of Directors meets once in three months. To quicken the process of transfer of shares, the Director (Finance) & Secretary has been delegated with the powers to approve transfers, if the documents are in order.

SESHASAYEE PAPER AND BOARDS LIMITED

15 General Shareholder information (Contd.)

(xii) Distribution of shareholding as on
March 31, 2012 :

Distribution	No. of Shareholders	% of Shareholders	No. of Shares	% of Share holding
1 - 100	9 481	74.20	4 26 669	3.79
101 - 200	1 706	13.35	2 59 914	2.31
201 - 500	1 026	8.03	3 32 939	2.96
501 - 1000	299	2.34	2 25 640	2.01
1001 - 5000	186	1.46	4 05 871	3.61
5001 - 10000	40	0.31	3 00 556	2.67
10001 and above	40	0.31	92 98 411	82.65
Total	12 778	100.00	1 12 50 000	100.00

(xiii) Pattern of shareholding as on
March 31, 2012 :

Category	No. of Shareholders	Voting strength %	No. of Shares held
Individuals	12 408	27.83	31 30 324
Companies	244	34.15	38 42 042
FII's, NRIs, OCBs	103	17.34	19 50 865
Mutual Funds, Insurance Companies and Banks	16	0.02	2 751
FIs	7	20.66	23 24 018
Total	12 778	100.00	1 12 50 000

15 General Shareholder information (Contd.)

(xiv) Top 10 Shareholders of the Company
as on March 31, 2012 :

Sl No.	Names	No. of Shares	%
1	The Tamilnadu Industrial Investment Corporation Limited	18 00 000	16.00
2	Synergy Investments Pte Ltd	15 47 695	13.76
3	Ponni Sugars (Erode) Ltd	12 00 000	10.67
4	Time Square Investments Private Ltd	11 72 225	10.42
5	Dhanashree Investments Private Ltd	5 30 000	4.71
6	Life Insurance Corporation of India	5 21 918	4.64
7	Sangameshwar Properties Private Ltd	4 74 463	4.22
8	Atyant Captial Management Ltd	3 86 128	3.43
9	Bharat Jayantilal Patel	3 26 960	2.91
10	Pushpa Devi Saraogi	2 24 999	2.00
Total		81 84 388	72.76

(xv) Dematerialisation of Shares and Liquidity :

For Dematerialisation of Equity Shares, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have been included in the list in which trading is compulsory for all investors in dematerialised form, along with other scrips, from July 24, 2000.

As on March 31, 2012, 5 106 Shareholders are holding Shares in Demat form and 87 33 435 shares have been dematerialised, representing 77.63% of the total Equity Share Capital.

(xvi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity :

NIL

(xvii) Plant Location :

Pallipalayam
Namakkal District, Cauvery RS PO
Erode 638 007, Tamilnadu

(xviii) Address for correspondence :

Seshasayee Paper and Boards Limited
Pallipalayam
Namakkal District, Cauvery RS PO
Erode 638 007, Tamilnadu
Ph : (91)(4288)240 221 - 228
Fax : (91)(4288)240 229
Email : edoff@spbltd.com
investor@spbltd.com
Web Site : www.spbltd.com

SESHASAYEE PAPER AND BOARDS LIMITED

SURI & CO.,
CHARTERED ACCOUNTANTS

M/s S VISWANATHAN
CHARTERED ACCOUNTANTS

CERTIFICATE OF THE AUDITORS TO THE SHAREHOLDERS OF M/s SESHASAYEE PAPER AND BOARDS LIMITED ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s Seshasayee Paper and Boards Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations hereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for period exceeding one month against the Company, as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SURI & CO.,
Firm Regn. No. 004283S
S Swaminathan
Membership No. 020583
Partner
Chartered Accountants

Chennai
May 29, 2012

For M/s S VISWANATHAN
Firm Regn. No. 004770S
Chella K Srinivasan
Membership No. 023305
Partner
Chartered Accountants

SESHASAYEE PAPER AND BOARDS LIMITED

SURI & CO.,
CHARTERED ACCOUNTANTS

M/s S VISWANATHAN
CHARTERED ACCOUNTANTS

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF M/s SESHASAYEE PAPER AND BOARDS LIMITED

- 1 We have audited the attached Balance Sheet of M/s SESHASAYEE PAPER AND BOARDS LIMITED, as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

knowledge and belief, were necessary for the purposes of our audit.
- 2 We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report, are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report, comply with the Accounting Standards, referred to in Section 211(3C) of the Companies Act, 1956, so far as applicable.
 - (v) On the basis of declarations from the Directors of the Company, as at March 31, 2012, and taken on record by the Board of Directors of the Company, no Director is disqualified as on March 31, 2012, from being appointed as a Director of the Company, in terms of Section 274(1)(g) of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of the Company's affairs, as at March 31, 2012;
- 3 As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government under Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations which, to the best of our

SESHASAYEE PAPER AND BOARDS LIMITED

(b) in the case of the Statement of Profit and Loss, of the PROFIT for the financial year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SURI & CO.,

Firm Regn. No. 004283S
S Swaminathan
Membership No. 020583
Partner
Chartered Accountants

Chennai
May 29, 2012

For M/s S VISWANATHAN

Firm Regn. No. 004770S
Chella K Srinivasan
Membership No. 023305
Partner
Chartered Accountants

ANNEXURE TO AUDITORS' REPORT :

Referred to in Paragraph 3 of our Report of even date :

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) Fixed assets of a substantial part, affecting the going concern, have not been disposed off during the year.
 - 2 (a) The Management has carried out physical verification of inventory at reasonable intervals.
(b) The procedure of physical verification of inventory, followed by the Management, is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
 - 3 (a) The Company has granted an unsecured loan of ₹ 16.35 crores to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956 and the balance outstanding as on 31st March 2012 was ₹ 5 crores.
- (b) The rate of interest and other terms and conditions of the loan given are, prima facie, not prejudicial to the interest of the Company.
(c) The payment of interest and repayment of principal are regular.
(d) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence, Sub-clauses (f) and (g) of Clause (iii) of Paragraph 4 of the Order are not applicable.
 - 4 There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services and no major weakness has been noticed in the internal control system.
 - 5 (a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the Register required to be maintained under that Section.
(b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.

SESHASAYEE PAPER AND BOARDS LIMITED

- 6 The Company has not accepted any deposits from the public.
- 7 The Company has an internal audit system commensurate with its size and nature of its business.
- 8 Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 and such accounts and records have been made and maintained.
- 9 (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State

Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.

