

Seshasayee Paper and Boards Limited



Sixty Second Annual Report

2021-22

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

Sri N GOPALARATNAM, *Chairman (DIN No. 00001945)*

Sri V SRIDAR *(DIN No. 02241339)*

Dr S NARAYAN, IAS (Retd.) *(DIN No. 00094081)*

Sri A L SOMAYAJI *(DIN No. 00049772)*

Dr NANDITHA KRISHNA *(DIN No. 00906944)*

Sri MOHAN VERGHESE CHUNKATH, IAS (Retd.) *(DIN No. 01142014)*

Sri HANS RAJ VERMA, IAS, *Nominee of TIIC (DIN No.00130877)*

Sri K RAJKUMAR, IFS, *Nominee of Govt. of Tamilnadu (DIN No.09359723)*

Sri K S KASI VISWANATHAN, *Managing Director (DIN No. 00003584)*

Sri V PICHAI, *Deputy Managing Director & Secretary (DIN No. 00263934)*
(Office vacated due to his demise on 03.05.2022)

Sri GANESH BALAKRISHNA BHADTI, *Director (Operations) (DIN No. 9634741)*
(Appointed as Additional Director by the Board on 13.06.2022)

KEY MANAGERIAL PERSONNEL

Sri S SRINIVAS, *Chief Financial Officer & Secretary*

AUDITORS

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

M/S R SUBRAMANIAN AND COMPANY LLP, Chennai

COST AUDITOR

M/s S MAHADEVAN AND CO., Coimbatore

SECRETARIAL AUDITOR

M/s B K SUNDARAM & ASSOCIATES, Trichy

BANKS

STATE BANK OF INDIA

HDFC BANK LIMITED

REGD.OFFICE

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



SESHASAYEE PAPER AND BOARDS LIMITED

COMPOSITION OF COMMITTEES

AUDIT COMMITTEE

Sri V Sridar	Chairman of the Committee
Dr S Narayan, IAS (Retd.)	Member
Sri A L Somayaji	Member
Sri Mohan Verghese Chunkath, IAS (Retd.)	Member
Sri Hans Raj Verma, IAS	Member
Sri N Gopalaratnam	Member

NOMINATION AND REMUNERATION COMMITTEE

Sri V Sridar	Chairman of the Committee
Dr S Narayan, IAS (Retd.)	Member
Sri A L Somayaji	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri A L Somayaji	Chairman of the Committee
Sri Hans Raj Verma, IAS	Member
Sri N Gopalaratnam	Member
Sri V Pichai **	Member

RISK MANAGEMENT COMMITTEE

Dr S Narayan, IAS (Retd.)	Chairman of the Committee
Sri A L Somayaji	Member
Sri Mohan Verghese Chunkath, IAS (Retd.)	Member
Sri K S Kasi Viswanathan	Member

CSR COMMITTEE

Sri A L Somayaji	Chairman of the Committee
Dr Nanditha Krishna	Member
Sri N Gopalaratnam	Member
Sri K S Kasi Viswanathan	Member
Sri V Pichai **	Member

PROJECT COMMITTEE

Sri N Gopalaratnam	Chairman of the Committee
Sri V Sridar	Member
Sri K S Kasi Viswanathan	Member
Sri V Pichai **	Member

** Office vacated due to his demise on 03.05.2022

AUDITORS

STATUTORY AUDITORS

M/s Maharaj N R Suresh & Co. LLP

Chartered Accountants
New No.9, Old No.5, II Lane,
II Main Road, Trustpuram,
Kodambakkam, Chennai - 600024
Telephone: 044-24724932, 24837583
E-mail: mnrssuresh56@gmail.com

M/s R Subramanian and Company LLP

Chartered Accountants
Door No.6 (Old No.36)
Krishnaswamy Avenue
Luz, Mylapore, Chennai - 600004
Telephone: 044-2499226, 24991347
E-mail: rs@rscompany.co.in

INTERNAL AUDITOR

M/s Suri & Co.

Chartered Accountants
Park Circle, 2nd Floor, No.20, Moores Road
Thousand Lights, Chennai - 600006
Telephone: 044-24341140, 24341150
E-mail: chennai@suriandco.com

COST AUDITOR

M/s S Mahadevan & Co.

Cost Accountants
Old No.158, New No.112, 'Sri Abhirami'
First Floor, Dr. Radhakrishna Road
Tatabad, Coimbatore - 641012
Telephone: 0422-2491276, 6517868
E-mail: s.mahadevan.co@gmail.com

SECRETARIAL AUDITOR

B K Sundaram & Associates

Practicing Company Secretaries
29, Pandamangalam Agraharam
Woriur, Tiruchirappalli - 620003
Telephone: 0431-2761590
E-mail: bkksoffice@gmail.com

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SESHASAYEE PAPER AND BOARDS LIMITED

Financial Highlights - Ten years at a glance

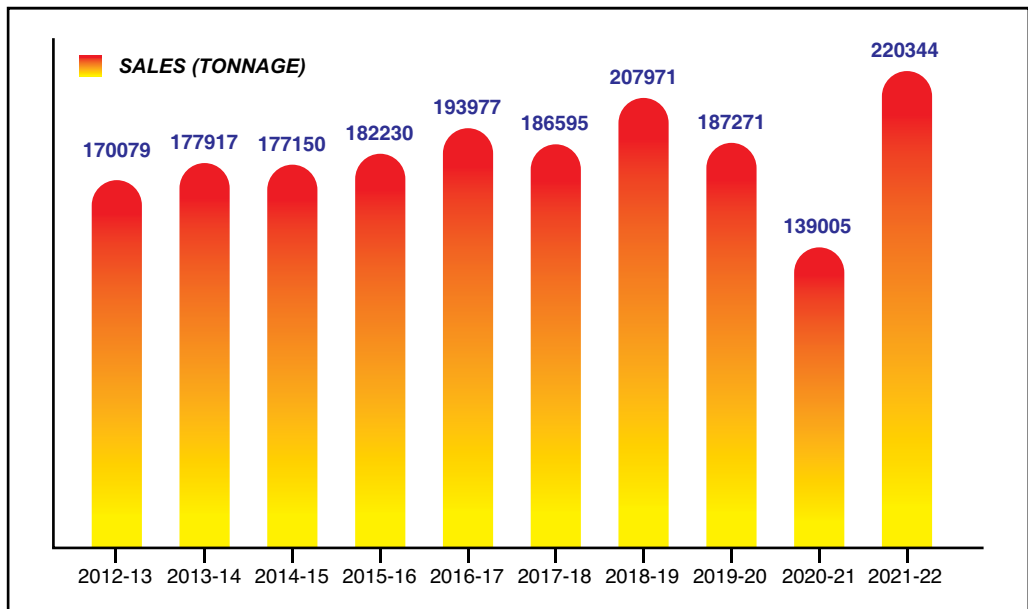
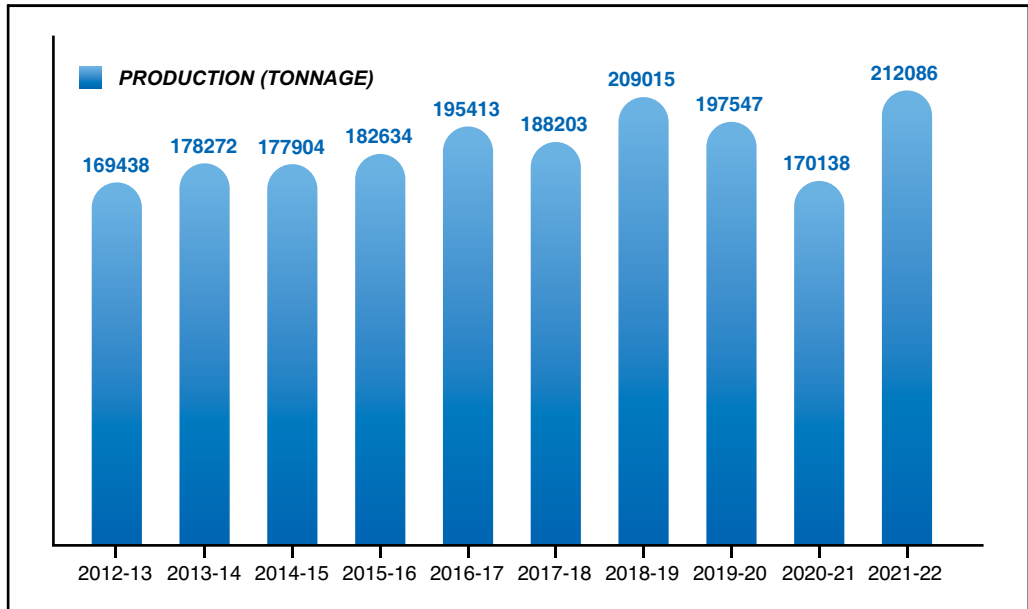
(₹ crores)

For the year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total Income	882	1070	1074	1087	1175	1127	1348	1207	801	1372
Total Expenditure	772	941	979	976	953	911	1029	917	674	1189
EBIDTA	110	129	95	111	222	217	319	290	127	182
% on TI	12.5	12.1	8.9	10.2	18.9	19.2	23.7	24.0	15.8	13.3
Finance Costs	44	39	37	32	23	14	14	7	3	3
% on TI	5.0	3.6	3.5	3.0	2.0	1.3	1.0	0.6	0.4	0.2
Depreciation	49	49	33	29	31	32	34	35	38	41
Exceptional Item	-	-	-	-	-	4.8	-	-	-	-
PBT	16	41	25	50	168	175	271	248	86	139
% on TI	1.9	3.9	2.4	4.6	14.3	15.5	20.1	20.5	10.8	10.1
Tax expense	(-)4	15	8	15	40	52	81	74	(-)14	35
PAT	21	27	17	36	128	123	190	173	100	103
% on TI	2.3	2.5	1.6	3.3	10.9	10.9	14.1	14.4	12.5	7.5
EPS - ₹ **	3.41	4.45	2.88	5.91	21.26	20.40	31.55	28.80	16.65	17.12
Dividend - %	40	40	40	50	100	150	200	200	125	125
As at the year end										
Net Block	715	675	662	675	637	673	672	675	734	815
Loan Funds	435	390	329	345	177	154	100	12	8	4
Net Worth	363	384	393	421	582	702	868	986	1102	1206
Book Value per Share - (₹) **	60	64	65	70	97	116	144	164	183	200

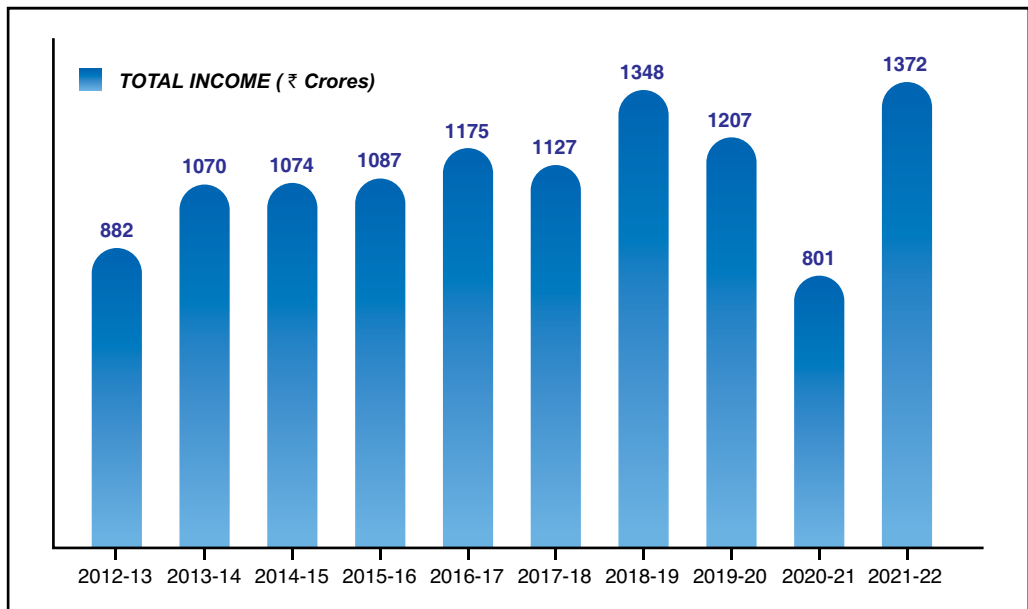
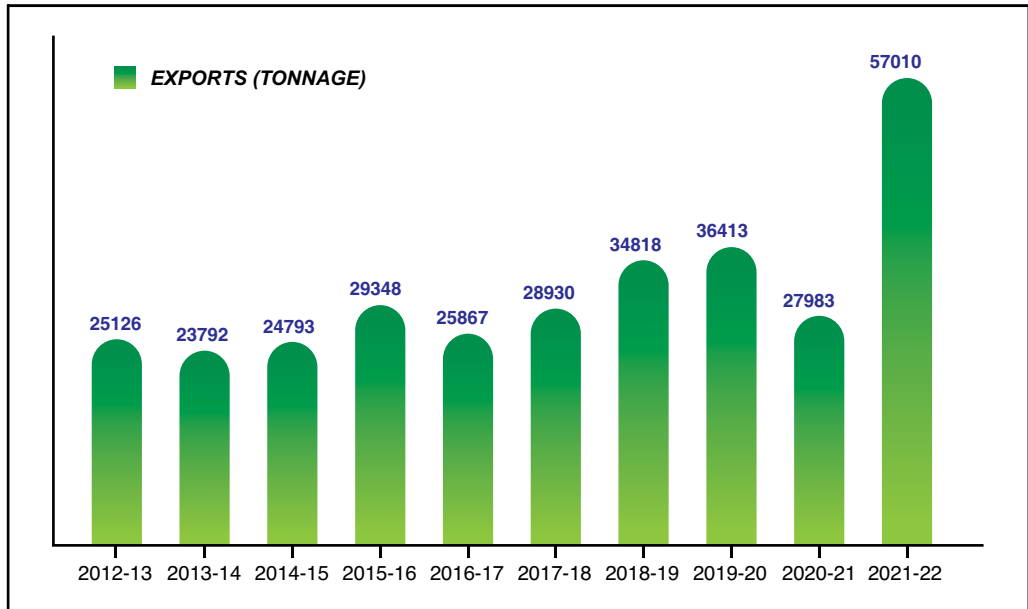
** For comparison purpose, the per share value of EPS and Book Value of the 10 years, restated for face value equivalent to ₹ 2/- (Two) per share.

SESHASAYEE PAPER AND BOARDS LIMITED

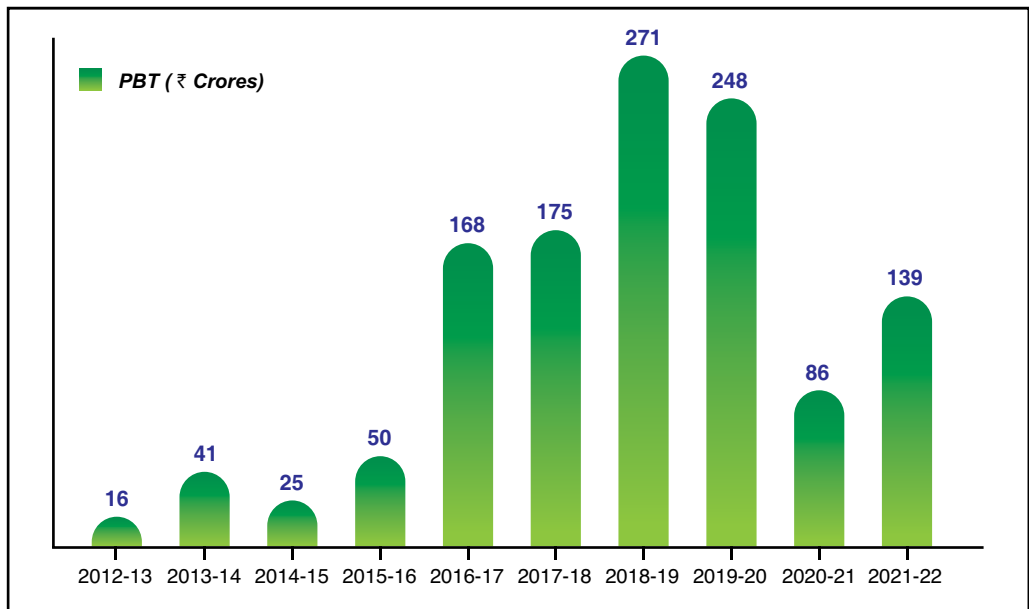
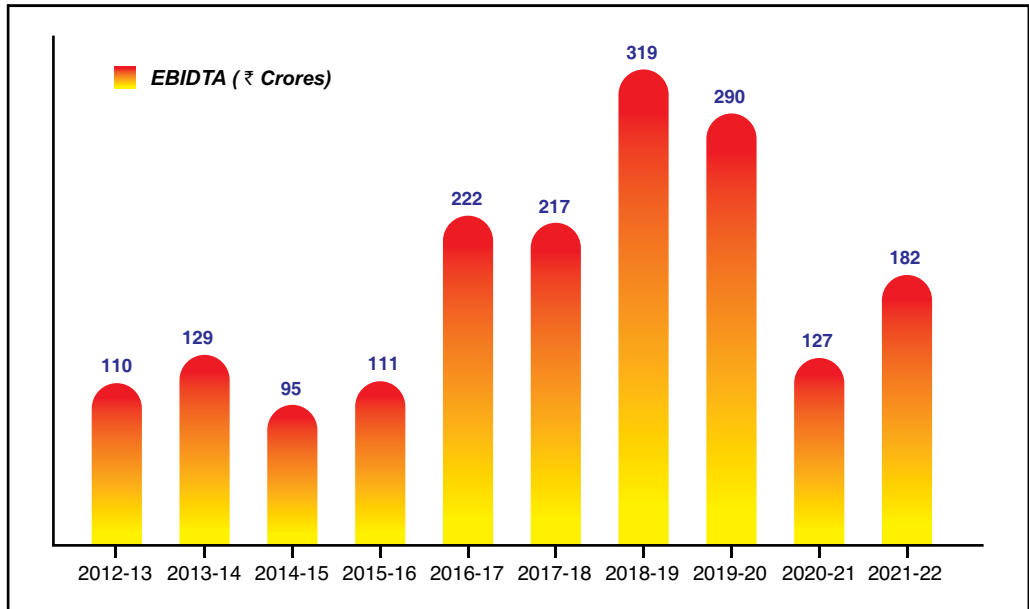
PERFORMANCE - 10 YEARS AT A GLANCE