- (b) Details of dues of Income Tax, Wealth Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March 2012 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount ₹ lakhs	Forum where the dispute is pending	Period to which the dues belong
Central Excise Act, 1944	Excise Duty	4.69	CESTAT	March - November 2005
- do -	- do -	76.61	CESTAT	May - December 2005
- do -	- do -	269.76	CESTAT	February 2004 - March 2005
- do -	- do -	7.67	Commissioner (Appeals)	December 2005 - June 2007
- do -	- do -	26.32	- do -	January - June 2007
- do -	- do -	2.43	- do -	For the day 07 12 2008
- do -	- do -	4.56	Hon'ble High Court of Madras	October - November 1996
Income Tax Act, 1961	Income Tax	313.03	Commissioner of Income Tax (Appeals)	Assessment Year 2007-08
- do -	- do -	738.27	- do -	Assessment Year 2008-09

- 10 The Company has no accumulated losses as at March 31, 2012 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- 11 The Company has not defaulted in repayment of dues to financial institution or banks. There are no dues payable to the debenture holders during the year.

- 12 The Company has granted a loan on the basis of security by way of pledge of shares and adequate documents and records for such loan has been maintained.
- 13 The Company is not a chit fund / nidhi / mutual benefit fund / society and hence, Clause (xiii) of Paragraph 4 of the Order is not applicable to the Company.

SESHASAYEE PAPER AND BOARDS LIMITED

- 14 The Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15 The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 Term loans borrowed by the Company were applied for the purpose for which the loans were obtained.
- 17 Funds raised on short term basis have not been used for long term investments.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- 19 The Company has not issued any debentures and hence, creation of charge does not arise.
- 20 The Company has not raised any money through public issues and hence, disclosure and verification of end use of money raised through public issues do not arise.
- 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For SURI & CO.,

Firm Regn. No. 004283S
S Swaminathan
Membership No. 020583
Partner
Chartered Accountants

Chennai
May 29, 2012

For M/s S VISWANATHAN

Firm Regn. No. 004770S
Chella K Srinivasan
Membership No. 023305
Partner
Chartered Accountants

SESHASAYEE PAPER AND BOARDS LIMITED

BALANCE SHEET AS AT 31st MARCH 2012

	Note No.	As at		As at	
		31-3-2012	31-3-2011	31-3-2011	31-3-2011
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	4	1125.00		1125.00	
(b) Reserves and Surplus	5	<u>29936.07</u>		<u>27180.28</u>	
			31061.07		28305.28
2 Non Current Liabilities					
(a) Long Term Borrowings	6(a)	8905.64		13754.95	
(b) Deferred Tax Liabilities (net)	6(b)	8219.50		8301.50	
(c) Other Long Term Liabilities	6(c)	1006.91		1009.11	
(d) Long Term Provisions	6(d)	<u>908.64</u>		<u>993.34</u>	
			19040.69		24058.90
3 Current Liabilities					
(a) Short Term Borrowings	7(a)	7814.33		21000.00	
(b) Trade Payables	7(b)	16140.57		7421.72	
(c) Other Current Liabilities	7(c)	5700.32		5464.05	
(d) Short Term Provisions	7(d)	<u>1165.30</u>		<u>1133.17</u>	
			30820.52		35018.94
Total			<u>80922.28</u>		<u>87383.12</u>
II ASSETS					
1 Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	8(a)	44838.92		47327.15	
(ii) Intangible Assets	8(b)	164.06		147.13	
(iii) Capital Work-in-Progress	8(c)	571.30		848.63	
(b) Non Current Investments	8(d)	2323.20		2323.20	
(c) Long Term Loans and Advances	8(e)	<u>683.52</u>		<u>270.51</u>	
			48581.00		50916.62
2 Current Assets					
(a) Inventories	9(a)	8620.17		4488.03	
(b) Trade Receivables	9(b)	10020.16		5227.57	
(c) Cash and Bank Balances	9(c)	648.96		2884.45	
(d) Short Term loans and Advances	9(d)	12746.73		23355.57	
(e) Other Current Assets	9(e)	<u>305.26</u>		<u>510.88</u>	
			32341.28		36466.50
Total			<u>80922.28</u>		<u>87383.12</u>

See accompanying Notes to Financial Statements.

<p style="text-align: center;">Vide our report of date attached</p> <p style="text-align: center;">For SURI & CO., Firm Regn. No. 004283S S Swaminathan Membership No.020583 Partner Chartered Accountants</p> <p style="text-align: center;">For Messrs S VISWANATHAN Firm Regn. No. 004770S Chella K Srinivasan Membership No.023305 Partner Chartered Accountants</p>	<p style="text-align: center;">N GOPALARATNAM Chairman and Managing Director</p> <p style="text-align: center;">V PICHAJ Director (Finance) & Secretary</p>	<p style="text-align: center;">ARUN G BIJUR R V GUPTA Md NASIMUDDIN Dr S NARAYAN PHILOMINA THOMAS V SRIDAR Directors</p> <p style="text-align: center;">K S KASI VISWANATHAN Deputy Managing Director</p>
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SESHASAYEE PAPER AND BOARDS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

	Note No.	Year ended 31-3-2012		Year ended 31-3-2011	
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I Revenue from operations :					
Sales and Other Operating Income	12	63911.78		59514.48	
Less : Excise Duty		<u>2770.00</u>		<u>2166.61</u>	
			61141.78		57347.87
II Other Income	13		462.77		638.47
III Total Revenue (I + II)			<u>61604.55</u>		<u>57986.34</u>
IV Expenses :					
(a) Cost of Materials Consumed	14		27902.64		23951.66
(b) Purchase of Stock-in-Trade	15		2759.28		1762.78
(c) Changes in inventories of Finished Goods, Work-in- Process and Stock-in-Trade	16		-1121.09		-182.44
(d) Employee benefits expense	17		4620.03		5227.84
(e) Finance Costs	18		2432.31		2202.98
(f) Depreciation and Amortisation expense	8		3425.60		3399.42
(g) Other Expenses	19		17090.24		15546.87
Total expenses			<u>57109.01</u>		<u>51909.11</u>
V Profit before exceptional and extraordinary items and tax (III - IV)			4495.54		6077.23
VI Exceptional items			0.00		0.00
VII Profit before extraordinary items and tax (V - VI)			4495.54		6077.23
VIII Extraordinary items			0.00		0.00
IX Profit before Tax (VII - VIII)			4495.54		6077.23
X Tax Expense :					
(a) Current Tax	20		1168.00		0.00
(b) Deferred Tax	21		<u>-82.00</u>		<u>-423.00</u>
			1086.00		-423.00
XI Profit for the period from continuing operations (IX - X)			3409.54		6500.23

SESHASAYEE PAPER AND BOARDS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012 (Contd.)