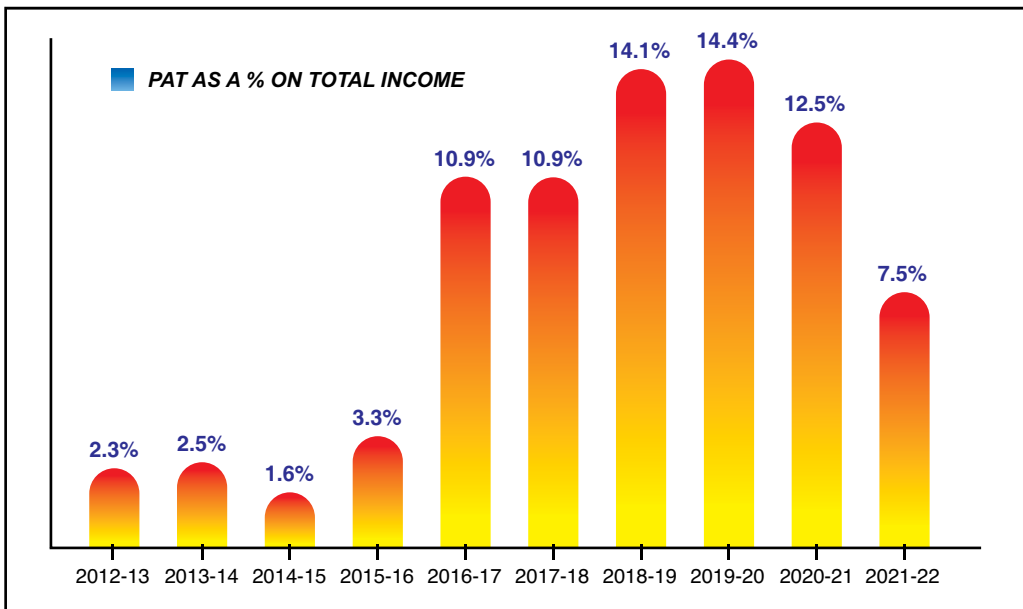
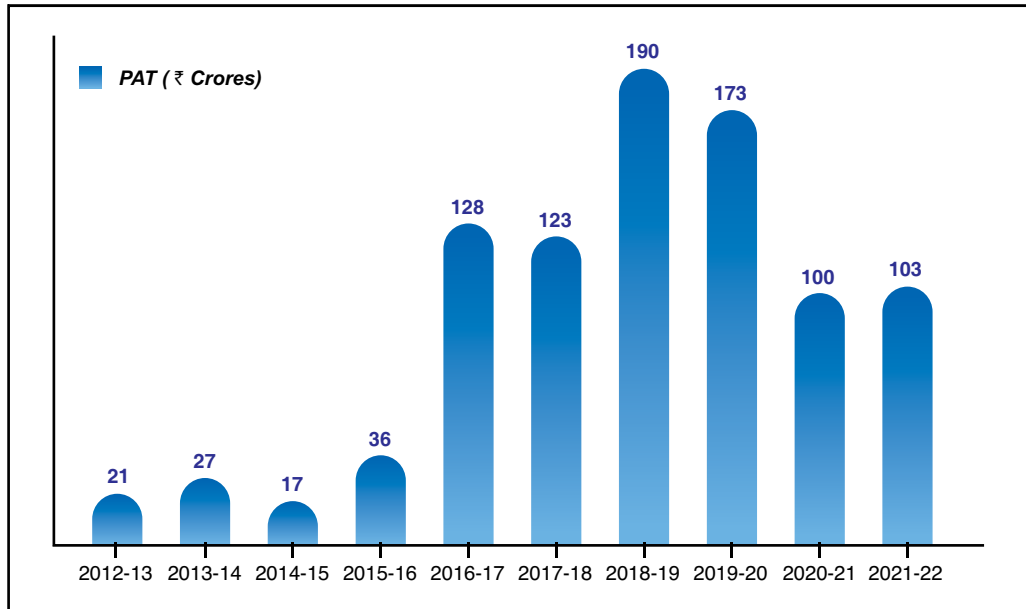
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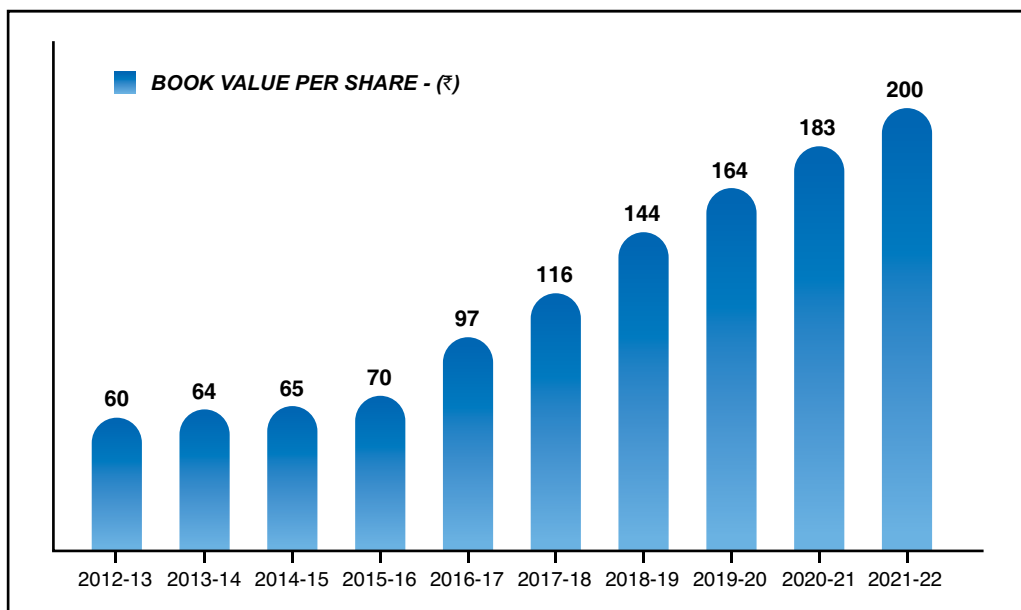
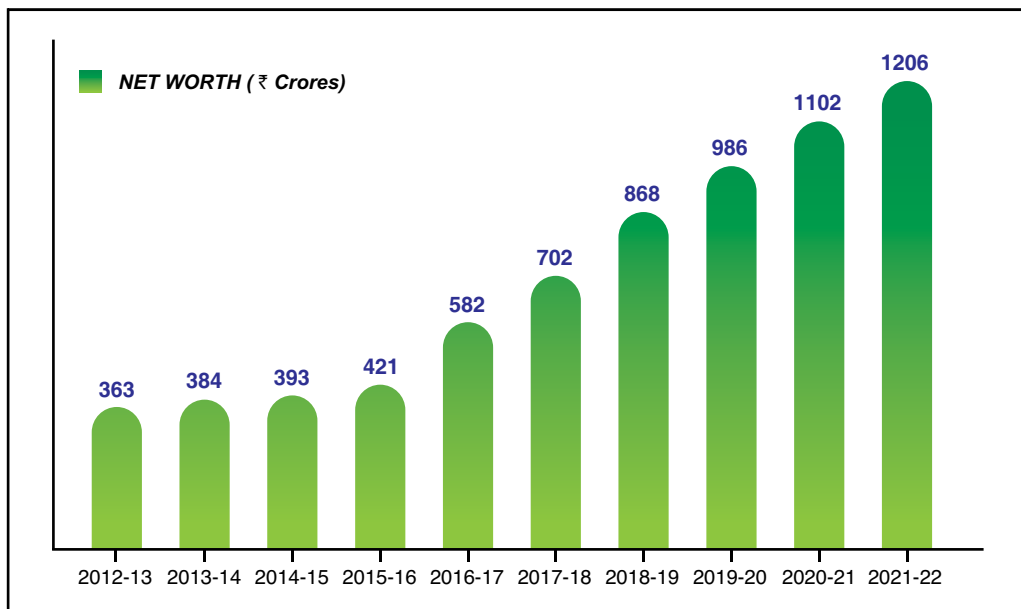
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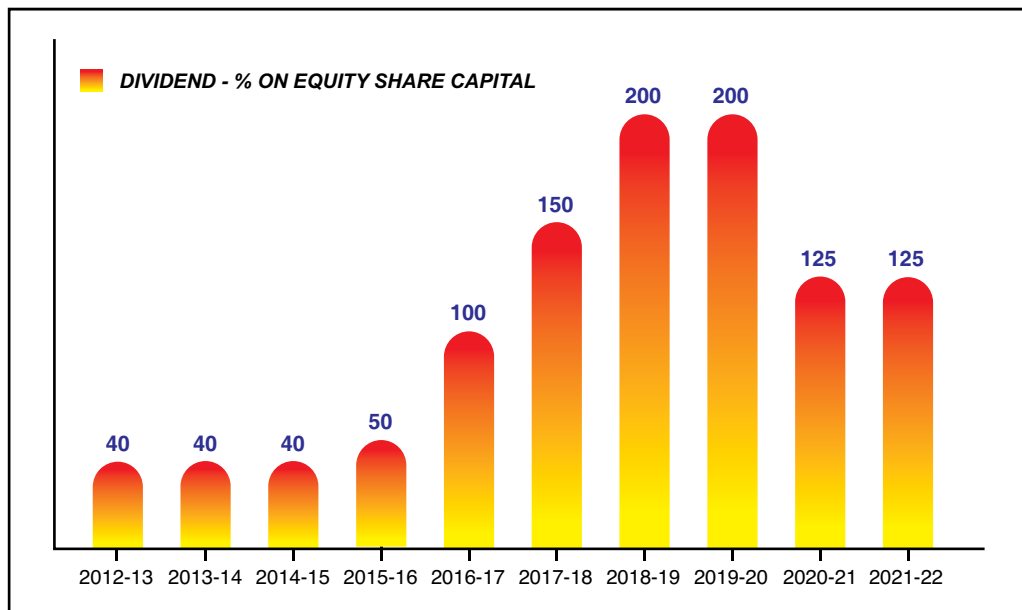
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NOTICE

Notice is hereby given that the 62nd Annual General Meeting (AGM) of the Company will be held on Saturday, the 23rd July 2022 at 11.00 AM (IST) through Video Conference (VC), to transact the following business.

ORDINARY BUSINESS**1 Adoption of Accounts, etc.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that the Audited Financial Statements, including the Consolidated Financial Statements, of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, be and are hereby considered and adopted”.

2 Declaration of Dividend

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT

- (i) a dividend of ₹ 2.50 (Rupees Two and fifty paise only) per fully paid up Equity Share, be and is hereby declared for the Financial Year 2021-22 on 6,30,68,140 Equity Shares of ₹ 2/- each fully paid-up;
- (ii) the dividend amount to each shareholder be rounded off to the nearest rupee;
- (iii) the dividend be paid to those Members of the Company whose names appear in the Register of Members of the Company in the case of physical holding and to the beneficial owner of the shares recorded with the Depositories in the case of demat holding as per details furnished by

National Securities Depository Limited/
Central Depository Services (India)
Limited, as on July 13, 2022”.

3 Re-appointment of retiring Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that Sri N Gopalaratnam, Chairman (DIN: 00001945), who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.

SPECIAL BUSINESS**4 Appointment of Sri Ganesh Balakrishna Bhadti as Director (Operations)**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Sri Ganesh Balakrishna Bhadti (DIN : 0009634741) as a wholetime director of the Company, designated as Director (Operations), for a period of 3 (three) years with effect from July 23, 2022, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors, hereinafter referred to as “the Board”, which term shall be deemed to include the Nomination and Remuneration

Committee of the Board, to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Sri Ganesh Balakrishna Bhaddi, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

5 Continuation of M/s Maharaj N R Suresh & Co. LLP as the Sole Statutory Auditor of the Company for FY 2022-23

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the continuation of M/s Maharaj N R Suresh and Co. LLP (Firm Registration No.001931S), Chartered Accountants, Chennai, as the Sole Statutory Auditor of the Company, until the conclusion of the 63rd Annual General Meeting to be held in the year 2023, be and is hereby approved.

RESOLVED further that the Board of Directors be and are hereby authorised to fix remuneration of M/s Maharaj N R Suresh and Co. LLP for the year”.

6 Remuneration to Cost Auditor

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable

provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2022-23, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

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

7. Approval of request received from Mrs P Suganthi (wife of late Sri V Pichai and registered nominee for the shares held by him), for reclassification of 42695 Equity Shares held by her husband from “Promoter Category” to “Public Category”

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulations 31A (2), 3(a), 3(b), 6(a) & 6(c) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, (including amendments made thereto or any other applicable provisions of Listing Regulations) and other applicable laws, and based on the request / other declarations of Mrs P Suganthi [wife of late Sri V Pichai and registered nominee for the 42695 Equity shares, constituting 0.067% of the paid-up capital of the Company, held by the promoter late Sri V Pichai], pursuant to the stipulations made in the SEBI Regulations stated supra for reclassifying the said shares from

SESHASAYEE PAPER AND BOARDS LIMITED

“Promoter Category” to “Public Category”, approval be and is hereby accorded to re-classify the said 42695 Equity Shares under “Public Category” and to delete the same from “Promoter Category” subject to the approval of the Stock Exchanges.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors and the Company Secretary be and are hereby fully and absolutely authorized to do all such acts,

deeds, things etc., as may be necessary, proper or expedient and also to settle any questions, difficulties or doubts that may arise in this regard without any further approval of shareholders”.

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

Erode
June 13, 2022

(S SRINIVAS)
CFO & Secretary

NOTES:

1 AGM thro' Video Conference (VC)

Pursuant to the General Circular Nos. 20/2020, 14/2020, 17/2020, 02/2021, 21/2021 and 02/2022 issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/ 62 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), Companies are allowed to hold AGM through Video Conferencing (VC), without the physical presence of members at a common venue. In view of the surge of the pandemic Covid-19 and in compliance with the Circulars, the AGM of the Members of the Company is being held through VC. The registered office of the Company shall be deemed to be the venue for the AGM.

2 Proxy

A Member, entitled to attend and vote at the meeting, is entitled to appoint one or more Proxies to attend and vote on a poll instead of himself and such Proxy need not be a Member of the Company. Since the AGM is being held in accordance with the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, Body Corporates who are Members of the Company, are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-Voting.

3 Quorum

Participation of Members through VC will be reckoned for the purpose of quorum for the AGM, as per section 103 of the Companies Act, 2013 (“the Act”).

4 Register of Directors

The Register of Directors and Key Managerial Personnel and their shareholding, as maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, as maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection electronically, without payment of any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. July 23, 2022. Members, seeking to inspect such documents, can send an email to investor@spbltd.com.

5 Particulars of Directors

Particulars of Director seeking appointment / re-appointment, pursuant to Clause 36(3) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, are given in Appendix - A.

6 Book Closure

The Register of Members and the Share Transfer Books will be closed from Thursday, the July 14, 2022 to Saturday, the July 23, 2022 (both days inclusive).

7 Record Date

The Record Date, for the purpose of determining the entitlement of Members to the Dividend declared for the Financial Year 2021-22, will be July 13, 2022.

8 Dividend

The Board of Directors, at their meeting held on May 07, 2022, has recommended payment of Dividend of ₹ 2.50 per Equity Share of face value of ₹ 2 each, for the financial year 2021-22.

On declaration of the Dividend as above, at the AGM, the same will be paid on Monday, the July 25, 2022 electronically to those Members who have updated their bank details with their Depository Participants (DP) or with the Company / Registrar and Transfer Agent (RTA). The payment of such dividend is subject to deduction of tax at source.

For Members who have not updated their bank account details, dividend warrants / demand drafts will be sent to their registered addresses. To avoid delay in receiving the Dividend, Members are requested to update their KYC with their Depository Participants (DP) or with the Company / RTA to receive the Dividend directly into their bank account on the payout date.

9 Tax deduction at source

Members may note that the Income Tax Act, 1961, ("the IT Act"), as amended by the Finance Act, 2020, mandates that Dividend paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of Members. The details in this regard are given in Appendix - B to this Notice.

10 Form 15G / 15H

Declaration in Form No. 15G (applicable to any person other than a Company or a firm)/ Form No. 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions to claim exemption from deduction of tax at source should be sent to the RTA on or before July 13, 2022. Please download Form 15G / 15H from the Income Tax website www.incometaxindia.gov.in.

11 Unclaimed Dividend

Unclaimed Dividend for over 7 years and the underlying shares thereof will be transferred to the Investor Education and Protection Fund. Members may refer to Page 80 of the Annual Report and lodge their claim, if any, immediately with RTA / Investor Education and Protection Fund. For any assistance required, the Member may write to the Company or its RTA.

12 In compliance with the MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for 2021-22 is sent only through electronic mode, to those Members whose e-mail addresses are registered with their Depository Participants or with the RTA.

Members may note that the Notice and Annual Report for 2021-22 will also be available on the Company's website www.spbltd.com, websites of the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL, <https://www.evoting.nsdl.com>.

Instructions to Members for attending the AGM through Video Conference is given in Appendix - C.

13 Voting facilities**(a) Remote e-Voting**

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, as amended from time to time, the

Company provides facility for its Members to exercise their voting right by electronic means.

Process and manner of e-Voting, containing detailed instructions, is given in Appendix - C.

(b) Voting at Annual General Meeting (E-Voting during the AGM)

Members present in the AGM through VC and who have not cast their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system during the AGM. The Procedure for e-Voting on the day of AGM is same as the instructions given for Remote E-Voting in Appendix - C.

Members who need assistance before or during the AGM in the use of technology, can send a request to 'evoting@nsdl.com' or use Toll-free Nos. 1800 1020 990 & 1800 22 44 30 or Contact Ms. Sarita Mote, Assistant Manager, NSDL at the designated e-mail ID: 'SaritaM@nsdl.co.in'.

14 Permanent Account Number

SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.

15 Route Map

Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

16 Nomination Facility

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website www.spbltd.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form and to the RTA in case the shares are held in physical form.

- 17 The Scrutiniser will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (vote cast during the AGM and vote cast through Remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's Report shall be communicated to the Stock Exchanges, NSDL and RTA and will also be displayed on the Company's website, www.spbltd.com.

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

Erode
June 13, 2022

(S SRINIVAS)
CFO & Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 17(1A) of the Listing Regulations and forming part of the notice)

Item No. 3**Re-appointment of retiring Director**

Sri N Gopalaratnam (DIN: 00001945), aged 75 years, was last appointed as Chairman of the Company, for a period of three years from April 01, 2020. His appointment and the remuneration and other terms and conditions of his appointment were approved by the Shareholders of the Company, by a Special Resolution, in their Annual General Meeting held on August 08, 2020.

Sri N Gopalaratnam retires by rotation in the 62nd Annual General Meeting of the Company pursuant to Section 152(6)(c)/(d) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. On such re-appointment, he will continue to hold the post as Chairman of the Company, with executive powers, until March 31, 2023.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, from April 01, 2019 requires Special Resolution to be passed for the appointment of a person or his continuance in the directorship of a Company if he has attained the age of 75 years. Since Sri N Gopalaratnam would be attaining the age of 75 years during the proposed tenure, it is proposed to pass a Special Resolution for the current re-appointment. The terms and conditions, including remuneration, governing his current re-appointment are same as the terms approved by Shareholders in their meeting, on August 08, 2020.

Sri N Gopalaratnam is quite active and as Chairman of the Company, with executive powers, leads the Company's developmental strategy. In the opinion of the Board, he is

suitable for being continued as a Director of the Company despite attaining the age of 75 years during the tenure of his office. The Board accordingly recommends his re-appointment by Special Resolution for the consideration of Shareholders. Particulars required under Regulation 36(3) of the Listing Regulations are given in Appendix-A that forms part of this Notice.

Sri N Gopalaratnam, is concerned and interested in his appointment and none of the other Directors / Key Managerial Personnel of the Company and their relatives are concerned or interested in the said appointment, except to the extent of their shareholding in the Company. It is declared with reference to the proviso to Section 102(2) of the Companies Act, 2013 that the proposed Resolution does not have any bearing with the business of any other Company.

The Board recommends the Special Resolution set out in Agenda 3 of the Notice for approval of the Shareholders.

Item No.4**Appointment of Sri Ganesh Balakrishna Bhaddi as Director (Operations)**

The Board of Directors at their meeting held on June 13, 2022, appointed Sri Ganesh Balakrishna Bhaddi, as an additional director and in the same meeting approved his appointment as a wholetime director, designated as Director (Operations), for a period of 3 years from July 23, 2022 and recommended the same to the shareholders of the Company, for their approval in this Annual General Meeting.

The Board of Directors, at their meeting held on June 13, 2022, also approved the remuneration package, on the recommendations of the

Nomination and Remuneration Committee, as under, subject to the approval of Members in General Meeting:

I Remuneration

- (a) Salary ₹ 4,50,000 (Rupees Four lakhs fifty thousand only) per month.
- (b) Performance Incentive - As may be determined by the Nomination and Remuneration Committee / Board from time to time, subject to a maximum of 200% of the salary and a minimum of 50% of the salary, in case of inadequacy of profits.

II Perquisites

Perquisites shall be as per the Rules of the Company and in any case will be restricted to an amount equal to annual salary.

III General

In the event of loss or inadequacy of profits in any financial year, Sri Ganesh Balakrishna Bhadti shall be entitled to such remuneration as may be determined by the Nomination and Remuneration Committee / Board which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder.

In any event, the Salary, Incentive and Perquisites will be within the overall ceiling specified in the Companies Act, 2013 and as applicable from time to time.

Sri Ganesh Balakrishna Bhadti is an accomplished Pulp and Paper Industry professional, with over 35 years of industry experience. He has wide experience in Pulp and Paper Industry serving top companies. He also holds Green Belt certification in Manufacturing Excellence.

He joined our Company as Vice President (Technical) in November 2016 and has been

responsible for operations, safety and training of manpower. He is currently designated as President (Operations) and is responsible for overall plant operations.

Sri Ganesh Balakrishna Bhadti is presently the President of Indian Pulp and Paper Technical Association (IPPTA), the Co-Chairman of Paper Tech - CII and Member of Technical sub-committee of Indian Paper Manufacturers Association (IPMA). The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013.

Sri Ganesh Balakrishna Bhadti's appointment as a Director on the board of the Company is on the basis of his being liable to retire by rotation. He is eligible to seek re-election at the Annual General Meeting in which he retires by rotation.

The Board of Directors will also be at liberty to alter, vary and revise the remuneration of Sri Ganesh Balakrishna Bhadti, including commission and the perquisites from time to time within the limits prescribed in Schedule V to the Companies Act, 2013 or any amendment or statutory modifications thereto.

In terms of Part III of Schedule V to the Companies Act, 2013, the appointment and remuneration as above shall be subject to the approval by Members of the Company in General Meeting and accordingly, the subject is placed before the Members for their approval under item No. 4 in the Notice.

A copy of the Resolution of the Nomination and Remuneration Committee / Board of Directors and other relevant documents in this regard are available for inspection by the Members at the Registered Office of the Company during business hours on any working day prior to the date of the meeting.

No Director / Key Managerial Personnel or their relatives, other than Sri Ganesh Balakrishna Bhadti, is concerned or interested in this

item of business, except to the extent of their shareholding in the Company.

Accordingly, the Board recommends the Ordinary Resolution set out in Agenda 4 of the Notice for approval of the Shareholders.

Item No. 5

Continuation of M/s Maharaj N R Suresh & Co. LLP as the Sole Statutory Auditor of the Company for FY 2022-23

The term of appointment of 5 years of M/s R Subramanian and Company LLP, joint statutory auditor of the Company, is ending on the day of 62nd Annual General Meeting of the Company.

The Board of Directors of the Company, in its meeting held on March 26, 2022, has approved continuation of Maharaj N R Suresh and Co. LLP as the sole Statutory Auditor of the Company for financial year ending March 31, 2023.

Accordingly, the Board recommends the Ordinary Resolution set out in Agenda 5 of the Notice for approval of the Shareholders.

Copies of relevant Resolutions of the Audit Committee / Board and other relevant documents are available for inspection of the Members during business hours on any working day prior to the date of the meeting.

Item No. 6

Remuneration to Cost Auditor

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

While the remuneration for the audit of cost records is determined by the Board of Directors

on the recommendations of Audit Committee, it will have to be ratified by the Members at the following General Meeting. The approval of Central Government is no longer required under the new Law.

Pursuant to the above, the Board of Directors have appointed M/s S Mahadevan & Co., Cost Accountants (Firm Registration No. 000007), for the audit of cost records of the Company for the financial year 2022-23 and determined the remuneration at ₹ 3,00,000/- (Rupees three lakhs only), in addition to Goods and Service Tax and reimbursement of actual expenses, if any, incurred in connection with the Audit. It is now placed for the approval of the Members in accordance with Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Copies of relevant Resolutions of the Audit Committee / Board and other relevant documents are available for inspection of the Members during business hours on any working day prior to the date of the meeting.

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

The Board recommends the Ordinary Resolution set out in Agenda 6 of the Notice for approval of the Shareholders.

Item No.7

Approval of request received from Mrs P Suganthi (wife of late Sri V Pichai and registered nominee for the shares held by him) for reclassification of 42695 Equity Shares held by her husband from “Promoter Category” to “Public Category”.

Sri V Pichai, Promoter Director, designated as Deputy Managing Director & Secretary of the Company, passed away on May 03, 2022.

Mrs P Suganthi, wife of late Sri V Pichai, submitted a request letter to the Board that her husband was holding 42695 shares in the Company and she is the registered nominee of the shares and further stated that she is not interested to continue as Promoter in the Company due to her advancing age when the said shares are transmitted and registered in her name. She has therefore requested the Company, by her letter dated June 03, 2022 to reclassify the above said shares falling under the category of 'Promoter' of the Company as 'Public'.

Sri V Pichai (deceased) held 42695 equity shares of the Company constituting 0.067% of the Paid up equity share capital of the Company. Mrs P Suganthi, in her letter had declared that she

- (i) individually or collectively along with her relatives, do not hold more than 10% of the paid-up equity share capital of the Company.
- (ii) will not exercise directly or indirectly any control over the Company.
- (iii) will not in any way connected with the Management of the affairs of the Company.
- (iv) will neither have any representation on the Board of Directors of the Company, nor hold any Key Managerial Personnel position in the Company.
- (v) will not have any special rights through formal or informal agreements.
- (vi) is not a willful defaulter of any guidelines of RBI.
- (vii) is not a fugitive economic offender.

Mrs P Suganthi is a senior citizen, leading independent life and is not directly or indirectly connected with the Company.

In line with the provisions of Regulation 31A of SEBI (LODR) Regulations, 2015 and based on the letter received from Mrs P Suganthi, the matter was discussed by the Board of Directors of the Company at their meeting held on June 13, 2022 and the Board decided to reclassify the said 42695 shares from the category of 'Promoter' to 'Public', subject to the approval of the shareholders in the General meeting and with the approval of Stock Exchanges.

Accordingly it is proposed to seek approval of the Members to reclassify the said 42695 shares from the category of 'Promoter' to 'Public' and to authorise the Board and the Company Secretary to take necessary further steps such as making necessary application to NSE / BSE to get approval from them.

A copy of the Resolution of the Nomination and Remuneration Committee / Board of Directors and other relevant documents in this regard are available for inspection by the Members at the Registered Office of the Company during business hours on any working day prior to the date of the meeting.

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

The Board recommends the Ordinary Resolution set out in Agenda 7 of the Notice for approval of the Shareholders.

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

Erode
June 13, 2022

**(S SRINIVAS)
CFO & Secretary**

Appointment / Re-appointment of a Director :

Disclosure required under Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of a Director seeking appointment / re-appointment at the Sixty Second Annual General Meeting :

SRI N GOPALARATNAM :

Director Identification Number	: 00001945
Date of Birth & Age	: 15 04 1947 (75 years)
Date of Appointment	: 26 12 1987 as a Director 01 04 1988 as a Managing Director 28 07 2001 as Chairman and Managing Director 01 04 2014 as Chairman 01 04 2020 as Chairman
Qualification	: B.Sc., BE (Mech.)
Expertise in specific functional areas	: Mechanical Engineer with more than 48 years of Specialisation in design, operation and Management of Pulp and Paper Industry.
Terms and conditions of re-appointment	: He is proposed to be re-appointed as a Director of the Company, liable to retire by rotation.
Remuneration proposed to be paid	: Same as by Shareholders in the Annual General meeting held on August 08, 2020.
Remuneration last drawn	: ₹ 2.34 crores for FY 2021-22
Number of shares held in the Equity Capital of the Company	: 78155 (of Face Value ₹ 2 each)
Relationship with other Directors	: He is not related to any other Director
Number of Board Meetings attended during the year	: 5 (100%)
Resignation of directorships from listed entities during the past 3 years	: Nil
Directorship in other Companies	: Ponni Sugars (Erode) Limited High Energy Batteries (India) Limited Esvi International (Engineers & Exporters) Limited Time Square Investments Private Limited
Committee / executive positions held in other Companies	: Ponni Sugars (Erode) Limited - Stakeholders Relationship Committee - Chairman - Nomination and Remuneration Committee - Member High Energy Batteries (India) Limited - Stakeholders Relationship Committee - Chairman

SESHASAYEE PAPER AND BOARDS LIMITED

SRI GANESH BALAKRISHNA BHADTI :

Director Identification Number	:	0009634741
Date of Birth & Age	:	21 04 1962 (60 Years)
Date of Appointment	:	13 06 2022
Qualification	:	B.A.Sc, MBA
Expertise in specific functional areas	:	<p>Sri Ganesh Balakrishna Bhadti is an accomplished Pulp and Paper Industry professional, with over 35 years of industry experience. He has wide experience in Pulp and Paper Industry serving top companies. He also holds Green Belt certification in Manufacturing Excellence.</p> <p>Sri Ganesh Balakrishna Bhadti is presently the President of Indian Pulp and Paper Technical Association (IPPTA), the Co-Chairman of Paper Tech (CII) and Member of Technical sub-committee of Indian Paper Manufacturers Association (IPMA).</p>
Terms and conditions of appointment	:	He is proposed to be appointed as a Director, liable to retire by rotation.
Remuneration proposed to be paid	:	As per details given in the explanatory statement to the subject.
Number of shares held in the Equity Capital of the Company	:	Nil
Relationship with other Directors	:	He is not related to any other Director
Number of Board Meetings attended during the year	:	NA
Resignation of directorships from listed entities during the past 3 years	:	NA
Directorship in other Companies	:	Nil
Committee / executive positions held in other companies	:	Nil

Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961, for Resident and Non-Resident shareholder categories, on the Dividend payment:

This appendix provides the applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholder categories.

I For Resident Shareholders :

Pursuant to the changes introduced by the Finance Act 2020, with effect from April 01, 2020, the Company would be required to withhold taxes at the prescribed rates on the dividend paid to its Shareholders. The withholding tax rate would vary depending on the residential status of the Shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Dividend will be paid after deducting the tax at source as follows:

Particulars	Applicable Rate*	Document Required (if any)
With PAN	10%	Update the PAN, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Integrated Registry Management Services Pvt. Ltd (in case of shares held in physical mode).
Without PAN / With Invalid PAN	20%	
Submitting Form 15G / 15H	Nil	Declaration in Form No. 15G (applicable to any person other than a Company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. Please download Form 15G/15H from the Income Tax website www.incometaxindia.gov.in .
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower / NIL in accordance with tax certificate obtained from tax authority.
Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable	Nil	Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable.
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	Nil	Documentary evidence that the person is covered under said Section 196 of the Act.

* Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in Financial Year 2022-23 does not exceed ₹ 5,000/-.

NOTE:

Further the Finance Act 2021 has brought in section 206AB effective from July 01, 2021 wherein tax would be deducted at higher rates (twice the specified rate) on payment of dividends to specified person. According to the provisions of section 206AB, a specified person means a person who has not furnished their return of income for the previous year immediately preceding the financial year in which tax is required to be deducted and for which the time limit for furnishing the return of income under section 139(1) of the Act has expired and the aggregate of tax deducted at source and collected at source is rupees fifty thousand or more in the said previous year. Accordingly, applicable tax deduction rates for specified person would be double the prescribed rates. For Resident specified shareholder it would be 20% and for Non-Resident specified shareholders (who has not furnished a declaration stating no permanent establishment in India) the tax deduction rates would be 40% plus applicable surcharge and cess as prescribed under the Act.

II Non-Resident Shareholder:

Particulars	Applicable Rate	Document Required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	None
Other Non-resident Shareholders	20% (plus applicable surcharge and cess) (or) Tax Treaty Rate** (whichever is lower)	In order to apply the Tax Treaty rate, following documents would be required : 1) Copy of Indian Tax Identification number (PAN), if available. 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the Country of which the Shareholder is a resident. 3) Form 10F duly filled and signed. 4) Self-declaration from Non Resident, primarily covering the following: - Non Resident is eligible to claim the benefit of respective Tax Treaty. - Non Resident receiving the dividend income is the beneficial owner of such income. - Dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower / NIL withholding tax certificates obtained from tax authority.

** The Company is not obligated to apply the beneficial Tax Treaty Rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non Resident Shareholder and review to the satisfaction of the Company.

Shareholders who are exempted from TDS provisions through any Circular or Notification shall provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such Shareholder.

No claim shall lie against the Company for such taxes deducted

The Company will arrange to email a soft copy of the TDS certificate at the Shareholders registered email ID in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

We request your cooperation in this regard.

III For Shareholders having multiple accounts under different status / category

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as

applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

The afore-mentioned documents are required to be e-mailed to kalyan@integratedindia.in

All required documents should reach us on or before July 13, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. Communication on the tax determination / deduction shall not be entertained post July 13, 2022.

If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details / documents by July 13, 2022, the Shareholder may claim an appropriate refund in the return of income filed with their respective Tax Authorities.

Disclaimer: This Appendix shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

Voting Process and Instructions

(A) Remote e-Voting (Voting through electronic means)

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, as amended from time to time, the Company is pleased to provide its Members facility to exercise their right to vote at the 62nd Annual General Meeting (AGM) by electronic means. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-Voting) will be provided by National Securities Depository Limited (NSDL) and the items of business as detailed in this Notice may be transacted through remote e-Voting.
- (ii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of July 16, 2022 only shall be entitled to avail the facility of Remote e-Voting.
- (iii) The Members who have cast their votes through Remote e-Voting prior to the AGM may also attend / participate in the AGM through VC, but shall not be entitled to cast their vote again.
- (iv) The Remote e-voting period commences on July 20, 2022 (9:00 AM) and ends on July 22, 2022 (5:00 PM). During this period,

Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of July 16, 2022, may cast their vote electronically. The Remote e-Voting module shall be disabled by NSDL for voting thereafter.

- (v) The voting rights of Members shall be in proportion to their share of the Paid-up Equity Share Capital of the Company as on the cut-off date of July 16, 2022.
- (vi) The details of the process and manner for e-voting and voting during AGM are explained below :

Step 1 : Access to the NSDL e-voting system

Step 2 : Cast your vote electronically on NSDL e-voting system

Step 1 : Access to the NSDL e-voting system

A) Login method for e-voting and joining virtual meeting / voting during the meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on “e-Voting facility provided by Listed Companies”, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS Facility</p> <p>If you are already registered for the NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. 4. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the Remote e-Voting period (or) joining virtual meeting & voting during the meeting. <p>If the user is not registered for IDeAS facility:</p> <ol style="list-style-type: none"> 1. The option to register is available at https://eservices.nsdl.com. 2. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Upon successful registration, please follow steps given in points 1 - 5 above. <p>B. E-voting website of NSDL</p> <ol style="list-style-type: none"> 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com / either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period (or) joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on "New System Myeasi". After successful login of Easi / Easiest, the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider ("ESP") i.e. NSDL portal. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period (or) joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

B Login method for e-voting and joining virtual meeting / voting method during the meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.
5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 119985 then user ID is 119985001***

6. Password details for shareholders other than Individual shareholders are given below :
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on

- i. "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- ii. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.

c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open

Step 2 : Cast your vote electronically and join general meeting on NSDL e-Voting system.

1. After successful logging at Step 1, you will be able to see the "EVEN" of all Companies in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Seshasayee Paper and Boards Limited, which is 119985.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for procuring user id and password for e-voting for those shareholders whose email ids are not registered with the depositories / Company:

Members holding shares in dematerialised form and whose e-mail IDs are not registered with the Company / Depository Participants, as well as for Members holding shares in physical form may follow the process detailed below for registration of e-mail ID to obtain user ID / Password for e-Voting and updation of Bank account mandate for receipt of Dividend :

Type of Holder	Process to be followed	
	Registering Email address	Updating Bank account details
Physical	Send a request to the RTA of the Company, Integrated Registry Management Services Pvt. Ltd at kalyan@integratedindia.in providing Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address.	<p>Send a request to the RTA of the Company, Integrated Registry Management Services Pvt. Ltd at kalyan@integratedindia.in providing Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for updating bank account details.</p> <p>The following additional details need to be provided in case of updating bank account details :</p> <ul style="list-style-type: none"> ◇ Name and address of the branch of the Bank in which you wish to receive the dividend. ◇ Bank account type. ◇ Bank account number allotted by their Banks after implementation of core banking solutions. ◇ 9 digit MICR Code Number. ◇ 11 digit IFSC. ◇ a scanned copy of the cancelled cheque leaf bearing the name of the first Member.
Demat	Please contact your DP and register your e-mail address and Bank account details in your demat account, as per the process advised by your DP.	

The instructions for members for e-voting on the day of the AGM are as under :

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
5. The Chairman will fix the time for voting at the meeting.

The instructions for members for attending the AGM through VC are as under :

1. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the Remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through Laptop connecting via Mobile Hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.
7. Shareholders who would like to express their views / ask questions during the meeting, may register themselves as a speaker by sending their request mentioning their name, demat account number / folio number, email id, mobile number at investor@spbltd.com on or before 05.00 PM IST on Monday, 20th July 2022. Members, who register themselves as speaker Shareholders would receive a separate link from the Company, thro' which they may join and raise questions during the AGM, as and when allowed by the moderator for the meeting. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

8. Shareholders may also send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at investor@spbltd.com, on or before 05.00 PM IST on Monday, the 20th July 2022. The same will be replied by the Company suitably.

General Instructions:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shankartheacs5@gmail.com with a copy marked to evoting@nsdl.co.in.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on

toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in, or contact Ms. Sarita Mote, Assistant Manager, National Securities Depository Ltd., at designated email IDs : evoting@nsdl.co.in to get your grievances on e-voting addressed.

4. The cut-off date for the purpose of e-Voting has been fixed as July 16, 2022. Members holding shares as on this cut-off date should endeavor to cast their vote in any one of the two modes.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 16, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 16, 2022, may follow steps mentioned in the Notice of the AGM.
6. Mr. K Sankarasubramanian, Practicing Company Secretary (Membership No. A 26989) has been appointed as the Scrutiniser.

7. The Scrutiniser will, after the conclusion of Voting at the AGM:

- (i) First count the votes cast at the meeting thro e-Voting.
- (ii) Then unblock the votes cast through Remote E-Voting.
- (iii) All the above will be done in the presence of two witnesses not in the employment of the Company.
- (iv) Make a consolidated Scrutiniser's Report (integrating the votes cast at the meeting and through Remote e-Voting) of the total votes cast in favour or against, if any, to the Chairman.
- (v) The Scrutiniser's Report as above would be made soon after the conclusion of AGM and in any event not later than

48 hours from the conclusion of the Meeting.

8. Voting Results:

- (i) The Chairman or a person authorised by him in writing shall declare the result of the voting based on the Scrutiniser's Report.
- (ii) The results declared along with the Scrutiniser's Report will be placed on the Company's website www.spbltd.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared and also communicated to NSE and BSE.
- (iii) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of AGM.

BOARD'S REPORT

7he Board of Directors hereby present their 62nd Annual Report and the Audited Accounts, for the financial year ended March 31, 2022.

The Company has adopted the Indian Accounting Standards (IndAS) from Financial Year 2017-18, as mandated. Accordingly, the financial statements for current year, including comparative figures of previous year are based on IndAS and in accordance with the recognition and measurement principles stated therein, as well as other accounting principles generally accepted in India. While this has no major impact for the Statement of Profit and Loss, there is and would be periodical impact for "Other Comprehensive Income" in measuring and restating investments at fair value.

WORKING RESULTS

	2021-22 (in tonnes)	2020-21 (in tonnes)
Production	2 12 086	1 70 138
Sales	2 20 344	1 39 005
	(₹ crores)	(₹ crores)
Revenue from Operations	1354.93	781.79
Other Income	16.65	19.32
Total Income	1371.58	801.11
Profit before interest, depreciation, exceptional item and tax	182.24	126.87
Finance Cost	2.87	2.91
Depreciation	40.83	37.60
Profit before tax	138.54	86.36
Provision for current tax	34.55	18.44
Transfer to / (from) Deferred Tax	0.89	(-) 32.35
Net Profit	103.10	100.27

DIVIDEND

The Board of Directors recommend payment of Dividend at ₹ 2.50 (Rupees Two and fifty paise only) per Equity Share of ₹ 2 each, absorbing a sum of ₹ 15.76 crores.

As per the provisions of the Income tax Act, 1961, as amended by the Finance Act, 2020, Dividend Distribution Tax is not applicable in respect of Dividends declared, distributed or paid by the Company after March 31, 2020. The same will be taxed in the hands of the shareholders.

As per Ind AS 10, Events after the reporting period, Proposed Dividend on Equity Shares, being a non-adjusting event at the Balance Sheet date, is not recognised as a liability in the accounts for the financial year ended March 31, 2022. The same will be recognised in the year of payment, viz., financial year ending March 31, 2023.

APPROPRIATIONS

	2021-22 (₹ crores)
Net profit for the year	103.10
Add:	
Income from SPB Equity Shares Trust	1.11
Add:	
Surplus brought forward from the previous year	176.89
Add:	
Re-measurement of defined benefit Plans (net of tax)	0.80
	281.90
Less:	
Dividend paid during the year (For Financial Year 2020-21)	15.76
Tax on Dividend distribution	---
Transfer to General Reserve	100.00
Balance carried forward	166.14

SESHASAYEE PAPER AND BOARDS LIMITED

OPERATIONS

Gradually coming out of Covid-19 lockdown and restrictions, the Company had registered the following key landmarks during the FY 2021-22.

- ❖ Highest ever annual production at 2.12 lakh tonnes.
- ❖ Highest ever annual sales at 2.20 lakh tonnes.
- ❖ Highest ever Total Income at ₹ 1371.58 crores.
- ❖ Highest ever annual Exports at 57010 tonnes (representing over 25% of FY 2021-22 volumes).

The Company could achieve these landmarks in the current financial year, in spite of the following:

- ❖ Weak demand situation amidst Closure of Schools and educational institutions for most part of the 1st half of FY 2021-22.
- ❖ Shuts availed in Paper Machines, Pulp Mill and Recovery Operations during the FY 2021-22 for upgradation works under the Project Mill Development Plan - III.
- ❖ Global political and economic situations resulting in highly vulnerable and uncertain logistics situation, non-availability and high cost of containers for sourcing imported input materials and in exporting finished products.

PRODUCTION

(Tonnage)

Unit	FY 2021-22	FY 2020-21	Growth (%)
Erode	1,41,707	1,12,489	26 %
Tirunelveli	70,379	57,649	22 %
Total	2,12,086	1,70,138	25 %

- ❖ During the FY 2021-22, the production at Unit : Erode was 1,41,707 tonnes of paper, as compared to 1,12,489 tonnes, produced in the previous year. The production during the year included 11,025 tonnes of Pulp Board production. (Previous Year - 16,226 tonnes).