	Year ended 31-3-2012 ₹ lakhs	Year ended 31-3-2011 ₹ lakhs
XI Profit for the period from continuing operations (IX - X)	3409.54	6500.23
XII Profit / Loss from discontinuing operations	0.00	0.00
XIII Tax expense of discontinuing operations	0.00	0.00
XIV Profit / Loss from discontinuing operations after tax (XII - XIII)	0.00	0.00
XV Profit or loss for the period (XI + XIV)	3409.54	6500.23
XVI Earnings Per Equity Share :		
(a) Basic	30.31	57.78
(b) Diluted	30.31	57.78

Vide our report of date attached

For SURI & CO.,
Firm Regn. No. 004283S
S Swaminathan
Membership No.020583
Partner
Chartered Accountants

For Messrs S VISWANATHAN
Firm Regn. No. 004770S
Chella K Srinivasan
Membership No.023305
Partner
Chartered Accountants

N GOPALARATNAM
Chairman and
Managing Director

V PICHAJ
Director (Finance) &
Secretary

ARUN G BIJUR
R V GUPTA
Md NASIMUDDIN
Dr S NARAYAN
PHILOMINA THOMAS
V SRIDAR
Directors

K S KASI VISWANATHAN
Deputy Managing Director

Chennai
May 29, 2012

Notes forming part of the Balance Sheet as at 31st March 2012 and Statement of Profit and Loss for the year ended 31st March 2012.

1 SIGNIFICANT ACCOUNTING POLICIES

a) General

The Financial Statements have been prepared on the historical cost convention and in accordance with Generally Accepted Accounting Principles and complying with the applicable Accounting Standards.

b) Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned.

c) Investments

Long term Investments are stated at cost.

Current Investments are stated at the lower of cost and fair value.

Any diminution in the value of long term investments is charged off, only if, such a decline is other than temporary, in the opinion of the Management.

d) Inventories

Inventories are valued at lower of cost and net realisable value.

Stocks of Raw materials, Stores, Spares and Chemicals are valued at cost on weighted average basis. Cost includes, taxes and duties (other than duties and taxes for which CENVAT / VAT credit is available), freight and other direct expenses.

For valuation of Finished Goods / Stock-in-Process, cost includes material, direct labour, overheads (other than selling and administrative overheads), Excise Duty and Education Cess, wherever applicable.

e) Government Grants

Government Grants in the nature of Capital Subsidies are credited to Capital Reserve and treated as part of Shareholders' Funds.

f) Borrowing Costs

Borrowing costs (net of interest earned on temporary investment of those borrowings) directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the assets.

Other borrowing costs are recognised as expense as and when incurred.

g) Revenue and Expenditure Recognition

Revenue is recognised and expenditure is accounted for on their accrual.

Revenue involving :

- (a) Sale of goods is recognised on transfer of all significant risks and rewards of ownership to the customer.
- (b) Dividend income is recognised on establishment of the right to receive payment.
- (c) Other incomes are recognised when no significant uncertainty on measurability or collectability exists.

h) Intangible Assets

(i) General

Intangible assets are stated at cost less accumulated amortisation.

Computer Software is amortised at 20% on straight line basis over a period of five years.

Know-how is amortised at 10% on straight line basis over a period of ten years.

(ii) Research and Development

Expenditure on Research and Development is charged off as and when incurred.

i) Foreign Exchange Transactions

Transactions in foreign exchange are accounted at the rates prevailing on the date of transactions.

Foreign currency Liabilities / Assets at the close of the year are restated, adopting the year end rates. The resultant difference, if any, is recognised as income or expense in the Statement of Profit and Loss.

Exchange difference, arising on forward contracts, is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Premium / discount arising on forward contracts are amortised as expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense for the period.

j) Employee Benefits

Short term employee benefits, in respect of leave salary, leave travel allowance and reimbursement of medical expenses, the liability has been fully provided on undiscounted basis, in accordance with the Schemes in force.

The contribution to Provident Fund (defined contribution plan), as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, is recognised as expense and remitted to the Provident Fund Commissioner. The contribution to Superannuation Fund (defined contribution plan) is recognised as expense and funded with Life Insurance Corporation of India.

The Company's liability towards retirement benefits, in the form of gratuity (defined benefit plans) and other retirement benefits is worked out on actuarial basis at the end of the year and is provided.

Actuarial gain / loss is recognised in the Statement of Profit and Loss.

k) Depreciation

Depreciation has been provided on Straight Line Method, in accordance with the provision of The Companies Act, 1956, at the rates prescribed in Schedule XIV to the Act.

l) Impairment of Assets

Impairment loss, if any, is provided to the extent the carrying amount of the assets exceeds their recoverable amount.

m) Provisions

Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which a reliable estimate on the amount of obligation could be made.

n) Lease

Assets given under finance lease are recognised at the amount equal to net investment in the lease and the finance income is recognised based on rate of return on the net investment of such finance lease.

Lease payments on assets taken on lease are recognised as an expense on a straight line basis over the lease term.

o) Taxes on Income

Taxes on income are accrued in the same period as the revenue and expenses to which they relate. Taxes on income is accounted as per Accounting Standard AS-22 - "Accounting for Taxes on Income". Taxes on income includes, both Current Taxes and Deferred Taxes. Deferred taxes reflect the impact of current year timing differences between the taxable income and accounting income and reversal of timing differences of earlier years. Deferred Tax Assets are recognised only to the extent that there is virtual / reasonable certainty that sufficient future taxable income will be available.

2 SEGMENT

Paper is the only reportable segment of operation of the Company.

3 REGROUPING OF FIGURES

Figures for the previous year have been re-grouped, wherever necessary, to conform to current year's classification.