- ❖ Accordingly paper production at Unit : Erode was higher by 34,419 tonnes, compared to the previous year.
- ❖ The Company completed upgradation works on Paper Machine - 1 and Paper Machine - 5 in FY 2020-21 as part of project Mill Development Plan - III (MDP-III).
- ❖ As part of the second phase of the project, the Company completed the upgradation works in Paper Machine - 2, Paper Machine - 4, Pulp Mill and Recovery Boiler during the Financial Year 2021-22.
- ❖ Completion of these projects helped the Company to ramp up production during FY 2021-22 and helped the Erode unit to achieve its highest ever annual production & sales, despite tough demand situation and shuts availed in machines for upgradation works under the project.
- ❖ With the completion of most critical parts of the Project MDP-III, the annual installed capacity of Paper for Unit : Erode reached 1,65,000 tonnes. The annual capacity of Unit : Tirunelveli remains at 90,000 tonnes. Accordingly, the total installed capacity of the Company currently stands at 2,55,000 tonnes per annum.
- ❖ Unit : Erode also produced 29,552 tonnes of Wet Lap Pulp during FY 2021- 22, (Previous Year 32,569 tonnes) to augment the Pulp requirements of Unit : Tirunelveli.
- ❖ Unit : Tirunelveli produced 70,379 tonnes of Paper during the FY 2021-22, as compared to 57,649 tonnes, produced in the previous year. Production recorded was higher mainly due to significant increase in the volume of export orders during the FY 2021-22.
- ❖ Overall Production for the Company was 2,12,086 tonnes of Paper and Boards for the year, as compared to 1,70,138 tonnes produced in the previous year.

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SALES

Unit	(Tonnage)		Growth (%)
	FY 2021-22	FY 2020-21	
Erode	1,42,500	86,309	65%
Tirunelveli	77,844	52,696	48%
Total	2,20,344	1,39,005	59%

- ❖ During the FY 2021-22, Company registered an overall sales of 2,20,344 tonnes of Paper (Previous year : 1,39,005 tonnes).
- ❖ In addition, as part of its trading activity, the Company sold during FY 2021-22, petroleum products valued at ₹ 26.34 crores (Previous Year : ₹ 21.75 crores) and Note Books valued at ₹ 0.80 crores (Previous Year : ₹ 3.61 crores).
- ❖ Unit : Tirunelveli achieved Zero Stock of Finished Goods as on March 31, 2022 (Stock as on March 31, 2021 - 7490 tonnes).
- ❖ Unit : Erode had a Finished Goods Inventory of only 2337 tonnes as on March 31, 2022 (Stock as on March 31, 2021 - 27735 tonnes).

PROFITABILITY

The Revenue from Operations of the Company for the year was ₹ 1354.93 crores, as against ₹ 781.79 crores, in the previous year.

Profit before interest, depreciation, exceptional item and tax was ₹ 182.24 crores, for the Company as a whole, compared to ₹ 126.87 crores, in the previous year.

After absorbing interest and depreciation of ₹ 2.87 crores and ₹ 40.83 crores respectively, the Profit before tax (PBT) was ₹ 138.54 crores in FY 2021-22, as compared to ₹ 86.36 crores, in the previous year.

The higher PBT is mainly on account of higher volumes, manufactured and sold during the FY 2021-22 compared to the previous year.

It is to be highlighted that the healthy profitability of the Company in FY 2021-22 is despite the significant impact of use of costlier pulp and power during the 45 days shut of pulp mill & recovery operations, for upgradation works under MDP-III.

The Company's strategy of using the Covid-19 related downtimes, during the last 2 years, to manufacture and stock pulp board paid rich dividends during FY 2021-22 and effectively contained the impact, of above mentioned 45 days planned shut of pulp mill & recovery operations, to manageable levels.

For the financial year ended March 31, 2022, current tax liability works out to ₹ 34.55 crores, as against a liability of ₹ 18.44 crores in the previous year.

The Deferred Tax liability amounted to ₹ 0.89 crores for the financial year ended March 31, 2022, as against ₹ (-) 32.35 crores in the previous year. The Company had migrated to effective income-tax rate of 25.17% w.e.f FY 2021-22 and accordingly the Company had restated the deferred tax assets & liabilities at the effective income tax rate of 25.17% as on March 31, 2021. The restatement involved a deferred tax provision reversal of ₹ 43.67 crores and MAT credit entitlement adjustment of ₹ 7.28 crores, net adjustment amounting to ₹ 36.39 crores during the previous financial year ended March 31, 2021.

As a result, profit after tax for the financial year ended March 31, 2022 was ₹ 103.10 crores, as compared to ₹ 100.27 crores in the previous financial year.

FINANCE

The Company reports NIL debt position as on March 31, 2022 (Debt Position as on March 31, 2021 was also NIL).

The Company did not have any instalments of Term Loans and interest (on Working Capital borrowings), due for payment during the year.

Availment of Fund Based Working Capital limits remained NIL throughout the FY 2021-22.

As against ₹ 82.5 crores of Term Loan sanctioned by the Bankers (State Bank of India and HDFC Bank) for the project MDP-III, the Company had availed a Term Loan of ₹ 11.16 crores only during the year and the same had been prepaid, along with accrued interest, during the year. The Company had also surrendered the un-availed portion of the Term Loan. Accordingly, the Term Loan outstanding as of March 31, 2022 stands NIL.

INTEREST FREE SALES TAX DEFERRAL LOAN

The Company repaid ₹ 4.03 crores during the year and the balance outstanding as on March 31, 2022 was ₹ 4.37 crores.

MARKET CONDITIONS

❖ **Q-I 2021-22** : FY 2021-22 started with a positive note, as the market sentiments and demand at the beginning of this year was good. Good market conditions and demand helped the Paper Mills to announce price increases in April'21. However this did not last long, due to the onset of Covid 2nd wave from May'21. With more Government restriction from May'21 and closure of schools and colleges, the demand and market conditions started deteriorating. In May'21, Paper Mills withdrew the price increases announced in April'21.

❖ **Q-II 2021-22** : The market conditions showed signs of improvement from August'21 as the schools and colleges were reopened. This improved the sentiments in the market and the Paper mills announced Price increases, amidst extraordinary levels of cost push. Though the market was not buoyant, the fear of price increase in the subsequent months forced the customers to buy the material in advance. Our Company also started marketing various new products, particularly in the Boards Segment, aggressively. The order flow for the new products was good and

unaffected by the poor market conditions that prevailed for writing and printing segments. These new products complemented the existing products and contributed to improved sale in this quarter for the Company.

❖ **Q-III 2021-22** : Cost of all key input materials (Coal, Wood, Chemicals) continued to see significant increase during the quarter and the Paper Mills announced series of price increases during the quarter. End of the quarter witnessed sluggishness in demand, particularly for Printing and Writing Paper, owing to various uncertainties in the market and fear of Omicron.

❖ **Q-IV 2021-22** : Towards the end of January '22, the market sentiments improved as the fear of Omicron started fading. The demand for printing and writing grades started improving significantly especially from the educational sector, as the schools and colleges were reopened for conducting physical classes. The sudden surge in demand helped most Paper Mills announce further Price Increases, as the industry witnessed unseen levels of cost push. The mills particularly dependent on Imported Coal, had seen severe contraction in their margins. High demand and good market conditions prevailed from second half of January '22 and this helped the Paper Mills to announce further round of Price Increases to pass on the cost push on account of continued rise in cost of most key input materials.

❖ **OUTLOOK** : Outlook for the 1st quarter of FY 2022-23 is expected to be positive with continued higher pent-up demand for printing and writing grade papers. Demand for Boards is expected to remain strong throughout the financial year. Paper Mills have already announced next round of Price Increases and the Company has followed suit. However, the global political situations, macro-economic indicators & global supply chain constraints will have a strong bearing on the healthy order inflow, both from Domestic and Global markets.

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EXPORT PERFORMANCE

Unit	(Tonnage)		
	FY 2021-22	FY 2020-21	Growth (%)
Erode	28,129	11,802	138 %
Tirunelveli	28,881	16,181	78 %
Total	57,010	27,983	104 %

- ❖ The Company exported 57,010 tonnes of paper during the FY 2021-22, as compared to 27,983 tonnes exported during FY 2020-21.
- ❖ The export volumes during the FY 2021-22 represented 25% of the volumes sold by the Company during the year.
- ❖ The export proceeds in Foreign Currency for the year 2021-22 amounted to US \$ 47.96 Mn (Previous Year Exports - US \$ 19.0 Mn).

TREE FARMING ACTIVITY

The Company continues to provide quality Clonal Seedlings of Eucalyptus, as well as bare-rooted Casuarina Seedlings, at subsidised rates, to interested farmers and assist them with technical help to achieve higher yields.

In addition, the Company had provided clones of Melia-Dubia to interested farmers, a high yielding fast growing species, suitable for Pulp production.

Technical Support to the farmers for this initiative is being provided in association with the Department of Tree Breeding of Forest College and Research Institute, attached to Tamil Nadu Agricultural University, Coimbatore, through a Collaborative Research Project.

In accordance with the Company's vision to achieve wood positive status, over fourteen crore Seedlings (Clonal Eucalyptus Seedlings, bare-rooted Casuarina Seedlings and Melia Dubia Clones) were made available during the year, to farmers at subsidised rates for planting in about 20,042 acres of land. (Previous Year : 19,105 acres).

ISO 9001 / ISO 14001 ACCREDITATION

The Company's Quality Management Systems and Environment Management Systems continue to be covered under ISO 9001 and ISO 14001 Accreditations.

Both ISO 9001 and ISO 14001 standards have undergone revision to 2015 standards which lays emphasis on role of top management, adoption of risk management and change management. All these changes are to facilitate sustainability in business performance.

OHSAS 18001 CERTIFICATION

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

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

The Company continue to be certified under four Standards of FSC, viz. FSC-STD-40-004, FSC-STD-40-005, FSC-STD-40-003 and FSC-STD-50-001. By this, the Company assures its stakeholders that the wood and wood fibre (pulp) purchased by it are traceable to responsibly managed plantations 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 Mix Products in the domestic and international markets.

AWARDS

The Company received the following Awards and recognitions during the year :

- ❖ CII - National Award for Excellence in Energy Management, in the year 2021.
- a) Excellence in Energy Management - for the past 4 consecutive years.

- b) National Energy Leader - 2nd time in row.
- c) Innovation award- For Digester modification to enhance pulp production and green energy.
- ❖ Paper Mill of the year award for FY 2019-20, awarded by Indian Paper Manufacturers Association.
- ❖ AEE award - Regional Corporate Energy award 2021 by Association of Energy Engineers, US.

EXPORT HOUSE STATUS

The Company continues to be accredited with "Star Export House" Status 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, 2022, 16,347 Shareholders are holding Shares in Demat form and 5,00,68,026 shares have been dematerialised, representing 79.39% of the total Equity Share Capital.

SUBSIDIARY

M/s Esvi International (Engineers & Exporters) Limited (Esvin) is a wholly owned subsidiary of the Company. Currently, Esvin holds properties and derives property income.

MILL DEVELOPMENT PLAN

In the FY 2020-21, the Company had embarked on a Mill Development Plan - III (MDP - III) at Unit : Erode at a Cost of ₹ 315 crores.

The MDP - III at Unit : Erode consist of :

- ❖ Upgradation and Modernisation of the Paper Machines to increase the Capacity from 1 32 000 tonnes per annum to 1 65 000 tonnes per annum.
- ❖ Upgradation and Modernisation of the RDH Pulp Mill to increase the Capacity to 1 54 000 tonnes per annum.

- ❖ Upgradation of the Recovery Island and
- ❖ Augmentation of Waste Water Treatment Plant.

However, in March 2020, while we were taking steps for placing orders for major equipment, Covid-19 pandemic broke out resulting in nationwide / global lockdowns. During the Covid-19 pandemic period, most of the schools / colleges / offices, courts etc were shut, resulting in huge dent in the consumption of printing and writing paper, which is a major grade manufactured by our Company.

This situation had resulted in huge build-up of unsold stocks. Manufacturing of "Stocks without Orders" resulted in huge pressure on Sales and poor collection of money from market. With a view to ensure that the normal operations are not affected by adverse funds situation, it was considered prudent to trim the project to focus on essential equipment and to defer items of equipment that can be conveniently installed after return of normalcy.

The shareholders may also recall that during this pandemic period, there was a serious stand-off between India and China. As retaliatory measures, the Indian Customs had resorted to delayed clearance of Chinese shipments, etc. Also the Chinese suppliers were not able to depute their engineers for installation jobs in India, since Indian embassy was not issuing visas to Chinese nationals. Fearing undue delay in receipt of equipment and lack of installation support, if orders were to be placed on Chinese suppliers, it was thought prudent to shift the sourcing of some of the equipment to India / non-china sources.

Also, during this time, Packaging Industry witnessed unprecedented growth opportunities and as part of de-risking strategy, our Company decided to get equipped with facilities to manufacture multi-layer products like Kraft Liner Boards, Cup Stock, Carton Boards, etc.

All these had resulted in altered scope of equipment than originally envisaged in the

Project documents. The above exercise however was undertaken with utmost care to ensure that the critical objectives of the project were not diluted. Accordingly, the Project Cost has been revised and the revised Cost of implementation of Project MDP-III is now estimated at ₹ 288.0 crores.

The project is nearing completion with major upgradation works in Chemical Recovery Plant, Wood Pulp Mill, Paper Machine - 5, Paper Machine - 2 and Paper Machine - 4 having been successfully completed.

The Company has achieved the following objectives successfully and has started realising the benefits from the project, in the Erode unit.

- a) Paper Capacity has been increased to 1,65,000 tonnes p.a.
- b) Pulp Capacity has been increased to 1,54,000 tonnes p.a.
- c) Recovery Island has been upgraded
- d) Successful foray in to multi-layer boards Segment, by altering 2 machines to manufacture Boards.

The Company has spent ₹ 220 crores as on March 31, 2022 for the project MDP-III and the balance ₹ 68 crores is expected to be spent on a staggered basis over the next 12 - 15 months.

Considering the global uncertainties & extraordinary cost push, it was considered prudent to spend only on those projects which will add immediate value to the business. Other items will be taken up for installation only on requirement basis and after normalcy returns in Indian and Global markets.

In this background, the Company had also prepaid the Term Loan of ₹ 11.16 availed for the project and have also surrendered the balance unavailed portion of the Term Loan, sanctioned for the project by the Company's bankers. Effectively, the entire project cost is met out of internal accruals only.

COST PUSH

The Company is facing unprecedented increase in costs amidst the current global scenarios. The global supply chain, which was first hampered by Covid-19 pandemic, is now suffering from the consequences of the Russia-Ukraine war. The Oil prices have reached unprecedented levels.

Coal prices are now at 3 times the pre-covid levels. Cost of most chemicals / other input materials have increased significantly.

All these have resulted in significant pressure on margins, with Price increases in Paper not meeting the impact of cost push in full.

CURRENT YEAR (2022-23)

FY 2022-23 has begun with strong demand resulting in good order inflow, both for printing and writing grades and boards segments. Margins continue to be an area of concern, amidst unprecedented increase in the cost of all input materials.

In Unit : Erode, the Production during April 2022 was 13,051 tonnes, as compared to 10,683 tonnes, produced during April 2021. In Unit : Tirunelveli, the Production was 6,003 tonnes in April 2022, as against 6,003 tonnes in April 2021. The overall Production for the Company, for the month of April 2022, was 19,054 tonnes. Total Value of Production, during April 2022 amounted to ₹ 110.93 crores, compared to ₹ 77.75 crores during April 2021.

During April 2022, 1072 tonnes of paper, valued at ₹ 8.84 crores were exported.

ENVIRONMENTAL PROTECTION

The Company continues to provide utmost attention to the conservation and improvement of the environment. In Unit : Erode, the Power Boilers, Lime kiln and Recovery Boilers are equipped with Electro Static Precipitators, to arrest dust emissions. The Company 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, on a sustained basis. The treated effluent water continues to be utilised for irrigating nearby sugar cane fields.

Additional treatment facilities have been proposed for waste water under the Mill Development Plan - III.

Unit : Tirunelveli is well equipped with efficient Electro Static Precipitator for the Power Boiler and has an extensive green cover. Its treated waste water, after recycling, is used to irrigate the Company owned lands. As part of the Mill Expansion Plan, the Waste Water Treatment Plant has been augmented with a Dissolved Air Flotation Cell and Anaerobic Digester.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS REPORT

The Report covering industry structure and developments, opportunities and threats, outlook, discussion on financial performance, etc., is contained in "Management Discussion and Analysis Report" in terms of Regulation 34 of the Listing Regulations, that forms an integral part of this Report and annexed as **Annexure - I**.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report, together with the Certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance is given in **Annexure - II**. The Corporate Governance Report also includes contents and disclosures required under Section 134(3) of the Companies Act, 2013 at relevant places that forms an integral part of this report.

BUSINESS RESPONSIBILITY REPORT

Consequent to mandatory reporting of its responsibility initiatives under the Listing

Regulations, the Company had formulated a consolidated policy on Business Responsibility which lays down the broad principles guiding the Company in delivering its various responsibilities to its stakeholders. The policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set-up and the environment so that it contributes beyond financial and operational performance. A copy of the policy is available at <https://www.spbltd.com/investor-info/policy/index.html> and the Business Responsibility Report for the year ended March 31, 2022 in terms of Regulation 34(2) of the SEBI (LODR) Regulations is annexed to this report as **Annexure - III**.

DISCLOSURE REQUIREMENTS UNDER SECTION 134 OF THE COMPANIES ACT, 2013

In deference to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, disclosures / confirmations are made as below :

(i) THE ANNUAL RETURN

A copy of the annual return for FY 2021-22 will be placed on the website of the Company (<https://www.spbltd.com/investor-info/annual-return/index.html>) after conclusion of the 62nd Annual General Meeting.

(ii) DIRECTORS' RESPONSIBILITY STATEMENT

While preparing the annual accounts, the Company has adhered to the following:

- ❖ Applicable Accounting Standards, referred to in Section 129(1) of the Companies Act, 2013, have been followed.
- ❖ The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- ❖ The Directors have prepared the annual accounts on a "going concern" basis.
- ❖ The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- ❖ The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(iii) PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the financial year ended March 31, 2022, the Company did not extend any Loan or Guarantee or provided any security or make investment covered under Section 186 of the Companies Act, 2013.

(iv) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions (RPTs) and the policy formulated by the Board on Material RPTs. Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2 as **Annexure - IV**.

(v) MATERIAL CHANGES AND COMMITMENTS

There was no change in the nature of business of the Company during the year. There are no other material changes and commitments in the business operations of the Company since the close of the financial year on 31st March 2022 to the date of this Report.

(vi) 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 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure - V**.

(vii) CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013 mandates every Company having minimum threshold limit of net worth, turnover or net profit as prescribed to constitute a Corporate Social Responsibility Committee of the Board, formulation of a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and duly approved by the Board, fix the amount of expenditure to be incurred on the activities and monitor the CSR Policy from time to time.

Since your Company falls within the minimum threshold limits, it has constituted a CSR Committee of the Board and formulated a CSR Policy. The CSR Report, forming part of this Report, is furnished in **Annexure - VI**.

(viii) PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197, read with Rule 5 of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, is furnished in **Annexure - VII**.

CASH FLOW STATEMENT

As required under Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Cash Flow Statement is attached to the Balance Sheet.

INDUSTRIAL RELATIONS

Relations between the Management and Employees were cordial throughout the year

under review. The five year wage / salary agreement with labour unions / staff association, which expired on March 31, 2019, has been finalised and a formal agreement, valid until March 31, 2024 had been entered into by the Company, during April / May 2022.

DIRECTORS

During the FY 2021-22, Tamilnadu Industrial Investment Corporation (TIIC) withdrew the nomination of Tmt. Sigy Thomas Vaidhyan, IAS and in her place nominated Sri Hans Raj Verma, IAS (Chairman and Managing Director, TIIC) as its Nominee Director on the Board of our Company. Sri Hans Raj Verma, IAS, was appointed as an Additional Director on the Board of the Company on June 15, 2021 by a Circular Resolution. He was later appointed by the Shareholders of the Company, in the Annual General Meeting held on July 24, 2021, as a Nominee Director not liable to retire by rotation.

Also, during the year, Tamilnadu Government withdrew the nomination of Dr. Shekhar Kumar Niraj, IFS and in his place nominated Sri K Rajkumar, IFS, the Special Secretary to Government, Environment, Climate change and Forests Department, as its Nominee Director on the Board of our Company. Sri K Rajkumar, IFS, was appointed as an Additional Director on the Board of the Company on October 23, 2021. He was later appointed by the Shareholders of the Company, vide Postal Ballot on December 7, 2021, as Nominee Director liable to retire by rotation. Your Directors place on record the valuable services rendered by Tmt. Sigy Thomas Vaidhyan, IAS and Dr. Shekhar Kumar Niraj, IFS, during their tenure as Directors of the Company.

All the Independent Directors have given the declaration that they meet the criteria on independence, as laid down under Section 149(6) of the Companies Act, 2013. The performance evaluation of Independent Directors has been done by the entire Board of Directors, excluding the Director being evaluated at the Board

Meeting held on March 26, 2021. The Board, on the basis of such performance evaluation determined to continue the term of appointment of all Independent Directors.