4 SHARE CAPITAL

AUTHORISED :

	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
2 50 00 000 - Equity Shares of ₹ 10 each	2500.00	2500.00
3 00 00 000 - Cumulative Redeemable Preference Shares of ₹ 10 each	3000.00	3000.00
	5500.00	5500.00

**ISSUED, SUBSCRIBED AND FULLY
PAID UP :**

1 12 50 000 - Equity Shares of ₹ 10 each fully paid up	1125.00	1125.00
	1125.00	1125.00

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012		As at 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
(i) Reconciliation of the shares outstanding at the beginning and at the end of the year :				
	No. of Shares in lakhs	Value ₹ lakhs	No. of Shares in lakhs	Value ₹ lakhs
Equity Shares :				
At the beginning and at the end of the year	112.50	1125.00	112.50	1125.00
(ii) Details of shareholders holding more than 5% shares of the Company				
	No. of Shares in lakhs	% holding to Equity Capital	No. of Shares in lakhs	% holding to Equity Capital
(i) Tamilnadu Industrial Investment Corporation Limited	18.00	16.00	18.00	16.00
(ii) Synergy Investments Pte Ltd	15.48	13.76	15.48	13.76
(iii) Ponni Sugars (Erode) Ltd	12.00	10.67	12.00	10.67
(iv) Time Square Investments (P) Ltd	11.72	10.42	11.72	10.42

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	₹ lakhs	As at 31-3-2011 ₹ lakhs	₹ lakhs
5 RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet		50.29		50.29
Securities Premium Account				
As per last Balance Sheet		360.00		360.00
Other Reserves :				
Investment Allowance Reserve				
As per last Balance Sheet	75.00		75.00	
Less : Transfer to Surplus in Statement of Profit and Loss	75.00		0.00	
		0.00		75.00
General Reserve				
As per last Balance Sheet	24500.00		18500.00	
Add: Amount transferred from surplus in Statement of Profit and Loss	2000.00		6000.00	
Closing Balance		26500.00		24500.00
Surplus in Statement of Profit and Loss				
Balance as per Statement of Profit and Loss of the previous year	2194.99		2348.51	
Profit for the year	3409.54		6500.23	
Transfer from Investment Allowance Reserve	75.00		0.00	
	5679.53		8848.74	
Appropriations :				
- Transfer to General Reserve	2000.00		6000.00	
- Proposed Equity Dividend - Amount per Equity Share ₹ 5 (Previous year - ₹ 5 per Equity Share)	562.50		562.50	
- Tax on proposed Equity Dividend	91.25		91.25	
	2653.75		6653.75	
Net Surplus in Statement of Profit and Loss		3025.78		2194.99
Total Reserves and Surplus		29936.07		27180.28

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
6 NON CURRENT LIABILITIES		
(a) Long Term Borrowings		
(i) Term Loans from Banks - Secured	4500.08	9749.98
The above Term Loans and Current maturities of long term loans are Secured by :		
a) a charge, by way of mortgage of immovable properties of the Company, consisting of land, buildings, fixed plant and machinery, fixtures and fittings (exclusive of 57.93 acres of land, together with structures thereon) and		
b) by way of hypothecation of all Company's movables, including movable plant and machinery, save and except book debts, subject to prior charge in favour of Company's bankers, for securing working capital advances.		
Terms of repayment :		
The entire loan is repayable in quarterly instalments at ₹ 1249.93 lakhs per quarter, during the quarters ending June, September and December 2012 and ₹ 1500.11 lakhs per quarter, during the quarters ending March, June, September 2013 and the balance during December 2013.		
Period and amount of continuing default : Nil		
(ii) Other Loans and Advances :		
Interest Free Salex Tax Loan - Unsecured	4405.56	4004.97
Terms of repayment :		
The Company is entitled to the benefit of Interest Free Sales Tax Deferral for ten years from 01 06 2003 and not exceeding an amount of ₹ 6304 lakhs. The Sales Tax so deferred is to be repaid over a period of ten years from 01 06 2013.		
	<u>8905.64</u>	<u>13754.95</u>
(b) Deferred Tax Liabilities (net)	8219.50	8301.50
Transfer to / (from) Deferred Tax is mainly on account of variation of allowances for tax purposes in :	<u>8219.50</u>	<u>8301.50</u>
Current year	Upto 31-3-2012	
₹ lakhs	₹ lakhs	
- Depreciation	(-) 86.73	(-) 8170.31
- Others	4.73	(-) 49.19
- Total	(-) 82.00	(-) 8219.50

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
(c) Other Long Term Liabilities		
Trade Payables :		
Security Deposit from Dealers	1006.91	1009.11
	1006.91	1009.11
(d) Long Term Provisions		
Provision for Employee Benefits	351.00	435.70
Provision for Generation Tax	557.64	557.64
	908.64	993.34
 7 CURRENT LIABILITIES		
(a) Short Term Borrowings		
(i) Working Capital Borrowings from Banks - Secured	7814.33	0.00
Secured by :		
- hypothecation of stocks of Raw Materials, Stores, Spares, chemicals and others, including goods-in-transit, stock-in-trade, stock-in-process and book debts and		
- second charge, on the fixed assets of the Company, enumerated in (i)a of long term borrowings, to the extent of ₹ 8500 lakhs.		
(ii) Short Term Loan from Banks - Unsecured	0.00	21000.00
Period and amount of default : Nil		
	7814.33	21000.00
(b) Trade Payables		
Acceptances	4035.05	1293.16
Sundry Creditors	12105.52	6128.56
	16140.57	7421.72

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012	As at 31-3-2011		
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<i>Notes :</i>				
The disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows :				
Principal amount due as on March 31	191.95		157.77	
Interest due and unpaid on the above as on March 31	0.00		0.00	
Interest paid	0.00		0.00	
Interest due and payable	0.00		0.00	
Interest accrued and remaining unpaid as on March 31	0.00		0.00	
Amount of further interest remaining due and payable in the succeeding years	0.00		0.00	
 (c) Other Current Liabilities				
Current maturities of long term loans	5249.89		4999.70	
Interest accrued but not due on borrowings	0.00		92.47	
Unclaimed dividend	<u>62.22</u>		<u>55.01</u>	
	5312.11		5147.18	
Others - Tax deducted / collected at source and Value Added Tax (remitted in April 2012)	388.21		316.87	
	<u>5700.32</u>		<u>5464.05</u>	
 (d) Short Term Provisions				
Provision for Employee Benefits	211.10		178.97	
Others :				
- Disputed sales tax	300.45		300.45	
- Dividend Payable	562.50		562.50	
- Tax on Dividend Payable	<u>91.25</u>		<u>91.25</u>	
	653.75		653.75	
	<u>1165.30</u>		<u>1133.17</u>	

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
8 NON CURRENT ASSETS		
Fixed Assets		
(a) Tangible Assets	44838.92	47327.15
(b) Intangible Assets	164.06	147.13
(c) Capital work in Progress	571.30	848.63
	45574.28	48322.91
<i>Details :</i>		

PARTICULARS	COST			DEPRECIATION / AMORTISATION				WRITTEN DOWN VALUE		
	As at 1-4-2011 ₹ lakhs	Additions ₹ lakhs	Deductions/ Adjustments ₹ lakhs	As at 31-3-2012 ₹ lakhs	Upto 31-3-2011 ₹ lakhs	For the Year ₹ lakhs	Withdrawn/ Adjustments ₹ lakhs	Upto 31-3-2012 ₹ lakhs	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
(a) TANGIBLE ASSETS										
LAND AND BETTERMENT BUILDINGS	108.35	0.00	0.00	108.35	0.00	0.00	0.00	0.00	108.35	108.35
- LEASEHOLD	20.51	0.00	0.00	20.51	5.36	0.33	0.00	5.69	14.82	15.15
- OTHERS	7259.23	72.04	0.00	7331.27	1725.91	246.02	0.00	1971.93	5359.34	5533.32
PLANT AND MACHINERY										
- ON LEASE TO OTHERS	4210.62	0.00	0.00	4210.62	4210.62	0.00	0.00	4210.62	0.00	0.00
- OTHERS	62611.88	813.16	138.29	63286.75	21464.27	3088.18	52.40	24500.05	38786.70	41147.61
FURNITURE, FIXTURES	545.84	55.86	0.90	600.80	253.05	24.59	0.66	276.98	323.82	292.79
VEHICLES	146.41	27.34	1.74	172.01	64.81	12.16	1.65	75.32	96.69	81.60
OFFICE EQUIPMENTS	526.98	32.92	0.03	559.87	378.65	32.05	0.03	410.67	149.20	148.33
	75429.82	1001.32	140.96	76290.18	28102.67	3403.33	54.74	31451.26	44838.92	47327.15
PREVIOUS YEAR	74443.91	1095.96	110.05	75429.82	24803.05	3378.47	78.85	28102.67	47327.15	49640.86
(b) INTANGIBLE ASSETS										
TECHNICAL KNOW-HOW	183.32	36.97	0.00	220.29	44.18	19.26	0.00	63.44	156.85	139.14
COMPUTER SOFTWARE	14.37	2.23	0.00	16.60	6.38	3.01	0.00	9.39	7.21	7.99
	197.69	39.20	0.00	236.89	50.56	22.27	0.00	72.83	164.06	147.13
PREVIOUS YEAR	194.21	3.48	0.00	197.69	29.61	20.95	0.00	50.56	147.13	164.60
(c) CAPITAL WORK-IN-PROGRESS										
AT COST									571.30	848.63
TOTAL	75627.51	1040.52	140.96	76527.07	28153.23	3425.60	54.74	31524.09	45574.28	48322.91
PREVIOUS YEAR	74638.12	1099.44	110.05	75627.51	24832.66	3399.42	78.85	28153.23	48322.91	50566.22

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
(d) Non Current Investments		
NON-TRADE		
IN EQUITY INSTRUMENTS - FULLY PAID:		
<i>Quoted:</i>		
2 65 830 Equity Shares of ₹ 2 each in Housing Development Finance Corporation Limited	7.09	7.09
2 500 Equity Shares of ₹ 2 each in HDFC Bank Limited	0.05	0.05
<i>(During the year, each Equity Share with a face value of ₹10 was split into 5 Equity Shares with a face value of ₹ 2 each)</i>		
1 14 080 Equity Shares of ₹ 10 each in IDBI Bank Limited	91.07	91.07
2 82 911 Equity Shares of ₹ 10 each in High Energy Batteries (India) Limited *	387.15	387.15
<i>Unquoted:</i>		
50 000 Equity Shares of ₹ 10 each in Agri Development Finance (Tamilnadu) Limited	5.00	5.00
TRADE		
IN EQUITY INSTRUMENTS - FULLY PAID:		
<i>Quoted:</i>		
18 35 260 Equity Shares of ₹ 10 each in Ponni Sugars (Erode) Limited *	469.73	469.73
1 00 000 Equity Shares of ₹ 10 each in Tamilnadu Newsprint and Papers Limited	106.70	106.70
Carried over	1066.79	1066.79

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	As at 31-3-2011 ₹ lakhs
Brought forward	1066.79	1066.79
TRADE		
IN EQUITY INSTRUMENTS - FULLY PAID (Contd.) :		
<i>Unquoted:</i>		
4 100 Equity Shares of ₹ 10/- each in ESVIN Advanced Technologies Limited	0.41	0.41
50 000 Equity Shares of ₹ 10/- each in SPB Projects and Consultancy Limited *	5.00	5.00
10 000 Equity Shares of ₹ 10 each in OPG Energy Private Limited	1.00	1.00
62 50 000 Equity Shares of ₹ 10 each in SPB Papers Limited *	1250.00	1250.00
* Associates	<u>2323.20</u>	<u>2323.20</u>
Aggregate amount of :		
Quoted Investments		
- Cost	1061.79	
- Market Value	4252.60	
Unquoted Investments		
- Cost	1261.41	
(e) Long Term Loans and Advances		
Capital Advances - Unsecured - Considered Good	12.18	21.77
Security Deposits - Unsecured - Considered Good	171.34	248.74
Other Loans and Advances :		
- Inter Corporate Loans - Secured - Considered Good	500.00	0.00
	<u>683.52</u>	<u>270.51</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012		As at 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
9 CURRENT ASSETS				
(a) Inventories				
Raw Materials		2056.26		1536.48
Stores, Spares, Chemicals and others		4938.25		2446.98
Finished Goods		565.05		0.00
Stock-in-Trade		481.14		0.00
Stock-in-Process		579.47		504.57
<i>[For method of valuation, please refer to Note No. 1(d)]</i>				
		8620.17		4488.03
(b) Trade Receivables				
Secured - Considered Good :				
Exceeding six months	205.31		163.21	
Other debts	998.58		914.24	
		1203.89		1077.45
Unsecured - Considered Good :				
Exceeding six months	1993.25		124.67	
Other debts	6823.02		4025.45	
		8816.27		4150.12
Doubtful :				
Exceeding six months	117.42		117.42	
Less : Allowance for doubtful debts	117.42		117.42	
		0.00		0.00
		10020.16		5227.57
(c) Cash and Bank Balances				
Cash and Cash Equivalents :				
- Cash on hand		8.63		8.22
Bank balances :				
- In Current Accounts		577.17		2820.28
Other Bank Balances :				
- Unclaimed Dividend Account		62.22		55.01
- In Deposit Account offered as security		0.94		0.94
		648.96		2884.45

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-3-2012 ₹ lakhs	₹ lakhs	As at 31-3-2011 ₹ lakhs	₹ lakhs
(d) Short Term Loans and Advances				
Loans and Advances to Related Parties -				
Unsecured - Considered Good (Refer Note No. 29)		7448.36		18050.00
Others :				
Secured - Considered Good				
- Inter Corporate Loans	100.00		500.00	
Unsecured - Considered Good				
- Prepaid expenses	124.39		162.81	
- Balances in Current Account with Central Excise Department and Port Trust	73.09		34.30	
- Tax payments pending adjustments (net)	1243.96		1245.70	
- MAT Credit Entitlement	2259.00		2546.00	
- Others	1497.93		816.76	
		5298.37		5305.57
		12746.73		23355.57
(e) Other Current Assets				
Others		305.26		510.88
		305.26		510.88
10 Contingent Liabilities and Commitments not provided for				
(i) Contingent Liabilities :				
(a) Claims against the Company not acknowledged as debts		1457.52		1780.48
(b) Guarantees		11.25		12.43
(ii) Commitments :				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		249.04		182.82
11 A Scheme of Amalgamation of SPB Papers Limited with the Company has been approved by the Board of Directors at their meeting held on April 19, 2012 and pending completion of the formalities connected with the Scheme, the Investments in SPB Papers Limited have been considered as Non Current Investments.				