AUDITORS

M/s Maharaj N R Suresh & Co LLP and M/s R Subramanian and Company LLP Chartered Accountants were the Statutory Auditors of the Company for FY 2021-22. However, the 5 year tenure of M/s R Subramanian and Company LLP gets over with the conclusion of this annual general meeting and the Board of Directors have approved and recommended continuation of M/s Maharaj N R Suresh & Co LLP as the sole statutory auditor of the Company for FY 2022-23.

Your Directors place on record the valuable services rendered by M/s R Subramanian and Company LLP during their tenure as Joint Statutory Auditors of the Company.

Particulars of Statutory Auditors, Cost Auditors, Internal Auditors and the Secretarial Auditors have been given in the Corporate Governance Report that forms an integral part of this report. Secretarial Audit Report, as required by Section 204(1) of the Companies Act, 2013, is attached in **Annexure - VIII**.

ACKNOWLEDGEMENT

The Directors place on record their great appreciation of the tireless efforts of all the Executives and Employees of the Company for their commendable performance in achieving excellent financial results, in a year of great challenges. 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 Indentors, Customers, Farmers, Suppliers and Shareholders, for their excellent support, at all times.

On behalf of the Board

Chennai
May 7, 2022

N GOPALARATNAM
Chairman

REPORT ON MANAGEMENT'S DISCUSSIONS AND ANALYSIS

(i) Industry Structure and Developments

Global

Paper Industry, occupies a prestigious position, among the various manufacturing enterprises, in view of its significant contribution to the Society. Role of paper in promotion of literacy and education, propagation of information and knowledge and in packaging of commodities of commercial value, makes it an indispensable product. Its hygiene products offer appropriate solutions to society's needs.

Despite predictions that the on-going digital revolution would make paper obsolete, paper remains central to our lives. Paper is interwoven with human life in innumerable ways. Think of the hundreds of times, we touch paper, everyday. Paper is a bio-degradable product with a benign foot print at the end of its life cycle and this adds further strength to this product, promoting its growing usage.

Paper Industry is a significant player in the World Economy. Its annual revenue exceeds US \$ 500 billions. World consumption of paper and paper boards grew from 169 million tonnes in 1981 to 253 million tonnes in 1993 and to 352 million tonnes in 2005. Current consumption is in excess of 400 million tonnes. Paper usage has been declining in North America and Europe since 2006 while steeply rising in China and other Asian Economies. About half of the paper produced each year is recycled. (200 million tonnes).

As per Fisher International; share of major players in global production capacity in 2019 was:

China	26%	India	4%
USA	15%	Germany	4%
Brazil	6%	Canada	4%
Japan	5%	Others	36%

The four key Paper and Board categories are: Newsprint, Printing and Writing Papers, Paper Boards for packaging applications, Tissue Papers & other Speciality Papers. Packaging grades account for over 55% of consumption, printing and writing grades over 32%, tissue papers 8-10% and others about 3%.

Tissue and packaging grades are expected to witness higher growth rates, in future while newsprint and printing and writing grades may witness declining trend.

Global demand for paper and paper board is forecast to grow to 482 million tonnes in 2030, or 1.1 per cent per year, according to a global paper market insight study by Poyry Management Consulting. The study forecasts the graphic paper market facing huge challenges, in particular, due to shrinking of demand for newsprint as well as uncoated and coated wood containing and wood free papers. Demand for tissue paper, container boards and carton board, is expected to grow upto 2030, driven by increasing packaging needs in emerging markets, booming e-commerce and the growing demand for convenience food and consumer goods. The annual consumption of packaging material and tissue / hygiene products is estimated to rise by upto 2.9 per cent.

As per McKinsey Report, the packaging and tissue segment will continue to be a key growth Sector of the Industry.

According to this report, global paper production which was 370 million tonnes in 2005, rose to 394 million tonnes in 2010 and then to 412 million tonnes in 2015. The Industry is poised for growth @ 1.8% per annum to 450 million tonnes in 2025 and 481 million tonnes in 2030. The McKinsey analysis, is thus in line with the Poyry estimate.

Global paper production is expected to be 416 million tonnes in 2022. That is lower than the peak of 2018 but higher than 2021.

According to experts, North America could fully recover in 2022 adding + 3 million tonnes.

Regarding printing & writing paper, output is declining. Market share of this segment was 31% in 2015, compared to 26% in 2019. The decrease is in part due to digitalisation as well as remote working. Pulp prices increased sharply in 2021.

Paper Industry, is often at the receiving end from environmental activists who are wary of environmental footprint of this resources-intensive industry. As per European Environmental Paper Network (EENP), Paper Industry should enable a clean, healthy, just and sustainable future for all life on Earth. EENP's vision encompasses 7 principles; namely: Reduce global paper consumption and promote fair access to paper, maximize recycled paper content, ensure social responsibility, source fibre responsibly, reduce green house gas emissions, ensure clean production and ensure transparency and integrity.

China is the largest consumer of paper and boards, with more than 100 million tonnes consumed annually. China is also the biggest importer of recovered paper and producer of recycled paper. The Chinese Environment Paper Network (CEPN) has flagged its major concerns like pollution of water from untreated mill effluent, unsustainable sourcing of fibre for mills, imports of pulp from countries causing deforestation, insufficient levels of wastepaper recovery and wasteful use of paper.

According to RISI, in China, graphic markets have transformed because of use of electronic media and economic restructuring in recent years. China's economic growth has slowed from 9 - 10% per annum in 2009-10 to close to 7% in 2014-15 and to less than 7% last year

as the Govt. seeks to re-orient the economy from investment driven growth to consumption driven growth. This, combined with a major shift toward digital media usage has slowed Chinese graphic paper demand growth. RISI estimates that demand declined 1% - 2% from 2014-15, a strong contrast to the 6% - 7% demand growth that the market experienced from 2009-10 onwards.

Pandemic and Paper Industry

RISI reports that "Post COVID-19, the pandemic has caused widespread concern and economic hardship for consumers, businesses and communities across the globe. Manufacturers are facing unique challenges caused by the crisis and forest paper and packaging producers are no exception" as per a Report from PWC.

The report adds that the companies in the sector must navigate the challenge of simultaneously safeguarding employee wellbeing, managing potentially disrupted supply chains and evaluating tumultuous economic and capital market conditions.

Paper 360* (a TAPPI publication) has provided the following sectoral assessment of impact of COVID-19 in the year 2020.

Printing & Writing Paper

Printing & writing suffered its worst decline in 2020, with operating rates tumbling to as low as 50% during the worst of the crisis, in the U.S. However, the sector began to recover from August 2020 onwards.

Global demand is estimated at 102 million tonnes and an increase of 1.8 million tonnes was expected in 2021, but did not materialise due to outbreak of COVID-19.

In North America, demand was expected to drop by 22.6% in 2020. For the total graphic paper sector, since 2015, nine million tonnes of capacity have closed of which half was converted into other grades.

Packaging Grades

In the last couple of years, a global downturn in manufacturing followed by Covid-19, has hurt paper & packaging demand. China and Europe have suffered big drops in 2020.

In 2019, global demand for packaging was 265 million tonnes with Asia accounting for about 40% of demand. In North America, two thirds of demand is for container board which is closely tied to the manufacture of consumer goods. Box Board is about 25% of the market, balance was met by wrapping and industrial grades.

There has been a 36% drop in away from home activities in North America. Cup-stock demand fell sharply due to sudden loss of demand from entertainment sector.

In Europe demand growth is slowing and over-supply is developing with one million tonnes of new capacity added in 2020.

In Asia, Chinese recovered paper policies are changing the way companies are operating around the globe. Chinese container board production fell by 4 million tonnes in 2020. In rest of Asia, demand has declined but was expected to rebound in 2021. Shifts in retail trade are giving a boost to corrugated demand.

Overall, an annual increase of 1.5% is expected through 2022.

Tissue

Everything, seems to have changed for Tissue market in 2020.

Consumer Tissue sales boomed while AfH (Away from Home) sales suffered. North America, Europe and Australia were hit hard, because extra capacity was not available to fill demand. In China, excess capacity in the industry helped to increase production even though some mills closed down for about 8 weeks.

In the short term, in the USA, impact will definitely be positive for the at-home sector. While AfH suffered most in 2020, the outlook

for AfH is still positive. In 2019, global tissue consumption was 40.6 million tonnes, Asia accounted for 39% share of this market. Continued growth is expected in this sector through 2022.

In western Europe, a growth of 1.8% and 0.5% was estimated in 2020 and 2021 respectively.

In China, the growth rate was estimated at 6% - 7% in 2020.

Market Pulp

Pulp consumption growth has softened as frenzied pace in Tissue consumption eases and graphic papers hit a low point in the cycle. In all, in 2020, there is likely to be a 5% collapse in the world paper demand i.e. about 20 million tonnes. Consequently, a decline in market pulp demand by around 2.5 million tonnes is estimated in 2020. However, demand is expected to rebound in 2021 and 2022.

According to CRISIL, during 2020, operating rates of printing & writing segment would drop to 50-55% in 2020 from 72% in 2019 before gradually improving to 65-70% by 2024.

(ii) Domestic

India's paper production is estimated at about 20 million tonnes. IPMA estimates the domestic market size of paper to be around 18.6 million tonnes per annum. By 2025, consumption is projected to rise to 23 million tonnes. As per FAO, India's paper production is around 17.28 million tonnes in 2018. FAO also estimates India's imports at 1.5 million tonnes and imports at 2.86 million tonnes. Thus 18.64 million tonnes will be India's domestic market size.

The Indian Pulp and Paper Industry provides direct employment to 5 lakh persons and indirectly to 15 lakh persons. An annual turnover of the industry is over INR 70,000 crores.

About 1 million tonnes of paper production capacity is to be created in India on annual

basis, over the current capacity, to meet growing demand. The Indian Pulp and Paper Industry has made significant capital investment to ramp up capacities, but the gestation period is long and economic viability of operations has been impacted significantly by raw material scarcity and high prices as well as rising import.

India ranks as the 5th largest producer of paper in the world. However, the Indian Paper Industry accounts for a meagre 4% of global paper demand. The per-capita consumption of 14-15 kgs is significantly lower than the world average of around 57 kgs. India's per capita consumption is considerably lower than China's 65 kg, Indonesia's 22 kg, Malaysia's 25 kg, and of course USA's 312 kg consumption levels. This indicates the ample scope available for expansion of the Indian Paper Industry.

While the market size and per capita consumption are relatively low, they have exhibited a rising trend over past several years, from 9.3 million tonnes in 2008 to 17.37 million tonnes in 2016. As per CARE Ratings, the total paper consumption has grown at a CAGR of around 6.4% over last decade with none of the last ten years showing a decline in consumption demand. The long-term demand outlook for the Indian paper industry remains favorable, driven by increasing literacy levels, growth in print media (particularly in the vernacular languages), higher government spending on education sector, changing urban lifestyles as well as economic growth. Given that these factors are likely to be sustained, the paper industry is likely to continue growing at a rate of 6-8% per annum in the medium to long term although there may be aberrant years given the cyclical nature of the industry.

A CRISIL study indicated that demand for P&W paper would fall by a sharp 25-30% in fiscal 2021 because of 1) most of the schools and colleges are shut and shifted to digital based education, 2) fall in demand from office space also fall in advertising spaces and bill boards,

3) Govt. ban on printing & distribution of all kinds of diaries, calendars and festival greeting cards by all ministries, depts & public sector undertaking from 2021 to cut costs and promote digitalisation.

However, demand is expected to pick up and grow by 11-15% on year in fiscal 2022 with schools, colleges and office spaces are likely to open and drive the demand.

Going ahead, CRISIL expects demand for P&W paper to grow at a muted 1-3% CAGR and reach 5.5 million tonnes by fiscal 2025. Enrolment of students is expected to increase at a relatively faster pace of 0.5 - 1% CAGR over the next 3 years, compared with de-growth of 0.4% CAGR during the past 3 years. Also with new education policy, coming into effect and a gradual rise in education spend by the Govt. (~20% higher spend) and increased thrust on education are likely to support demand for creamwove and maplitho (60-65% P&W segment).

Demand for copier paper (~20% of P&W segment) is expected to increase at 3 - 4% CAGR through fiscal 2025, primarily on account of moderation of spends on stationary by corporates due to focus on digital based commercial.

Demand growth for coated paper is expected to remain moderate at 1-2% CAGR led by slow down in the circulation of magazines and newspapers.

According to the CRISIL study, Paperboard demand was expected to de-grow 4-7% in fiscal 2021, on account of muted demand across major end-user industries along with lower export demand (paperboard used for packaging of goods). In fiscal 2020, paperboard demand registered a moderate growth 3.9% on-year due to moderation in demand from FMCG and consumer durables sectors. However, we expect growth to recover to 5-6% CAGR in the next five fiscals to -12.5 million tonne by fiscal 2025. This revival will largely emanate from growth in

sectors such as consumer durables, readymade garments, FMCG, pharmaceuticals: and rising penetration of e commerce during this period.

In the current fiscal, demand for consumer durables is expected to de-grow 20-25% in volume terms but recover and increase at 3-4% CAGR between fiscals 2020 and 2025. This will be marked by better affordability, shorter replacement cycles, multiple ownership (in case of CTVS) and low penetration levels (in case of other appliances such as room ACs).

FMCG volumes are expected to remain flat this fiscal, which is the major demand driver for paperboard. But over the long term, rise in population and gradual increase in private spends would keep demand from the FMCG segment afloat.

Demand from the readymade garment industry, too, is expected to de-grow 25-30% on-year in volume terms this fiscal. However, long-term demand is expected to remain steady at 4-6% CAGR.

E-retailing growth is expected to register a healthy 15-20% growth this fiscal but rapidly rising shipments in the e-retail industry (estimated at 1.2-1.5 million shipments per day) and rise in penetration levels in overall retail will provide a fillip to the volumes within the segment over the medium term.

Similarly, Pharma is also expected to grow by a healthy 9-11% on-year, supporting the paperboard demand.

Within paperboard, the consumer packaging segment (40-50% of volumes), is expected to clock 5.5-6.5% CAGR up to fiscal 2025, driven by rise in demand for FMCG, pharmaceuticals, cosmetics and apparels. Higher disposable income and higher demand for ready-to-eat foods will support overall volumes. Demand from pharmaceuticals will also be aided by increased exports and new drug launches. Further the ban on single-use plastics is expected to augur well for the paper industry.

CRISIL Research expected demand for specialty paper to increase 8-11% on-year in fiscal 2021, driven by strong demand for Tissue paper. Over the next five fiscals, we expect this segment to grow at robust 10-12% CAGR to -1.8 million tonne by fiscal 2025 from -1.1 million tonne in fiscal 2020. The main varieties of specialty paper are: tissue, decor. thermal fine printing. cigarette, and business card paper.

Rise in urbanisation, emphasis on hygiene through increased Government thrust (via initiatives such as Swachh Bharat), and steady rise in healthcare and hospitality demand will lead to rise in demand for tissue paper consumption. Moreover, rise in the number of cashless transaction (ATM. debit/credit card purchase, etc.) and increased billing (owing to rise in share of organised retailing) will boost demand for thermal paper. Increased usage of tissues, napkins, toilet and towel grade paper coupled with increasing penetration of international brands such as Paseo, Tempo, etc. will lead to healthy demand for the segment.

In fiscal 2021, demand for newsprint is expected to de-grow sharply by 30-35% on account of severe contraction of newspaper circulation and reduction in no of pages. Demand for newsprint is expected to de-grow at 4-5% CAGR between fiscals 2020 and 2025 on account of decrease in circulation of both vernacular as well as English newspapers due to increased smartphone and internet penetration and shift in preference towards e-newspaper.

While fortunes of the Paper Industry appeared muted in 2021-22, according to Poyry, Indian Paper Industry 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%, in the near term. North America and Japan 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%.

(iii) 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 for export.
- ◇ Government's thrust for improving education and literacy levels in the Country.
- ◇ growing urbanisation and e-commerce activities.
- ◇ fast growing contemporary printing sector. (e-commerce).
- ◇ availability of qualified technical manpower with capability to design, build and manage world scale pulp and paper mills.
- ◇ well established Research and Development (R & D) facilities / activities encouraging innovation.
- ◇ potential for creation of sustainable raw material base through farm plantations for wood and agro residues.

The following competitive weaknesses and threats confront the Industry:

- ◇ high cost of raw materials, including wood, non-wood and waste paper.
- ◇ poor collection of used paper resulting in low recovery rate and undue dependence on imports to meet domestic needs.
- ◇ absence of policy measures for creation of sustainable raw material base through industrial plantations and used paper recovery.
- ◇ likely closures, owing to increasingly stringent environmental regulations.
- ◇ lack of global competitiveness in cost and consistency in quality of products.
- ◇ increasing imports consequent on numerous Regional Trade Agreements (RTAs) / Free Trade Agreements (FTAs) entered into by the Govt. without adequate safeguards.

- ◇ increasing competition from electronic media and digital communication alternatives.

Paper Industry is capital intensive and yields poor returns on investments. To enhance the competitiveness of the Industry, Govt. must address the issues of creation of robust raw material base as well as extending fiscal incentives for assimilation of eco-friendly technologies, etc.

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 entered into with ASEAN / SAARC countries.

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

(iv) Segment-wise or Product-wise performance

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

(v) Risks and Concerns

- ◇ Unprecedented and rapid spread of Covid-19 and its impact on economic recovery affecting the industry's futures.
- ◇ Disruptions in supply-chain affecting availability and prices of key input materials as well in shipping costs.
- ◇ Post COVID-19, a huge downturn in the fortunes of Paper Industry was seen, given the hit on demand from packaging, education, corporate and print media sectors due to the prolonged nation-wide lockdown.
- ◇ Printing and writing paper segment which is the prime grade among Company's products, is expected to be impacted more severely in the near term.

- ◇ The Company is taking necessary steps to weather this storm by expanding its product-mix to include Box-Boards, Virgin Kraft and Absorption Kraft and by strengthening its marketing network, as well as the supply chain in addition to maintaining its liquidity to overcome extended periods of low-sales and poor revenue collections.
- ◇ 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 contingency has recurred in the past forcing the Company to curtail production and alter the product mix. Further, inter-state sharing of River Cauvery water has become a political / legal issue in recent times. The Company is taking various initiatives to curtail quantum of water used in the process and has taken steps to identify ground water resources (which are meagre) within the Mill's premises.
- ◇ Continuous failure of monsoons resulting in scanty rainfall in the State of Tamil Nadu, had also affected substantially planting of sugarcane. This had brought down, significantly the availability of cane for 'crushing' by sugar mills in the State, including by our Group Company, Ponni Sugars. Bagasse availability, consequently, has been affected in the past. This trend continues.
- ◇ While there has been some improvement in the availability of wood from within the State, unprecedented shortage of wood felt in the neighbouring State of Andhra Pradesh in 2013-14, which has been the primary sourcing point for the Andhra based mills and few upcountry Mills had forced these mills to turn to Tamil Nadu for meeting, at least a part, of their shortfall. This has seriously affected the availability and cost of wood for the Tamil Nadu based mills.

With this mismatch of supply and demand, price of casuarina wood had skyrocketed by over 50% during 2013-14 & 2014-15, causing serious erosion in the profitability of operations. If this trend is to resurface again in future, the Company may have to resort to import of wood logs / chips at higher prices, to sustain production. The supply side constraints have since eased, and availability of wood improved.

The Company has taken steps to step-up production of clonal seedlings and bare-rooted seedlings by the Company's nursery as well as by the company sponsored nurseries, to support planting of nearly 19 crores of Casuarina and Eucalyptus seedlings in about 20,000 acres by small and marginal farmers in Tamil Nadu.

- ◇ 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 the FY 2021-22. Profitability of the Company will be impacted 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.
- ◇ Undue fluctuation in the exchange rate between Indian Rupee and US Dollar will impact the margins of the Company.

(vi) Outlook for 2022-23

While the Pulp and Paper Industry is booming and new innovations are emerging, year 2022 will witness increasing emphasis on sustainability and energy optimisation of the manufacturing process.

According to Forest & Market, changes experienced in the Pulp and Paper Industry during Covid-19 periods and post Covid-19, were equivalent to 10 years of market change within a single year. The most glaring examples are:

- Drastic decline in demand in the printing and writing segment as online schooling and remote work diminished the need for this grade of paper.
- The Ecommerce boom that occurred, as lockdowns spurred a huge increase in online shopping that created a structural change in consumer habits.
- E-commerce was the primary driver of the surge in corrugated and container board demand that has skyrocketed over the last 2 years, is expected to continue in 2022.

Sustainability

Environmental and sustainability initiatives at policy levels and the momentum in legislature efforts have pushed major brands, such as Apple, Amazon etc to be carbon neutral companies, some as early as by 2030. These trends will continue to create significant opportunities for paper producers in the coming decades. A significant percentage of plastic packaging is likely to be replaced by paper in the European Union (EU) without compromising functionality.

In addition to the plastic substitution opportunities, the EU emission trading system continues to apply pressures that are altering corporate and consumer behaviours.