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2012		Year ended 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
12 Revenue from operations				
(a) Sale of Paper and Paper Boards		56392.81		56209.43
(b) Sale of Wet Lap Pulp		4364.47		0.00
(c) Sale of Note Books		314.80		943.20
(d) Sale of Stock-in-Trade		2274.97		1821.38
(e) Other Operating Income		564.73		540.47
		63911.78		59514.48
13 Other Income				
(a) Interest income		325.44		452.23
(b) Dividend Income		73.49		101.78
(c) Other Non Operating Income		63.84		84.46
		462.77		638.47
14 Cost of Materials Consumed				
(a) Raw Materials				
(i) Wood	12507.15		10497.60	
(ii) Bagasse	2231.73		1817.70	
(iii) Purchased Pulp	573.83		867.69	
(iv) Waste Paper	2.68		0.00	
	15315.39		13182.99	
Feeding and Other Charges	417.81		421.02	
		15733.20		13604.01
(b) Stores and Chemicals		11049.43		9369.81
(c) Packing Materials		1120.01		977.84
		27902.64		23951.66
15 Purchase of Stock-in-Trade				
(a) Paper and Paper Boards		913.62		349.80
(b) Petroleum Products		1683.24		1324.81
(c) Others		162.42		88.17
		2759.28		1762.78

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2012		Year ended 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
16 Changes in inventories of Finished Goods, Work-in-Process and Stock-in-Trade				
Closing Stock :				
(a) Finished Goods	565.05		0.00	
(b) Stock-in-Trade	481.14		0.00	
(c) Stock-in-Process	579.47		504.57	
		1625.66		504.57
Opening Stock :				
(a) Finished Goods	0.00		0.00	
(b) Stock-in-Trade	0.00		0.00	
(c) Stock-in-Process	504.57		322.13	
		504.57		322.13
		-1121.09		-182.44
17 Employee benefits expense				
(a) Salaries and Wages		3489.35		4071.98
(b) Contribution to Provident and other Funds		612.26		732.13
(c) Employee Welfare Expenses		518.42		423.73
		4620.03		5227.84
18 Finance Costs				
(a) Interest expense		2413.12		2165.14
(b) Other borrowing costs		19.69		37.90
(c) Net gain / loss on foreign currency transaction		-0.50		-0.06
		2432.31		2202.98

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2012		Year ended 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
19 Other Expenses				
(a) Power and Fuel				
(i) Purchased Power	1030.48		905.86	
(ii) Consumption of Fuel	<u>9532.36</u>		<u>8108.47</u>	
		10562.84		9014.33
(b) Rent		93.01		75.96
(c) Rates and Taxes		132.47		116.96
(d) Insurance		164.34		176.17
(e) Maintenance and Repairs				
(i) Buildings	226.55		190.76	
(ii) Plant and Machinery	1501.69		1443.77	
(iii) Others	<u>104.02</u>		<u>99.38</u>	
		1832.26		1733.91
(f) Selling and Distribution Expenses				
(i) Distributors' Commission	410.31		596.57	
(ii) Cash Discount	1057.31		1100.49	
(iii) Forwarding Charges	<u>1655.98</u>		<u>1473.68</u>	
		3123.60		3170.74
(g) Conversion Charges		249.38		277.77
(h) Office and Administrative Expenses		684.40		629.30
(i) Miscellaneous Expenses		247.94		351.73
		<u>17090.24</u>		<u>15546.87</u>
20 Current Tax				
(a) Income Tax		1168.00		0.00
(b) Minimum Alternate Tax	0.00		1193.00	
(c) MAT Credit Entitlement	0.00		1193.00	
(d) MAT Credit Availed	<u>287.00</u>		<u>0.00</u>	
		<u>1168.00</u>		<u>0.00</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2012 ₹ lakhs	Year ended 31-3-2011 ₹ lakhs
21 Deferred Tax		
On account of variation of allowances for tax purposes in :		
(a) Depreciation	- 86.73	- 381.95
(b) Others	4.73	- 41.05
	- 82.00	- 423.00
22 Payments to the Auditors		
(included under Note No. 19)		
(a) As Auditor	9.00	9.00
(b) For taxation matters	0.70	0.70
(c) For Company Law matters	2.10	2.10
(d) For Management Services	0.00	0.00
(e) For Other Services	0.08	0.04
(f) For Reimbursement of Expenses	0.42	0.00
	12.30	11.84
23 Plant and Machinery on Lease to Others under Note No. 8 - Fixed Assets, represent assets acquired and given on lease prior to 2001 whose primary lease period was also over during 2001.		
In respect of assets taken on lease no substantial risk and reward incidental to ownership of an asset has been obtained.		
All lease agreements are cancellable at the option of the Company.		
24 Value of imports calculated on CIF basis		
(a) Raw materials	544.94	322.74
(b) Stores, Spares and Chemicals	6729.33	3629.25
(c) Stock-in-Trade	350.05	0.00
(c) Capital Goods	199.43	7.46
25 Expenditure in foreign currencies		
(a) Travel	5.90	2.15
(b) Export Commission	23.00	51.96
(c) Others	0.00	43.05

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2012		Year ended 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
26 Value of imported / indigenous Raw material / Stores, Spares and Chemicals consumed				
	₹ lakhs	%	₹ lakhs	%
(a) Raw materials:				
(i) Imported	573.84	3.75	770.63	5.85
(ii) Indigenous	14741.55	96.25	12412.36	94.15
Total	<u>15315.39</u>	<u>100.00</u>	<u>13182.99</u>	<u>100.00</u>
(b) Stores, Spares and Chemicals:				
(i) Imported	11522.32	53.43	5145.79	28.01
(ii) Indigenous	10042.32	46.57	13228.65	71.99
Total	<u>21564.64</u>	<u>100.00</u>	<u>18374.44</u>	<u>100.00</u>

(includes consumption of coal and other fuels ₹ 9390.87 lakhs under Power and Fuel (previous year ₹ 7976.35 lakhs), consumption of spares ₹ 1124.33 lakhs, under Repairs and Maintenance. (Previous year ₹ 1028.27 lakhs)

27 Amounts remitted in foreign currencies

(a) Dividends	77.38	92.86
(b) No. of Non-resident shareholders	1	1
(c) No. of shares held	1547695	1547695

28 Earnings in foreign exchange

(a) Export of goods on FOB basis	4434.25	3570.85
(b) Others	0.00	0.00

29 Disclosure of Related Party transactions, as required under Accounting Standard (AS) 18 of The Companies (Accounting Standards) Rules, 2006

(i) Name of the Related Parties :

- ◇ Sri N Gopalaratnam, Chairman and Managing Director
- ◇ Ponni Sugars (Erode) Limited (PEL)
- ◇ High Energy Batteries (India) Limited (HEB)
- ◇ SPB Projects and Consultancy Limited (SPB-PC)
- ◇ Time Square Investments Private Limited (TSI)
- ◇ SPB Papers Limited (SPBPL)
- ◇ Sri K S Kasi Viswanathan, Deputy Managing Director
- ◇ Sri V Pichai, Director (Finance) & Secretary

(ii) Description of relationship between the parties :

Presumption of significant influence.

(iii) Transaction details :

SI No.	Name of the related party	Description of transactions and amount during the year		Amount outstanding on 31-3-2012
			₹ lakhs	
1	Ponni Sugars (Erode) Limited	Purchase of Bagasse	2282.93	Assets : Investments in : 18.35 lakhs Equity Shares (21.34%) Receivables : ₹ 386.81 lakhs Liabilities : 12 lakhs Equity Shares (10.67%)
		Purchase of Sugar	5.84	
		Sale of fuel	2200.62	
		Sale of machinery spares	27.00	
		Sale of Paper	1.92	
		Dividend paid	60.00	
		Dividend received	36.71	
		Other transactions (Net Debit)	41.18	
2	High Energy Batteries (India) Limited	Repayment of Inter Corporate Loan (Received)	50.00	Assets : Investments in : 2.83 lakhs Equity Shares (15.78%) Liabilities : 0.10 lakhs Equity Shares (0.09%)
		Sale of Paper	0.27	
		Dividend paid	0.52	
		Dividend received	0.51	
		Interest received	0.44	
		Other transactions (Net Debit)	1.52	

SESHASAYEE PAPER AND BOARDS LIMITED

(iii) Transaction details (Contd.) :

SI No.	Name of the related party	Description of transactions and amount during the year		Amount outstanding on 31-3-2012
			₹ lakhs	
3	SPB Projects and Consultancy Limited	Reimbursement of expenses	0.26	Assets : Investments in : 0.50 lakhs Equity Shares (16.67%)
		Dividend received	1.50	
4	Time Square Investments Private Limited	Dividend paid	58.61	Liabilities : 11.72 lakhs Equity Shares (10.42%)
5	SPB Papers Limited	Inter Corporate Loan	1635.00	Assets : Investments in : 62.50 lakhs Equity Shares (41.67%) Receivables : Inter Corporate Loan - ₹ 500 lakhs Other Receivables - ₹ 11707.99 lakhs
		Payment of Inter Corporate Loan (Received)	19515.56	
		Sale of Wet Lap Pulp	4514.85	
		Sale of other Pulp	4975.37	
		Sale of Paper	318.15	
		Sale of Equipment and Spares	165.32	
		Interest receivable	2200.75	
		Other Transaction (Net Debit)	54.40	

(iv) Remuneration paid to Chairman and Managing Director and other Whole-time Directors :

	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai
	₹ lakhs		
Salary	24.00	19.80	19.80
Commission	24.00	19.80	19.80
Contribution to :			
(i) Provident Fund	2.88	2.38	2.38
(ii) Superannuation Fund	3.60	2.97	2.97
(iii) Gratuity Fund	3.59	2.60	3.93
Other Perquisites	0.05	2.20	2.75
	58.12	49.75	51.63

SESHASAYEE PAPER AND BOARDS LIMITED

30 Disclosure as required under Accounting Standard (AS) 15 of The Companies (Accounting Standards) Rules, 2006

	Group Gratuity scheme (Funded)		Retirement Benefit scheme (Non Funded)	
	31-3-2012 ₹ lakhs	31-3-2011 ₹ lakhs	31-3-2012 ₹ lakhs	31-3-2011 ₹ lakhs
(i) Changes in present value of obligations				
Present Value of Obligations at the beginning of the year	1337.00	1167.29	139.32	108.85
Interest Cost	106.96	89.48	9.78	7.78
Current Service Cost	58.56	58.19	7.72	7.99
Benefits paid	283.89	199.76	34.02	23.05
Actuarial (Gain) / Loss on obligations	264.07	280.25	11.77	37.75
Present Value of Obligations at the end of the year	1482.70	1395.45	134.57	139.32
(ii) Changes in the Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	1395.45	1167.29	0.00	0.00
Expected Return on Plan Assets	116.39	101.18	0.00	0.00
Contributions	254.75	326.74	34.02	23.05
Benefits paid	283.89	199.76	34.02	23.05
Actuarial (Gain) / Loss on Plan Assets	0.00	0.00	0.00	0.00
Fair Value of Plan Assets at the end of the year	1482.70	1395.45	0.00	0.00
(iii) Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	1395.45	1167.29	0.00	0.00
Actual Return on Plan Assets	116.39	101.18	0.00	0.00
Contributions	254.75	326.74	34.02	23.05
Benefits paid	283.89	199.76	34.02	23.05
Fair Value of Plan Assets at the end of the year	1482.70	1395.45	0.00	0.00
Funded Status	0.00	0.00	0.00	0.00
Excess of Actual over estimated return on Plan Assets	0.00	0.00	0.00	0.00