Domestic

According to the recent report by Rating Agency CRISIL, a strong revival in consumer spending amid the waning impact of the Covid-19 pandemic, will help the Paper Industry bounce back with a revenue growth of 15% this fiscal.

As per IPMA, booming e-commerce, rising health care spending, growth in pharma sector, packaged foods and textile sectors etc, will lead to increased demand for paper board / packaging paper.

The reopening of educational institutions across the country, should revive the demand for the writing and printing segment. Implementation

of the National Education Policy (NEP) 2020 in the coming months, should also significantly contribute to the increased demand for writing and printing paper.

With the waning of Covid-19 Pandemic, demand for all paper grades will show a positive trend and surpass the pre-covid levels in the coming year. Simultaneously the expected shift from single-use plastics to sustainable materials like paper will further add to the growth in demand for paper in India.

In 2022-23, the following trends are expected to dominate the demand revival of the Paper Industry

1. Increased Online Sales

The online sales of pulp and paper products are growing in the United States and China, which are the biggest markets. This is a trend that is expected to continue in 2022. It's partly due to online shopping that has required innovation in packaging to optimize the safety of products and costs of transportation.

2. Higher Packaging Demand

In 2022, the global demand for various types of packaging products will either remain stable or increase. This includes production in Japan, China, European countries, and the United States. In fact, one of the strengths of the pulp and paper industry is the fact that the demand for packaging products is always expanding. This is spurred by the boost in online shopping and the explosion of e-commerce entrepreneurial endeavors in recent years.

3. Use of Big Data

Another trend that's in play in the pulp and paper industry is the use of big data. This is for the purpose of analyzing industry trends and needs to optimize the results of production, marketing, and sales. There's also the use of new technologies, including intelligent systems and connected devices, during the production

process for improved outcomes. The capabilities will continue to develop, such as smart systems that assess pulp and paper products' condition and quality.

4. Digital Revolution

Although the digital revolution did not destroy the pulp and paper industry, it did impact the P&W segment of the Industry. There was a clear shift to packaging materials from the print paper, for reasons that are obvious given the tremendous demands associated with shipping products purchased online.

5. Lightweight Packaging

Lightweight packaging is being introduced as many benefits may accrue. One of the benefits of lightweight packaging is that it can support the growth of a business by cutting expenses. Lightweight packaging lowers pulp expenses, reduces CO2 emissions, and slashes shipping costs, which are just some of the many benefits.

6. Recyclable Products

The ability to recycle pulp and paper products is non-negotiable for some consumers. As a result, there is an increase in recyclable products. This has been a challenge in that some products contained coatings that were waterproof and problematic for recycling. Now there is a push to use protective coatings that are recyclable, and it's a trend that will further develop in 2022 and beyond. The growing concern over the amount of packaging that could not be recycled has resulted in the involvement of the European Union in the area of plastic packaging. This offers many future opportunities for pulp and paper.

7. Hygiene Products Packaging

Another trend that will continue in the pulp and paper industry is the increasing growth of hygiene products and the subsequent need for packaging. This includes toilet paper, wipes, tissues, and paper towels, to name a few. The growth is partly due to the increased purchase of these items by the middle class. In some

regions of the world, this is attributed to an actual increase in the middle-class population and thus an increase in the consumption of these products.

8. Thermal Market Growth

There is growth in the thermal market that's linked to the increase in food delivery services. Specifically, there is an increase in the number of restaurants that offer delivery options. This has created a need for thermal packaging that is expected to grow. As long as consumers expect to have hot food delivered to their homes expeditiously, there will be a thriving thermal market in pulp and paper.

9. Packaging for Food

Packaging for food seems to be in constant development. In recent years, there has been an increasing interest in packaging products that are resistant to grease. This type of product is currently used for a wide variety of packaged goods and in restaurants. The materials used to produce packaging that's resistant to grease are changing in an effort to eliminate fluoro-chemicals and replace it with a natural option that doesn't contain any chemicals. Manufacturers will continue to innovate and evolve in this area to accommodate regulations and meet the current industry demands.

10. Anti-Plastic Sentiments

There are on-going efforts to reduce or eliminate the use of plastic for packaging. This anti-plastic sentiment is beneficial to the pulp and paper industry in that it encourages biodegradable alternatives. Governmental agencies and consumers are health conscious and committed to finding eco-friendly options. The development of alternative products will continue into 2022 and beyond, especially as it relates to the banning of single-use plastic products.

The Company, on its part, has taken steps to expand its portfolio to reduce its dependence on manufacture of printing and writing paper.

As part of MDP III, Paper Machine - 2 in Unit : Erode has been modified to include manufacture of multi-layer boards, which will facilitate cup-stock, carton board and kraft liner board manufacturing.

The Company has also developed in-house pulp based virgin kraft packaging papers for the food industry. These papers will be able to secure FSSAI (Food Safety and Standards Authority of India) certification.

Pulp and paper will continue to play a major role in the world. Despite the changes that have occurred because of technological advancements, this is an industry that has thrived and will continue to do so in 2022. In fact, the digital revolution of recent years has led to an expansion in the pulp and paper industry. As the world continues to evolve, so will the industry.

There is a popular belief that the pulp and paper industry will eventually be hindered by the current digital age in which we live. While it sounds logical, that's not the reality of what's happening. In fact, the pulp and paper industry has been thriving and will continue to do so in 2022 and thereafter. Leaders in the industry have continually innovated to meet the changing demands. Pulp and paper industry has adapted to the changes that have occurred in recent years and are continuing to thrive.

Technology has contributed to the development of a global market that consists of consumers around the world who are committed to sustainability. As a result, manufacturers have sought alternatives to petroleum-based products and have identified biodegradable and environmentally-friendly options including paper.

(vii) Internal control systems and their adequacy

- ◇ The Company maintains all its records in ERP system developed in-house and the work flow and majority of approvals are routed through this system.
- ◇ The Company has laid down adequate systems and well drawn procedures for

ensuring internal financial controls. It has appointed an external audit firm as Internal Auditors, for periodically checking and monitoring the internal control measures.

- ◇ Internal Auditors are present at the Audit Committee Meetings where Internal Audit Reports are discussed alongside of management comments and the final observation of the Internal Auditor.
- ◇ The Board of Directors have adopted various policies, like Related Party Transactions Policy and Whistle Blower Policy and put in place budgetary control and monitoring measures for ensuring the orderly and efficient conduct of the business of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- ◇ The Company has enlisted the services of an external firm of Chartered Accountants to evaluate the adequacy of the internal financial control systems adopted by the Company. They have expressed satisfaction with the existing internal financial control system prevalent in the Company.
- ◇ The Statutory Auditors have also expressed satisfaction with the existing system in their Audit Report to the Shareholders.

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

	2021-22	2020-21
	(in tonnes)	(in tonnes)
Production	2 12 086	1 70 138
Sales	2 20 344	1 39 005
	(₹ crores)	(₹ crores)
EBIDTA	182.24	126.87
Finance Cost	2.87	2.91
Depreciation	40.83	37.60
Exceptional Item	--	--
Profit before tax	138.54	86.36

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The Management reviewed the significant changes in the financial ratios and the same are presented in this section. The favourable movements in the ratios during the FY 2021-22 as compared to FY 2020-21 are mostly attributed to favourable market conditions, compared to previous year.

		Financial Year		% Change	Remarks
		2021-22	2020-21	- Inc / (Dec)	
1	Revenue from Operations (RFO) - ₹ crores	1354.93	781.79	73.3%	◊ Increase in volumes by 59 % and balance due to increase in prices.
Ratios - % on RFO					
2	Other Income	1.2%	2.5%	(-) 50%	◊ The drop in the margins, are mainly attributed to significant increase in the cost of input materials like Coal, Chemicals, wood, pulp, waste paper, etc.
3	EBIDTA Margin	13.5%	16.2%	(-) 17%	
4	PBIT Margin (Operating Margin)	10.4%	11.4%	(-) 9%	
5	PAT Margin	7.6%	12.8%	(-) 41%	
Other P&L Ratios					
6	Return on Net Worth	9.7%	10.2%	(-) 5%	No Major Variance.
7	Debt Service Coverage Ratio (in times)	20.47	21.56	(-) 5%	No Major Variance.
Balance Sheet Ratios					
8	Debt to Equity Ratio	0.003	0.007		◊ Debt represented in the ratio in current year pertains mainly to “Interest Free Sales Tax Loan”. ◊ Bank Borrowings at the end of the Year - NIL.
9	Current Ratio	2.41	2.59	(-) 7%	No major variance
10	Debtors Turnover Ratio (times)	14.59	9.48	54%	Increase is mainly due to better market conditions resulting in shorter credit period
11	Inventory Turnover Ratio (times)	6.61	3.41	94%	Increase is mainly due to significant reduction in Finished Goods Inventory.

(ix) 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. The five year wage / salary agreement with labour unions / staff association, which expired on March 31, 2019, has been finalised and a formal agreement, valid until March 31, 2024, had been entered into by the Company, during April / May 2022.

Currently, the Company employs 1307 persons of all ranks in its two Units.

REPORT ON CORPORATE GOVERNANCE

The principles of Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with in all respects by the Company. The policies, procedures and processes of the Company are at all times directed in furtherance of following the best practices and institutionalising the code of Corporate Governance.

This Report is furnished in terms of Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Auditors' Certificate on Corporate Governance, as prescribed, is also attached. Further, this Report also discloses relevant information in terms of Section 134(3) of the Companies Act, 2013 and forms an integral part of the Board's Report to Shareholders.

Company's philosophy on code of governance

Corporate Governance has several claimants, viz., Shareholders, and other stakeholders which include suppliers, customers, creditors, bankers, 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.

A Board of Directors

(i) Board Composition

- (a) The composition of the Board is devised in a manner to have optimal blend of expertise drawn from Industry, Management, Finance and Legal.
- (b) All except the Chairman and Managing Director are Non-executive Directors and thus constitute more than one-half of the total number of Directors. The Company has a woman Director.
- (c) The Managing Director is not liable to retire by rotation. All the other Non-Independent Directors, other than the Nominee Director appointed by TIIC with terms "not liable to retire by rotation", retire by rotation and in the normal course seek re-appointment at the Annual General Meeting. Brief resume of Directors seeking appointment / re-appointment is given in the Notice of the Annual General Meeting (AGM).
- (d) No Director holds membership of more than 10 Committees of Board nor is Chairman of more than 5 such Committees, as stipulated in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No Director is a relative of any other Director. The age of every Director, including Independent Director, is above 21.
- (e) Shareholder approval, by Special Resolution, is obtained for appointing or continuing the Directorship of an Independent Director beyond 75 years of age and of any Executive Director beyond 70 years of age.

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The details of the Board of Directors are furnished hereunder:

SI No.	Names of the Directors	DIN No	No. of shares held	Executive / Non Executive Director	Promoter / Independent / Nominee Director
1	Sri N Gopalaratnam	00001945	78155	Chairman - Executive Director	Promoter Director
2	Sri V Sridar	02241339	Nil	Non Executive Director	Independent Director
3	Dr S Narayan, IAS (Retd.)	00094081	3190	Non Executive Director	Independent Director
4	Sri A L Somayaji	00049772	Nil	Non Executive Director	Independent Director
5	Dr Nanditha Krishna	00906944	Nil	Non Executive Director	Independent Director
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	01142014	Nil	Non Executive Director	Independent Director
7	Sri Hans Raj Verma, IAS +	00130877	Nil	Non Executive Director	Nominee of Tamilnadu Industrial Investment Corporation Limited - Non Independent Director, not liable to retire by rotation
8	Sri K Rajkumar @	09359723	Nil	Non Executive Director	Nominee of Tamilnadu Government, Non Independent Director
9	Tmt. Sigy Thomas Vaidhyan, IAS &	08922290	Nil	Non Executive Director	Nominee of Tamilnadu Industrial Investment Corporation Limited - Non Independent Director, not liable to retire by rotation
10	Dr Shekhar Kumar Niraj, IFS #	08235891	Nil	Non Executive Director	Nominee of Tamilnadu Government, Non Independent Director
11	Sri K S Kasi Viswanathan	00003584	2910	Managing Director - Executive Director	Whole time Director - Non Independent Director
12	Sri V Pichai ^^	00263934	42695	Deputy Managing Director & Secretary - Executive Director	Whole time Director- Non Independent Director

+ Appointed as Additional Director by the Circular Resolution dated 15.06.2021; Later appointed by the shareholders, as Nominee Director not liable to retire by rotation, in the Annual General Meeting held on 24.07.2021.

@ Appointed as Additional Director by the Board on 23.10.2021; Later appointed by the shareholders, vide Postal Ballot, as Nominee Director liable to retire by rotation, on 07.12.2021.

& Ceased to be a Director with effect from 15.06.2021.

Ceased to be a Director with effect from 23.10.2021.

^^ Office vacated due to his demise on 03.05.2022.

(ii) Independent Directors

- (a) The Chairman is an Executive and falls under Promoter category. The number of Independent Directors is one-half of the total strength. Any reduction in the strength of Independent Directors is filled within 3 months or the next Board meeting, whichever is later, for ensuring minimum stipulated strength of Independent Directors in the Board.
- (b) Independent Directors have been issued Letter of Re-appointment and the terms thereof have been posted on the Company's website www.spbltd.com.

- (c) The Company has formulated a familiarisation programme for Independent Directors with the objective of making them familiar with their role, rights and responsibilities, nature of the industry, business model and compliance management. The details of the programme have been uploaded on the Company's website www.spbltd.com.
- (d) All Independent Directors have renewed their registration in the "Independent Director's Databank" as maintained by Indian Institute of Corporate Affairs (IICA) and the details are furnished hereunder:

Name of the Independent Director	Registration No. in Independent Director's Databank	Valid From	Valid To
Sri V Sridar	IDDB-DI-202001-006974	31 01 2020	30 01 2026
Dr S Narayan, IAS (Retd.)	IDDB-DI-202001-004586	08 01 2020	07 01 2023
Sri A L Somayaji	IDDB-DI-202002-007850	05 02 2020	04 02 2023
Dr Nanditha Krishna	IDDB-DI-202001-006255	25 01 2020	24 01 2026
Sri Mohan Verghese Chunkath, IAS (Retd.)	IDDB-DI-202002-011036	17 02 2020	16 02 2025

- (e) In terms of the amended provision of Rule 6(a)(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors have been granted exemption from the online Proficiency test conducted by the IICA.
- (f) All the Independent Directors have given the declaration affirming that they meet the criteria of independence as provided in Section 149(6) of the Act and have complied with relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- (g) In the opinion of the Board, (i) all the Independent Directors fulfill the conditions for being appointed as Independent Director

as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) they possess the integrity for their role as Independent Director of the Company,

(iii) the Board has taken note that all the five Independent Directors have been issued the exemption certificate by IICA from passing the online proficiency test.

- (h) No Independent Director has resigned from the Directorship of the Company before the expiry of the term of appointment during the financial year ended March 31, 2022.
- (iii) Attendance of each Director, at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting, is furnished hereunder:

SESHASAYEE PAPER AND BOARDS LIMITED

SI No.	Names of the Directors	Board Meetings		Last Annual General Meeting	
		Held	Attended	Attended	Not attended
1	Sri N Gopalaratnam	5	5	Yes	--
2	Sri V Sridar	5	5	Yes	--
3	Dr S Narayan, IAS (Retd.)	5	5	Yes	--
4	Sri A L Somayaji	5	5	Yes	--
5	Dr Nanditha Krishna	5	5	Yes	--
6	Sri Mohan Verghese Chunkath, IAS(Retd.)	5	5	Yes	--
7	Sri Hans Raj Verma, IAS +	5	3	Yes	--
8	Sri K Rajkumar @	5	2	--	Yes
9	Tmt. Sigy Thomas Vaidhyan, IAS &	5	1	--	Yes
10	Dr Shekhar Kumar Niraj, IFS #	5	1	--	Yes
11	Sri K S Kasi Viswanathan	5	5	Yes	--
12	Sri V Pichai	5	4	Yes	--

+ Appointed as Additional Director by the Circular Resolution dated 15 06 2021; Later appointed by the shareholders, as Nominee Director not liable to retire by rotation, in the Annual General Meeting held on 24 07 2021.

@ Appointed as Additional Director by the Board on 23 10 2021; Later appointed by the shareholders, vide Postal Ballot, as Nominee Director liable to retire by rotation, on 07 12 2021.

& Ceased to be a Director with effect from 15 06 2021.

Ceased to be a Director with effect from 23 10 2021.

(iv) 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, 2022:

SI No.	Names of the Directors	Other Boards		Other Board Committees	
		Number	Member / Chairperson	Number	Member / Chairperson
1	Sri N Gopalaratnam	4@	4 - Chairman	2	2 - Chairman
2	Sri V Sridar	3	3 - Member	3	1 - Chairman 2 - Member
3	Dr S Narayan, IAS (Retd.)	7\$	7 - Member	3	2 - Chairman 1 - Member
4	Sri A L Somayaji	3*	3 - Member	1	1 - Chairman
5	Dr Nanditha Krishna	4#	4 - Member	--	--
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	--	--	--	--
7	Tmt. Hans Raj Verma, IAS	2%	2 - Member	--	--
8	Sri K Rajkumar, IFS	--	--	--	--
9	Sri K S Kasi Viswanathan	--	--	--	--
10	Sri V Pichai	3+	3 - Member	--	--

@ Includes 1 Private Limited Company.

* Includes 1 Private Limited Company.

% Includes 1 Private Limited Company.

\$ Includes 2 Private Limited Company.

Includes 3 Private Limited Companies.

+ Includes 3 Private Limited Companies.

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(v) Directorship in other listed entities as on 31 03 2022:

Sl. No.	Names of the Directors	Name of the other listed entity	Category
1	Sri N Gopalaratnam	a) Ponni Sugars (Erode) Ltd b) High Energy Batteries (India) Ltd	Promoter Director
2	Sri V Sridar	a) Ponni Sugars (Erode) Ltd	Independent Director
3	Dr S Narayan	a) Dabur India Limited b) Artemis Medicare Services Limited c) IIFL Wealth Management Limited	Independent Director
4	Sri A L Somayaji	a) High Energy Batteries (India) Ltd	Independent Director
5	Dr Nanditha Krishna	a) Ponni Sugars (Erode) Ltd	Independent Director

(vi) Core skills / expertise / competence of Directors :

The Company operates two Paper Plants, one at Erode and another at Tirunelveli. The core skills/ expertise / competencies identified by the Board, as required in the context of its business and its operations are:

- ◇ Hands on experience in operating and managing manufacturing business.
- ◇ Expertise in finance, including treasury and foreign exchange.
- ◇ Expertise in overall management and administration.
- ◇ Exposure to global trade and practices.
- ◇ Commitment to comply with legal and regulatory norms.
- ◇ Social and environment consciousness.

The Board is satisfied that its Directors possess requisite skills for the effective functioning of the Company.

Sl. No.	Names of the Directors	Core skills / Expertise / Competence
1	Sri N Gopalaratnam	<ul style="list-style-type: none"> ◇ Mechanical Engineer with nearly 5 decades of Specialisation in project and operational management of process industries. ◇ Has over two decades of experience in leading SPB-ESVIN Group of Companies and steering them to higher growth trajectories.
2	Sri V Sridar	<ul style="list-style-type: none"> ◇ He is a Science Graduate and a Chartered Accountant with a brilliant academic record. ◇ He has to his credit more than three decades (1975 to 2007) of service in large public sector nationalised Banks, with rich experience in Banking, Finance and General Management. ◇ He has held several high positions in Commercial Banks and National Housing Bank. ◇ He served as Chairman and Managing Director of UCO Bank from 2004 until 2007.