SESHASAYEE PAPER AND BOARDS LIMITED

30 Disclosure as required under Accounting Standard (AS) 15 of The Companies (Accounting Standards) Rules, 2006 (contd.)

	Group Gratuity scheme (Funded)		Retirement Benefit scheme (Non Funded)	
	31-3-2012 ₹ lakhs	31-3-2011 ₹ lakhs	31-3-2012 ₹ lakhs	31-3-2011 ₹ lakhs
(iv) Actuarial Gain / Loss recognised				
Actuarial Gain / (Loss) for the year - Obligation	(-)264.07	(-)280.25	(-)11.77	(-)37.75
Actuarial Gain / (Loss) for the year - Plan Assets	0.00	0.00	0.00	0.00
Total (Gain) / Loss for the year	264.07	280.25	11.77	37.75
Actuarial (Gain) / Loss recognised in the year	264.07	280.25	11.77	37.75
(v) Amounts to be recognised in the Balance Sheet and statement of Profit and Loss				
Present Value of Obligations at the end of the year	1482.70	1395.45	134.57	139.32
Fair Value of Plan Assets at the end of the year	1482.70	1395.45	0.00	0.00
Funded Status	0.00	0.00	0.00	0.00
Net Asset / (Liability) recognised in Balance Sheet	0.00	0.00	(-) 134.57	(-) 139.32
(vi) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	58.56	58.19	7.72	7.99
Interest Cost	106.96	89.48	9.78	7.78
Expected Return on Plan Assets	116.39	101.18	0.00	0.00
Net Actuarial (Gain) / Loss recognised in the year	264.07	280.25	11.77	37.75
Expenses recognised in the statement of Profit and Loss	313.20	326.74	29.27	53.52
(vii) Actuarial Assumptions				
Discount Rate	8.00%	8.00%	8.60%	8.00%
Expected return on Plan Assets	9.40%	9.40%	Not applicable	Not applicable
Salary increase	3.00%	2.00%	Not applicable	Not applicable

SESHASAYEE PAPER AND BOARDS LIMITED

30 Disclosure as required under Accounting Standard (AS) 15 of The Companies (Accounting Standards) Rules, 2006 (contd.)

(viii) Experience Adjustments

	Present value of obligation	Plan Assets	Surplus / (Deficit)	Experience adjustments on Plan Liabilities (Loss) / Gain	Experience adjustments on Plan Assets (Loss) / Gain
(a) Group Gratuity Scheme :					
31-3-2012	1482.70	1482.70	0.00	264.07	0.00
31-3-2011	1395.45	1395.45	0.00	280.25	0.00
31-3-2010	1167.29	1167.29	0.00	119.33	0.00
31-3-2009	1019.33	1019.33	0.00	123.93	0.00
31-3-2008	971.32	971.44	0.12	399.47	0.00
(b) Retirement Benefit Scheme :					
31-3-2012	134.57	0.00	-134.57	-16.52	0.00
31-3-2011	139.32	0.00	-139.32	-37.75	0.00
31-3-2010	108.85	0.00	-108.85	-17.13	0.00
31-3-2009	92.61	0.00	-92.61	2.03	0.00
31-3-2008	103.10	0.00	-103.10	0.05	0.00

	Vide our report of date attached		
For SURI & CO., Firm Regn. No. 004283S S Swaminathan Membership No.020583 Partner Chennai May 29, 2012 Chartered Accountants	For Messrs S VISWANATHAN Firm Regn. No. 004770S Chella K Srinivasan Membership No.023305 Partner Chartered Accountants	N GOPALARATNAM Chairman and Managing Director V PICHAJ Director (Finance) & Secretary	ARUN G BIJUR R V GUPTA Md NASIMUDDIN Dr S NARAYAN PHILOMINA THOMAS V SRIDAR Directors K S KASI VISWANATHAN Deputy Managing Director

SESHASAYEE PAPER AND BOARDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

	Year ended 31-3-2012		Year ended 31-3-2011	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation		4495.54		6077.23
Adjustments for :				
<i>Add :</i>				
Assets discarded		1.70		30.47
Depreciation		3425.60		3399.42
Interest and financing charges		1959.83		1783.29
		<u>5387.13</u>		<u>5213.18</u>
		9882.67		11290.41
<i>Less :</i>				
Income from Investments		73.49		101.78
Profit / Loss on sale of assets		5.83		1.30
Effect of changes in Foreign Currency Exchange Rate		<u>8.37</u>		<u>0.04</u>
		87.69		103.12
Operating profit before working capital changes		9794.98		11187.29
Increase / Decrease in working capital :				
Increase / Decrease in Inventories		-4132.14		292.94
Increase / Decrease in Sundry Debtors		-4784.72		- 730.41
Increase / Decrease in Other Current Assets		-7248.27		- 321.87
Increase / Decrease in Liabilities and Provisions		<u>8742.63</u>		<u>554.43</u>
		-7422.50		- 204.91
Income tax paid		-879.26		-1286.45
Net cash from operating activities		<u>1493.22</u>		<u>9695.93</u>
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		-753.61		- 1196.90
Value of discarded assets		-1.70		- 30.47
Sale / reduction in value of fixed assets		92.04		32.50
Income from Investments		73.49		101.78
Purchase of Investments		0.00		- 1304.15
Net cash used in investing activities		<u>-589.78</u>		<u>- 2397.24</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-3-2012 ₹ lakhs	Year ended 31-3-2011 ₹ lakhs
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / Decrease in Unsecured Loans	-20599.40	21347.83
Increase / Decrease in Loans to other Corporates	17450.00	-18500.00
Repayment of Term Loans	-4999.71	-5219.76
Increase / Decrease in Working Capital Borrowings	7814.33	-8913.31
Dividend and Dividend tax paid	-653.75	-787.11
Interest and financing charges paid	-2150.40	-1510.11
Net cash from financing activities	-3138.93	-13582.46
Net increase in cash and cash equivalents (I)	-2235.49	-6283.77
Cash and cash equivalents as at 31-3-2011 (II)	2884.45	9168.22
Cash and cash equivalents as at 31-3-2012 (I + II)	648.96	2884.45

Notes :

- 1 Cash and cash equivalents represent cash in hand and cash with Scheduled Banks.
- 2 Cash from operating activities has been prepared following the indirect method.
- 3 Closing Cash and cash equivalents are after adjusting changes in foreign currency exchange rates amounting to ₹ 0.50 lakhs (Debit). (Previous year - ₹ 0.12 lakhs - Debit).
- 4 Figures for the previous year have been re-grouped wherever necessary.

	Vide our report of date attached	
For SURI & CO., Firm Regn. No. 004283S S Swaminathan Membership No.020583 Partner Chartered Accountants	For Messrs S VISWANATHAN Firm Regn. No. 004770S Chella K Srinivasan Membership No.023305 Partner Chartered Accountants	N GOPALARATNAM Chairman and Managing Director V PICHAJ Director (Finance) & Secretary
Chennai May 29, 2012		ARUN G BIJUR R V GUPTA Md NASIMUDDIN Dr S NARAYAN PHILOMINA THOMAS V SRIDAR Directors K S KASI VISWANATHAN Deputy Managing Director