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Sl. No.	Names of the Directors	Core skills / Expertise / Competence
3	Dr S Narayan, IAS (Retd.)	<ul style="list-style-type: none"> ◇ He has to his credit nearly four decades (1965 to 2004) of public service in the State and Central Governments, in Development administration. ◇ Lastly (2003-04), he was Economic Adviser to the Prime Minister and was responsible for implementation of economic policies of several Ministries. ◇ His special interests include public finance, investment policy, energy policy, commodities and mining, governance issues and international trade. He travels widely and lectures at several international fora.
4	Sri A L Somayaji	<ul style="list-style-type: none"> ◇ Eminent Senior Advocate. ◇ He has served as Advocate General, Government of Tamilnadu. ◇ He is in the Editorial Board of 'Supreme Today', 'Current Tamilnadu Cases', 'Labour Law Journal' and 'Sales Tax Cases'. He is legal advisor to various Corporates.
5	Dr Nanditha Krishna	<ul style="list-style-type: none"> ◇ She is an authority on Indology and an Environmental educationist. She is a writer on Indian Arts and Culture, Environmental History and Ecological Heritage of India and Cambodian Art. ◇ She has undertaken numerous Research Projects. She is a regular publisher of books and Editor of Eco News and Indian Journal of Environment Education. She has won several awards and recognitions for her outstanding works.
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	<ul style="list-style-type: none"> ◇ He holds a post-graduate degree in Zoology. He belongs to the 1978 batch of IAS Officers. ◇ Mr Chunkath has held various positions, including that of Collector of Dharmapuri District, Secretary in charge of Higher Education Department, Chairman-cum-Managing Director of the Tamil Nadu Energy Development Agency and Secretary, Department of Environment and Forests. He was elevated as Chief Secretary, Forests in the year 2014. ◇ He was in charge of Auroville, Puduchery as its Administrator.
7	Sri Hans Raj Verma, IAS	<ul style="list-style-type: none"> ◇ He is currently Additional Chief Secretary / Chairman and Managing Director of The Tamilnadu Industrial Investment Corporation Limited (TIIC) (Government of Tamilnadu Undertaking). ◇ He is nominated to the Board by TIIC, the largest shareholder of the Company.
8	SRI K Rajkumar, IFS	<ul style="list-style-type: none"> ◇ He currently serves as Special Secretary (Forests) in Government of Tamilnadu. ◇ He is nominated to the Board by the Tamilnadu Government.
9	Sri K S Kasi Viswanathan	<ul style="list-style-type: none"> ◇ He is a Chemical Engineer (B Tech. from the Regional Engineering College, Trichy and MMS from University of Madras). ◇ He has to his credit nearly 43 years of Industrial experience, majority of which has been with the SPB-Esvin Group Companies. He has gained excellent exposure in management of integrated paper mills, besides Project Implementation.

(vii) Directors' and Officers' Liability Insurance

The Company has proactively taken Directors and Officers Liability insurance covering both Independent and Non-Independent Directors for such sum and risks as determined by the Board as necessary and expedient.

B Board Process**(i) Board Meetings**

The Board meeting dates for the entire financial year are tentatively fixed before start of the year. An annual calendar of Board / Committee meetings is circulated to facilitate Directors plan their schedules for attending the meetings. Audit Committee and Board meetings are convened on two consecutive days to obviate avoidable travel and recognizing time constraints of Independent Directors.

Notice for Board meeting is issued normally three weeks in advance. Detailed Agenda papers are circulated one week in advance. During the financial year 2021-22, five Board Meetings were held on May 08, 2021, July 23, 2021, October 23, 2021, January 22, 2022 and March 26, 2022. The Annual General Meeting was held on July 24, 2021. Interval between any two meetings was not more than 120 days.

The meetings dated October 23, 2021 & March 26, 2022 were conducted as in-person physical meetings, in the Company's Office in Chennai. Other Meetings were conducted through Video Conferencing (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(ii) Board Proceedings

Board Meetings are governed by structured Agenda containing comprehensive information and extensive details that are

circulated at least one week in advance. Urgent issues and procedural matters are at times tabled at the meeting with prior approval of Chairman and consent of all present. Power point presentation is made to facilitate pointed attention and purposive deliberations at the meetings.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes proactive steps to guard against slippages and take remedial measures as appropriate. The Board is apprised of risk assessment and minimization procedures that are periodically reviewed. The Board is committed to discharge all key functions and responsibilities as spelt out in the Companies Act, 2013, extant SEBI Regulations and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The governance process includes an effective post-meeting follow-up, review of ATR (Action Taken Report) and reporting process for decisions taken pending approval of Board.

During the Financial Year 2021-22 the Board has accepted all the recommendation of respective Committees of the Board which are mandatorily required, for approval of the Board.

(iii) Board Minutes

Draft Board minutes prepared by the Company Secretary are placed at the meeting and updated for changes based on discussions thereat. After approval by Chairman, it is circulated within 15 days of the meeting to all directors for comments and then finalized with the consent of Chairman and recorded in the Minute Books. These are placed at the succeeding meeting for confirmation and record.

C Board Committees

(i) Audit Committee

The Board has constituted an Audit Committee comprising four Non Executive Independent Directors, one Nominee Director and the Chairman of the Board, with more than two-third being Independent Directors. The Chairman of Audit Committee is an Independent Director and is present at the Annual General Meetings of the Company. It meets at regular intervals not exceeding 120 days between any two meetings and subject to a minimum of 4 meetings in a year.

The Managing Director (CEO), Other whole-time Directors and CFO & Secretary are present as invitees while Statutory Auditors, Cost Auditor and the Internal Auditor are also present in most meetings. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee conforms to Section 177 of the Act and extant SEBI guidelines in all respects concerning its constitution, meetings, functioning, role and powers, mandatory review of required information, approved related party transactions and accounting treatment for major items. Appointments of Statutory Auditors, Cost Auditor, Secretarial Auditor and Internal Auditor are done on the recommendations of the Audit Committee.

During the FY 2021-22, the Audit Committee met five times on May 07, 2021, July 23, 2021, October 22, 2021, January 21, 2022 and March 25, 2022.

The meetings held on October 22, 2021 & March 25, 2022 were conducted in physical mode as in-person meetings. Other Meetings were conducted through Video Conferencing (VC), duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

Its composition and attendance during FY 2021-22 are given hereunder:

SI No.	Names of the Directors	Audit Committee Meetings	
		Held	Attended
1	Sri V Sridar #	5	5
2	Sri N Gopalaratnam @	5	5
3	Dr S Narayan, IAS (Retd.) &	5	5
4	Sri A L Somayaji *	5	5
5	Sri Mohan Verghese Chunkath, IAS (Retd.) &	5	5
6	Sri Hans Raj Verma, IAS @*	5	3

* Sri Hans Raj Verma, IAS was appointed as a member of the Committee effective October 10, 2021.

Chairman of the Committee - Independent Director.

& Member of the Committee - Independent Director.

@ Member of the Committee - Non-Independent Director.

Members of the Audit Committee have requisite financial and management expertise. They have held senior positions in Government / reputed organisations.

Sri V Sridar is the Chairman of the Audit Committee who is an Independent Director and is present at the Annual General Meeting of the Company.

(ii) Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee (NRC) of the Board which currently consists of three Independent Directors:

Its composition and attendance during FY 2021-22 are given hereunder:

SI No.	Names of the Directors	No. of Meetings	
		Held	Attended
1	Sri V Sridar #	2	2
2	Dr S Narayan, IAS (Retd.) &	2	2
3	Sri A L Somayaji *	2	2

Chairman of the Committee - Independent Director.

& Member of the Committee - Independent Director.

The Chairman of the Committee is an Independent Director and is present at the Annual General Meetings of the Company.

The powers, role and terms of reference of the Committee cover the areas as contemplated under Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, besides other terms as may be referred by the Board of Directors. The role includes :

- ◇ Formulation of criteria for determining qualifications, positive attributes and Independence of a Director.
- ◇ Recommending to the Board (a) a remuneration policy for Directors, Key Managerial Personnel and senior management (b) all remuneration, in whatever form, payable to senior management.
- ◇ Formulation of criteria for evaluation of Independent Directors and the Board.
- ◇ Devising a policy on Board diversity.
- ◇ Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

During the FY 2021-22, the Committee met two times on July 21, 2021 and March 26, 2022.

The meeting held on March 26, 2022 was conducted in physical mode as in-person meeting. The other meeting was conducted through Video Conferencing (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(iii) Stakeholders Relationship Committee

The Board has a Stakeholders Relationship Committee pursuant to Regulation 20 of Listing Regulations. Its role and responsibilities are to expeditiously process transfers, transpositions, transmissions, sub-divisions and consolidation of Securities complying with the Act and SEBI Regulations, review of measures taken for effective exercise of voting rights by shareholders and redressal of investors' grievances.

The Committee oversees and monitors the performance of the Registrar and Transfer Agents and devises measures for overall improvement in the quality of investor services.

As on March 31, 2021, the Committee comprised of 4 Directors, with a non-executive Independent Director heading the Committee. The Committee met five times during the FY 2021-22, on May 05, 2021, July 14, 2021, October 22, 2021, January 21, 2022 and March 19, 2022.

The meeting held on October 22, 2021 was conducted in physical mode as in-person meeting. The other Meetings were conducted through Video Conferencing (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

Its composition and attendance during FY 2020-21 are given hereunder:

SI No.	Names of the Directors	No of Meetings	
		Held	Attended
1	Sri A L Somayaji #*	5	3
2	Sri Hans Raj Verma, IAS @\$	5	2
3	Sri N Gopalaratnam @	5	5
4	Sri V Pichai @	5	5
5	Sri V Sridar &	5	2

* Sri A L Somayaji was appointed as Chairman of the Committee effective October 10, 2021

\$ Sri Hans Raj Verma, IAS was appointed as member of the Committee effective October 10, 2021.

& Sri V Sridar ceased to be a member of the Committee effective October 10, 2021.

Chairman of the Committee - Independent Director.

@ Member of the Committee - Non-Independent Director.

Status of investor complaints is shown in the Shareholder Information Section of this Report. Pursuant to Regulation 13(3) of the SEBI Listing Regulations, quarterly reports on the compliance of investor grievances are filed with the Stock Exchanges. Annual compliance certificates signed by both the Company and Share Transfer Agent are filed within one month in deference to Regulation 7(3) of the SEBI Listing Regulations. The Chief Financial Officer & Secretary of the Company is also the Compliance Officer with effect from August 1, 2021.

(iv) Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility Committee, as mandated by Section 135 of the Act. It is in operation from March 2014.

Its composition and attendance during FY 2021-22 are given hereunder:

SI No.	Names of the Directors	No. of Meetings	
		Held	Attended
1	Sri N Gopalaratnam #	5	5
2	Sri A L Somayaji @*	5	3
3	Dr Nanditha Krishna &\$	5	3
4	Sri K S Kasi Viswanathan #	5	5
5	Sri V Pichai #	5	2
6	Sri V Sridar &	5	2

* Sri A L Somayaji was appointed as Chairman of the Committee effective October 10, 2021

\$ Dr Nanditha Krishna was appointed as members of the Committee effective October 10, 2021.

& Sri V Sridar ceased to be a member of the Committee effective October 10, 2021.

@ Chairman of the Committee - Independent Director.

& Member of the Committee - Independent Director.

Member of the Committee - Non-Independent Director.

The Committee met five times during the year on May 05, 2021, July 14, 2021, October 23, 2021, January 22, 2022 and March 19, 2022.

The meeting held on October 23, 2021 was conducted in physical mode as in-person meeting. Other Meetings were conducted through Video Conferencing (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(v) Risk Management Committee

The Company has constituted a Risk Management Committee as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has established a Risk Management Framework under which the risks covering the entire operation have been identified and categorized as high, medium and low.

All the risks are discussed periodically in the Senior Management Committee meetings and appropriate actions are taken pro-actively. The risk details and mitigation plans are placed before the Risk Management Committee and the Board.

During the financial year 2021-22, the committee met two times, on October 22, 2021 and March 26, 2022. The detail of attendance of members are given below:

SI No.	Names of the Directors	No. of Meetings	
		Held	Attended
1	Dr S Narayan, IAS (Retd.) @	2	2
2	Sri A L Somayaji &	2	2
3	Sri Mohan Verghese Chunkath, IAS (Retd.) &	2	2
4	Sri K S Kasi Viswanathan #	2	2

@ Chairman of the Committee - Independent Director.

& Member of the Committee - Independent Director.

Member of the Committee - Non-Independent Director.

(vi) Other Committees

The Board has constituted a Project Committee to facilitate quick response to clearance of proposals for expenditure on Mill Development Plan for Unit : Erode. It meets as and when need arises to consider any matter assigned to it. Five meetings were held during the year.

(vi) Committee Minutes

Minutes of all the Committees of the Board are prepared by the Secretary of the Company and approved by the Chairman of the Meeting. These are placed and taken on record at the succeeding Committee Meetings and then circulated to the Board in the Agenda for being recorded thereat.

(vii) Circular Resolution

Recourse to Circular Resolution is made in exceptional and emergent cases that are recorded at the succeeding Board / Committee Meetings. During the FY 2021-22, four Circular Resolutions were passed by the Board of Directors of the Company. These resolutions were taken on record in the subsequent meeting of the Board of Directors.

(viii) Independent Directors' Meeting

The Company, as required under Para VII(1) of Schedule IV to the Companies Act, 2013, normally holds one meeting of the Independent Directors in a financial year and the meeting is normally scheduled in the last week of the month of March, to enable the Independent Directors to reflect on the full year performance and evaluate.

The Independent Directors, in their exclusive meeting held on March 26, 2022 did the evaluation on the performance of Chairperson, Non-Independent Directors and the Board as a whole. They have expressed overall satisfaction on such evaluation. All the Independent Directors were present at this meeting.

D Governance Process and Policies

(i) Policy on Directors' Appointment and Remuneration

The Board on the recommendations of the Nomination and Remuneration Committee meeting held on March 25, 2015 has approved a Nomination and Remuneration Policy. The said policy was reviewed again and approved by the Nomination and Remuneration Committee and the Board in their respective meetings held on May 30, 2020. The latest policy, as approved by the Board, is placed on the website of the Company. It, inter alia, deals with the manner of selection of Board of Directors, Managing Director, Senior Management and their remuneration. This policy is accordingly derived from the said chapter.

1 Criteria for selection of Non-Executive Directors

- The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.
- Directors would be chosen from diverse fields of expertise drawn from industry,

management, finance and other disciplines.

- (c) In case of appointment of Independent Directors, the Committee will satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company, conforming in entirety to the conditions specified under Section 149 of the Companies Act, 2013, read with Schedule IV thereto and the Rules made thereunder and the Listing Agreement.
- (d) The Committee will ensure that the candidate identified for appointment as a Director is not disqualified in any manner under Section 164 of the Companies Act, 2013.
- (e) In the case of re-appointment of Non Independent Directors, the Board will take into consideration the performance evaluation of the Director and his engagement level.

2 Remuneration Policy

The Remuneration Policy aims at attracting and retaining suitable talent and devising a remuneration package commensurate with competition, size of the Company, its nature of business and considered appropriate to the respective role and responsibilities of the employee concerned.

The Remuneration Policy seeks to ensure that performance is recognised and achievements rewarded. Remuneration package is transparent, fair and simple to administer, besides being legal and tax compliant.

The Policy recognises the inherent constraint in relating remuneration to individual performance and fixing meaningful benchmark for variable pay due to the cyclical nature of the industry. Employee compensation is not allowed to get significantly impacted by such external adversities that are admittedly beyond their realm of control.

The Nomination and Remuneration policy of the Company, duly approved by NRC and the Board of Directors, has been uploaded in Company's website (Refer : www.spbltd.com/investor-info/policy).

3 Remuneration of Directors and Key Managerial Persons (KMP)

The Nomination and Remuneration Committee recommends the remuneration of Directors and KMPs which is approved by the Board of Directors and where necessary, further approved by the Shareholders through Ordinary or Special Resolution, as applicable. Remuneration comprises of both fixed and variable pay. However, the share of variable pay is so devised as to factor in the volatile changes in profit levels inherent to the nature of industry in which the Company operates. Bearing this in mind, the remuneration package involves a balance between fixed and incentive pay, reflecting short and long term performance objective appropriate to the working of the Company and its goals.

The Chairman, Managing Director and Deputy Managing Director and Secretary were the only Executive Directors entitled for managerial remuneration for FY 2021-22. Their remuneration for the Financial Year 2021-22 is disclosed in Page 190 of this Annual Report. There is no service contract containing provisions of notice period or severance package.

Sri S Srinivas, who was employed with the Company as Head (Finance), was appointed as CFO & Compliance Officer of the Company w.e.f August 1, 2021. His remuneration for the period August'21-March'22 is ₹ 26.66 lakhs. He has also been appointed as Company Secretary w.e.f May 7, 2022.

No Director or his relative holds an office or place of profit in the Company. Other than direct or indirect equity holding, sitting fee

SESHASAYEE PAPER AND BOARDS LIMITED

and commission on net profits, there is no pecuniary relationship or transaction between the Company and its Non-Executive Directors. No stock option has been issued by the Company to Executive Directors.

Remuneration to Non Whole-time Directors is paid, with the approval of the Board of Directors and Members of the Company in General Meeting.

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 Section 198 of the Companies Act, 2013, 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 ₹ 10.0 lakhs 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.

4 (i) Remuneration of Non-Executive Directors for 2021-22

SI No.	Name of the Non Whole time Director	Sitting Fee paid		Commission payable for 2021-22 ₹ lakhs
		Board Meetings ₹ lakhs	Committee Meetings ₹ lakhs	
1	Sri V Sridar	1.50	4.00	7.50
2	Dr S Narayan, IAS (Retd.)	1.50	2.25	7.50
3	Sri A L Somayaji	1.50	3.75	7.50
4	Dr Nanditha Krishna	1.50	0.75	7.50
5	Sri Mohan Verghese Chunkath IAS (Retd.)	1.50	1.75	7.50
6	Sri Hans Raj Verma, IAS [#]	1.25	1.25	7.50
7	Sri S Rajkumar [@]	0.75	--	7.50
	Total	9.50	13.75	52.50

[#] Payable to The Tamilnadu Industrial Investment Corporation Limited.

[@] Payable to Government of Tamilnadu.

The above table doesn't include ₹ 4.54 lakhs of premium paid by the Company for FY 2021-22, for the Mediclaim insurance policy taken by the Company for the benefit of non-executive directors.

(ii) Performance Evaluation

The Board of Directors, at their meeting held in March 2015 on the recommendations

of the Nomination and Remuneration Committee, approved the Board Evaluation Framework. It has laid down specific criteria for performance evaluation covering:

- ◇ Evaluation of Board Process
- ◇ Evaluation of Committees
- ◇ Individual evaluation of Board Members and the Chairperson

◇ Individual evaluation of Independent Directors.

Pursuant to the Guidance Note on Board Evaluation issued by SEBI in January 2017 to improve the evaluation process by listed entities, the Board of Directors at their meetings held on May 30, 2020, based on the recommendation of the Nomination and Remuneration Committee approved the criteria for performance evaluation for Independent Directors, Non Independent Directors and Board of Directors.

The Board evaluation is internally done on annual basis using templates that incorporate specific attributes. There is oral one-on-one discussion of the template contents relevant to each director and the format is filled on the basis of collective views voiced. The feedback is orally given to all the directors. The Chairman's role is overall mediation to facilitate objective evaluation and collective decision making. The Board evaluation process is reviewed responding to regulatory changes or once in three years.

The Nomination and Remuneration Committee during the year evaluated the performance of every Independent and Non-Independent Directors at its meeting held on March 26, 2022. The Director whose performance is being evaluated did not participate during the part of the meeting. The Committee has expressed overall satisfaction on such evaluation.

Independent Directors in their exclusive meeting held on March 26, 2022 did evaluation on the performance of Chairperson, Non-Independent Director and the Board as a whole. They have expressed overall satisfaction on such evaluation. All the Independent Directors were present at this meeting.

The Board, at its meeting held on March 26, 2022, evaluated the performance of each

of Independent Directors (excluding the Independent Director being evaluated) and recorded its overall satisfaction and decided in terms of Para VIII(2) of Schedule IV to the Companies Act, 2013 that Independent Directors be continued in their respective offices.

The Board, at its meeting held on March 26, 2022, further evaluated the functioning of each of the five committee and evaluated its own performance on the basis of the criteria approved by the Nomination and Remuneration Committee.

There was no specific observation made during Board evaluation last year and current year that is material and requires further action.

(iii) Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 the Board in March 2015 formulated the:

- (i) Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (Regulation 8); and
- (ii) Minimum Standards for Code of Conduct to regulate, monitor and report Trading by Insiders (Regulation 9).

These codes have been reviewed periodically by the Board of Directors.

This code is applicable to all Directors and designated persons. It is hereby affirmed that all Directors and designated employees have complied with this code during the financial year 2021-22 and a confirmation to this effect has been obtained from them.

The Company seeks to ensure that material information / event is disseminated as soon as it becomes credible and concrete for maintaining information symmetry in

the market except when non-disclosure is considered in the interest of its stakeholders.

The trading window shall remain closed during the period when designated persons in terms of the Regulations can reasonably be expected to have possession of unpublished price sensitive information. In any event, the trading window shall remain closed from the end of every quarter till 48 hours after declaration of financial results. Intimation of this is given to Stock Exchanges and a system generated alert is sent to all Directors and designated persons.

The Company on its own maintains a structural digital database containing the details of persons / entities with whom unpublished price sensitive information is shared. This database is maintained with adequate controls and checks such as time stamping and audit trails to ensure that the database cannot be tampered.

The Chief Financial Officer & Secretary is designated as the Compliance Officer for this purpose. The Audit Committee monitors the adherence to various requirements as set out in the Code.

(iv) Code of Conduct

The Board has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company which is posted on its website. It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to this effect has been obtained from them individually for the Financial Year 2021-22.

Further, the Senior Management Personnel have declared to the Board that no material financial or commercial transactions were entered into by them during the Financial Year 2021-22, where they have personal interest that may have a potential conflict with the interest of the Company at large.

Declaration signed by MD affirming the above is attached (Annexure-A).

(v) Related Party Transactions

The Board has formulated a Policy on Related Party Transactions (RPTs). It has also fixed the materiality threshold under this policy at 10% of its turnover as per the last audited financial statements. Transactions with a related party individually or taken together in a financial year crossing this 10% threshold would be considered material. This policy has been uploaded in the Company's website.

All RPTs during the Financial Year 2021-22 were on an arms-length basis and were in the ordinary course of business. They have been disclosed in deference to Indian Accounting Standard 24 in Note 41 of the financial statements that includes transactions with entity belonging to the promoter holding more than 10% shareholding in the Company in accordance with the relevant accounting standard. None of these transactions are likely to have a conflict with the Company's interest.

All RPTs have the approval of Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions that are non material and repetitive in nature.

There was no material RPT during the Financial Year 2021-22.

None of the Directors has any pecuniary relationships or transactions other than the remuneration duly disclosed vis-à-vis the Company.

(vi) Risk Management

The Company has a risk management policy and a supporting framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize

adverse impact on the business objective and enhance the Company's competitive advantage. It aims at ensuring that the executive management controls the risk through means of a properly defined framework.

The policies and the exposures of the Company on various financial risks, including the Foreign Exchange Risk and Hedging activities, are disclosed under Note 38 (c) to the Standalone Financial Statements.

The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimisation procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Key areas of risks identified and mitigation plans are covered in the Management Discussion and Analysis Report. The Company has a Risk Management Committee of the Board, constituted during the year 2021-22.

(vii) Whistle Blower Policy

In deference to Section 177 (9) of the Act, read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism overseen by the Audit Committee. This has been uploaded in the Company's website.

No complaint under this facility was received in the Financial Year 2021-22 and no personnel had requested access to the Audit Committee under this policy during 2021-22.

(viii) Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the

requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy.

No complaint on sexual harassment was received during the Financial Year 2021-22.

(viii) Document Preservation

Pursuant to Regulation 9 of the SEBI (LODR) Regulations, 2015, the Company has formed a policy for preservation of records. This Policy covers all corporate records of the Company whether in paper or digital form and applies to all departments and business functions of the Company. This Policy has been uploaded on the Company website.

E Other Compliances

(i) Management Discussion and Analysis

Management Discussion and Analysis Report is made in conformity with Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015 and is attached to the Board's Report forming part of the Annual Report of the Company.

(ii) Quarterly Financial Results

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, Quarterly Financial Results are approved by the Board on the recommendations of the Audit Committee. These are communicated to Stock Exchanges by email after the conclusion of the Board Meeting and published in leading dailies, as required, within the stipulated time. These are also immediately posted on the Company's website. The financial results are also circulated to all the shareholders by e-mail or by post.

(iii) Quarterly Compliance Report

The Company has submitted for each of the four quarters during 2021-22 the Compliance Report on Corporate Governance to Stock Exchanges in the prescribed format within 21 days from the close of each quarter.

(iv) Online filing

NEAPS / Listing Centre

Quarterly reports to National Stock Exchange are filed through NSE Electronic Application Processing System (NEAPS) and to Bombay Stock Exchange through BSE Listing Centre.

SCORES

SEBI requires all listed companies to process investor complaints in a centralised web based complaint system called 'SEBI Complaints Redress System (SCORES)'. Investors are encouraged to lodge complaints through e-mode, with SEBI digitize complaints in physical form and uploads same. Listed companies are advised to view the complaint and submit Action Taken Report (ATR) with supporting documents in SCORES.

SEBI in March 2020 has launched the Mobile App "SEBI SCORES" to help investors access SCORES at their convenience from smart phone. The App has all the features of SCORES otherwise available in the existing internet media. After mandatory registration on the App, for each grievance lodged, investors will get an acknowledgement via SMS and email. Investors can not only file their grievance but also track the status of their complaint redressal. Investors can also key in reminders for their pending grievances.

During the year, there was one complaint against our Company posted on the SCORES Site. Another complaint was

uploaded in BSE site during this period. Both the complaints were closed by SEBI / BSE respectively, based on replies given by the Company. No complaints were pending as on March 31, 2022.

(v) Reconciliation of Share Capital Audit

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 2021	10 07 2021
30 09 2021	12 10 2021
31 12 2021	12 01 2022
31 03 2022	22 04 2022

(vi) Accounting treatment

In the preparation of financial statements, no accounting treatment different from that prescribed in any Accounting Standard has been followed.

(vii) Cost Audit

Cost Audit was applicable to our Company for the financial year 2021-22.

The Company has maintained detailed Cost records, as required under Section 148(1) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 and all other relevant rules and regulations and amendments thereof.

Pursuant to Section 148 of the Companies Act, 2013 the Company has appointed M/s S Mahadevan & Co., Cost Accountants (Firm Registration No. 000007), Coimbatore to undertake cost audit of the Company for the Financial Year 2021-22. Their remuneration was approved by the Shareholders at the 61st Annual General Meeting.

(viii) Secretarial Standards & Secretarial Audit

Pursuant to Section 118 (10) of the Companies Act, 2013 every Company shall observe secretarial standards with respect to General and Board meetings specified by the Institute of Company Secretaries of India. The Company has complied with all applicable Secretarial Standards during the year.

Pursuant to Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s B K Sundaram & Associates, Practicing Company Secretaries (Membership No. A672, C P No. 2209), to undertake the Secretarial Audit of the Company for Financial Year 2021-22. The Secretarial Audit Report was placed before the Board on May 07, 2022 and the same is annexed.

There are no qualifications in the Secretarial Audit Report.

Annual Secretarial Compliance Certificate

Regulation 24(a) of the Listing Regulations mandated all listed companies for filing of Annual Compliance Certificate issued by a Practicing Company Secretary with Stock Exchanges within 60 days of the end of the Financial Year. The Company obtained the certificate from M/s B K Sundaram & Associates, Practicing Company Secretaries and the same is filed with Stock Exchanges on May 11, 2022.

Certificate on No disqualification

Certificate from Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / MCA or any such statutory authority is provided in Annexure-B.

(ix) Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013, the Company has appointed M/s Suri & Co., Chartered Accountants (Firm Regn. No. 004283S), Chennai, to conduct Internal Audit of the functions and activities of the Company for Financial Year 2021-22. The Internal Auditor reports directly to the Audit Committee Meetings to provide clarifications, if any, that may be required by Directors.

(x) CEO / CFO Certification

CEO certification by Sri K S Kasi Viswanathan, Managing Director and CFO certification by Sri S Srinivas, Chief Financial Officer, as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 were placed before the Board at its meeting on May 07, 2022.

(xi) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended March 31, 2022 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

(xii) Auditor's Certificate on Corporate Governance

Certificate of Statutory Auditors has been obtained on the compliance of conditions of Corporate Governance, in deference to Para E of Schedule V of the SEBI (LODR) Regulations, 2015 is provided in Annexure-C.

(xiii) Subsidiary Companies

M/s Esvi International (Engineers & Exporters) Limited (Esvin) is a wholly owned subsidiary of the Company.

(xiv) Deposits

The Company has not accepted deposits from the public and there are no outstanding dues in respect thereof.

(xv) Peer Review of Auditors

As per the Listing Agreement, the Limited Review / Audit Reports shall be given only by an Auditor who has subjected himself to the Peer Review process and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Statutory Auditors of the Company, M/s Maharaj N R Suresh and Co. LLP, and M/s R Subramanian and Company LLP have undergone the Peer Review process and have been issued requisite Certificate that were placed before the Audit Committee.

(xvi) Statutory Auditor's fees for the FY 2021-22

	₹ crores
Statutory Audit fees	0.33
Taxation Matters	0.16
Certification work	0.13
Reimbursement of expenses	0.01
	0.63

F Compliance with non-mandatory requirements

(i) Shareholders' Rights

Quarterly Un-audited Financial Results on the Company's financial performance are posted on the Company's Website and advertised in newspapers and soft copy of same emailed to shareholders whose email IDs are available with the Company.

(ii) Abridged Accounts

Section 136(1) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits circulation of abridged Accounts in lieu of full-fledged Annual Report. The Company has, however,

not exercised this option and continues to send Annual Report in full form to the Shareholders.

(iii) Communication in E-mode

The Company has sought Shareholders' cooperation, to fall in line with the Initiatives of the Central Government by way of sending communications in e-mode.

(iv) Audit Qualifications

The Company since inception has ensured to remain in the regime of unqualified financial statements. Annual Financial Result for the Financial Year 2021 - 22 are being filed with the Stock Exchanges along with the declaration by the Managing Director confirming that the Auditor's Report on Annual Financial Results contains unmodified opinion.

G Disclosures

- (i) No strictures / penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.
- (ii) No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and the Company's operations in future.
- (iii) No loan or advance in the nature of loan was made during or outstanding at the close of the year to Associates or Firms / Companies in which a Director of the Company is interested. Accordingly, no disclosure in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on this score is applicable.

H Means of Communication

Financial Results

The Company publishes financial results in 'Business Standard' in English and 'Dinamalar' in Tamil.

The results published also show as footnote relevant additional information and / or disclosures to the investors. Financial results are :

- (a) Filed online in XBRL / PDF format with Stock Exchanges immediately after the conclusion of the Board Meeting.
- (b) Posted on the Company's website www.spbltd.com and
- (c) Sent to all Shareholders by e-mail.
- (d) No presentation was made during the year to Institutional Investors or Analysts. The Company has no agreement with any media Company for public dissemination of its corporate information.

Chairman's Communique

Chairman's Communique, for the Annual General Meetings conducted thro' Video Conference, is placed on the website of the Company and sent to Stock Exchanges. In case of Annual General Meetings held as physical meetings, the same is distributed to all the shareholders at the Annual General Meeting.

Website

The Company maintains a functional website www.spbltd.com that contains relevant information updated in time and complies with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the directions of SEBI, the Company has created an exclusive e-mail ID, viz.,

investor@spbltd.com for redressal of investor grievances.

Business Responsibility Report (BRR):

Regulation 34(2) of the SEBI (LODR) Regulations requires the listed entities, to include a Business Responsibility Report (BRR) in their Annual Report, describing the initiatives taken by the Company from Environmental, Social and Governance perspective, in the format as specified by the Board from time to time. Originally, this regulation / reporting requirement was applicable only for the Top 500 listed Companies, based on Market Capitalisation (calculated as on March 31 of every financial year).

However, SEBI, vide their amendment to LODR, dated December 26, 2019, has extended this to Top 1000 Companies. Our Company was in 889th position (Market Capitalisation in NSE) as on March 31, 2022. Hence, this Regulation on BRR is applicable to the Company.

The Company has drafted the Business Responsibility Report, in line with the format prescribed by SEBI, which is given in Annexure - III to the Directors' Report.

Dividend Distribution Policy

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website on <https://www.spbltd.com/wp-content/themes/spb/pdf/DDP.pdf>.

General Shareholder Information

(i) Details for 62nd Annual General Meeting

Date and time	:	Saturday, the July 23, 2022 at 11.00AM
Venue	:	The Company is conducting meeting through Video Conferencing pursuant to the MCA Circular dated May 05, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the notice of this AGM.
Financial Year	:	2021-22
Book closure dates	:	Thursday, the 14 th July 2022 to Saturday, the 23 th July 2022 (both days inclusive)
Dividend	:	₹ 2.50 per Equity Share (Proposed)
Dividend payment date	:	July 25, 2022

(ii) Particulars of past three Annual General Meetings

AGM / Year	Venue	Date & Time	Special Resolutions passed
59 th 2018-19	"Community Centre" SPB Colony ERODE 638 010 Tamilnadu	27 07 2019 11.00 AM	1. Sub-division of existing Equity Shares of face value of ₹ 10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up. 2. Alteration of Capital Clause V of the Memorandum of Association. 3. Alteration of Capital Clause 6 of the Articles of Association.
60 th 2019-20	Video Conference	08 08 2020 11:00 AM	1. Re-appoint of Sri N Gopalaratnam as Chairman. 2. Re-appoint of Sri K S Kasi Viswanathan as Managing Director. 3. Re-appoint of Sri V Pichai as Deputy Managing Director & Secretary.
61 st 2020-21	Video Conference	24 07 2021 11:00 AM	1. Re-appointment of retiring director, Sri V Pichai, as Deputy Managing Director & Secretary of the Company.

No Extraordinary General Meeting was convened during the year.

(iii) e-Voting in AGM

In addition to remote e-Voting, the Company offered the e-Voting facility to the members who are present in AGM (conducted thro' VC) but could not vote through remote e-Voting pursuant to Rule 20 of the Companies (Management & Administration) Rules, 2014.

(iv) Postal Ballot

For appointment of Sri K Rajkumar, IFS as a Nominee Director liable to retire by rotation, one Ordinary Resolution was passed by Postal Ballot during the financial year 2021-22. Shareholders were also offered the facility of e-Voting in addition to Postal Ballot.

Sri B. Kalyanasundaram, Practising Company Secretary (Membership No.672) was the Scrutinizer for Postal Ballot. The resolution was passed with requisite majority based on combined voting through E-voting and on Postal Ballot.

At present, there is no proposal to pass Special Resolution through Postal Ballot. The Company diligently followed the procedures prescribed under the Act and Listing Regulations.

(v) Financial Calender for 2021-22 (tentative)

May 2022 :

Audited results for 2021-22

July 2022 :

Annual General Meeting and
First Quarter Results for 2022-23

October 2022:

Second Quarter Results for 2022-23

January 2023 :

Third Quarter Results for 2022-23

March 2023

Review of performance

May 2023 :

Audited Results for 2022-23

(vi) Listing on Stock Exchanges:

(a) BSE Limited

Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Phone: 022-2272 1233 -1234 (General)
Fax: 022 - 2272 2082
Web Site: www.bseindia.com
E-mail: corp.relations@bseindia.com

(b) National Stock Exchange of India Limited

"Exchange Plaza"
Bandra - Kurla Complex
Bandra (East)
Mumbai 400 051
Phone: 022 - 2659 8235 - 8236
Fax: 022 - 2659 8237 / 2659 8238
Web Site: www.nseindia.com
E-mail: cmlist@nse.co.in

(vii) 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, 2022.

(viii) Stock Codes:

Under Demat System, the ISIN allotted to the Company's Equity Shares is **INE630A01024**.

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

(ix) Dematerialisation of shares and liquidity:

As on March 31, 2022, 16 347 Shareholders are holding Shares in Demat form and 5 00 68 026 shares have been dematerialised, representing 79.20% of the total Equity Share Capital.

Shareholders are advised to convert their holdings from physical mode to demat mode considering overall merits of the depository system and transfer of shares in physical mode is not feasible from April 01, 2019.

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

NIL

(xi) Permanent Account Number (PAN) / Bank details Requirement

SEBI, vide its Circular dated April 27, 2007, made PAN as the sole identification number for all participants transacting in the securities market irrespective of the amount of such transaction.

SEBI, vide its Circular dated January 27, 2010 has made it mandatory to furnish a copy of PAN for transmission and transposition of shares.

SEBI, vide its Circular dated April 20, 2018 advised the listed Companies through RTA to seek PAN / Bank details of shareholders holding shares in Physical form. Necessary communication in this regard has already been sent to shareholders on June 23, 2018 by Registered Parcel and reminders during October 2018 and February 2019. Shareholders are advised to provide such details without delay.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 / December 04, 2021 advised the listed entities to seek PAN, KYC and Nomination details from the shareholders holding share in physical form. Detailed communication, along with required forms and the note consequences of not submitting the same, were dispatched to Shareholders on 03 02 2022. Shareholders are advised to send the same immediately.

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

Integrated Registry Management Services Pvt. Ltd

'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
Email: kalyan@integratedindia.in

(xiii) Credit Rating

Details of Credit Rating obtained from CARE Ratings Limited, Mumbai, for facilities availed from Bank.

Facility	Amount (₹ crores)	Rating
Long Term Bank Facilities - Fund Based Working Capital limits	61.00	CARE A+: Stable (Single A Plus; Outlook:Stable)
Short Term Bank Facilities - Non Fund Based Working Capital limits	56.00	CARE A1+ (A One Plus)
Long Term Bank Facilities - Term Loan	--	Withdrawn
Total	117.00	

(xiv) Share Transfer System

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

The Stakeholders Relationship Committee of the Board of Directors meets once in three months. To quicken the process of transfer of shares, the Company Secretary has been delegated with the powers to approve transfers, if the documents are in order.

The Company obtains from a Company Secretary in Practice yearly Certificate of Compliance with the Share Transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

There is no pending share transfer as on 31 03 2022.

Compulsory Demat

SEBI in June 2018 amended Regulation 40 of the Listing Regulations prohibiting transfer

of shares held in physical mode with effect from April 01, 2019. Transposition and Transmission are exempted from this amendment. No request for transfer of shares in physical mode was received during 2021-22.

(xv) Transfer of Unclaimed Dividend to IEPF

Pursuant to Section 124 of the Companies Act 2013, dividend remaining unpaid or unclaimed for a period of 7 years shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Reminders for unpaid dividend are sent to the Shareholders who have not claimed the dividend as per records every year.

Pursuant to above, the Unpaid / Unclaimed Dividend for the Financial Year 2013-14, pertaining to 3342 investors and aggregating ₹ 9.81 lakhs, was transferred on 26 08 2021.

(xvi) Transfer of Shares to IEPF:

The Company in terms of Section 124(6) of the Act is required to transfer the underlying equity shares where dividend has not been paid or claimed by shareholders for seven consecutive years to the Investor Education and Protection Fund (IEPF) Suspense Account in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Particulars of unclaimed dividend as on 31 03 2022:

Year	Dividend (₹ per share)	Date	Unclaimed		Due date for transfer to IEPF
			No. of warrants	₹ crores	
2014-15	4	03 08 2015	3503	0.11	29 08 2022
2015-16	5	25 07 2016	3542	0.13	21 08 2023
2016-17	10	31 07 2017	3648	0.27	26 08 2024
2017-18	15	23 07 2018	1648	0.19	20 08 2025
2018-19	20	29 07 2019	1447	0.22	24 08 2026
2019-20	4	10 08 2020	1492	0.20	06 09 2027
2020-21	2.50	26 07 2021	1616	0.14	21 08 2028

Individual communication had been sent to the shareholders whose shares are liable to be transferred to IEPF Suspense account. Public Notice in respect of the same was published in Business Standard and Dinamalar as required under the Rules.

Details of share transferred to IEPF:

Financial Year	No. of holder	No. of Shares	Date of transfer to IEPF
2013-14	102	42,710	28 09 2021

(xvii) Transfer of IEPF becoming due:

The Unpaid / Unclaimed amount for the Financial Year ended 31 03 2015 will be transferred during August 2022 along with the shares. Shareholders are, therefore, advised to contact the Company / RTA immediately in case of non-receipt or non-encashment of Dividend.

(xviii) Claim form IEPF:

Shareholders may however note that both the unclaimed dividend and the shares transferred to IEPF Authority / Suspense Account including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority after following the due process prescribed by the Rules. Shareholders whose shares or dividends have been transferred may contact the Registrars and Transfer Agents or the Company at its registered office for necessary guidance in this regard.

SESHASAYEE PAPER AND BOARDS LIMITED

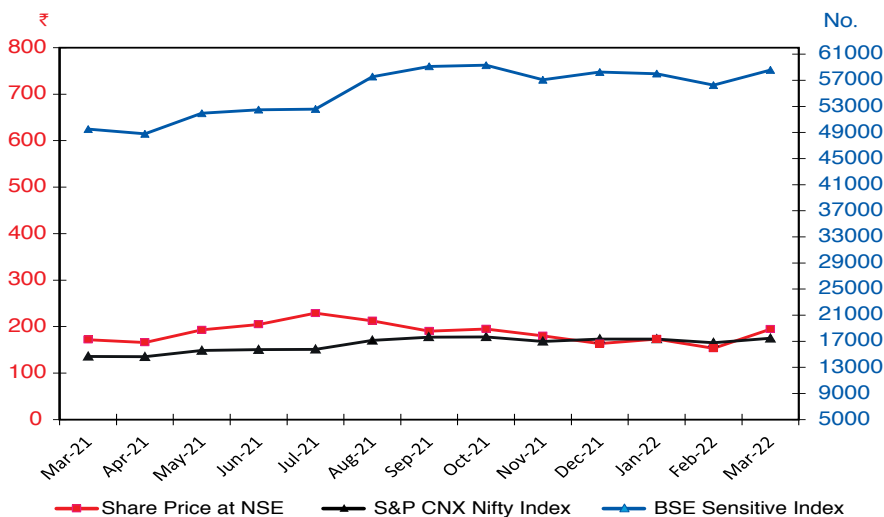
(xvii) Market Price Data

High, low and volume during each month in the financial year 2021-22 (reported at the National Stock Exchange of India Limited and BSE Limited).

Month	BSE				NSE			
	Share Price		Volume		Share Price		Volume	
	High (₹)	Low (₹)	No. of Shares	Value (₹ Lakhs)	High (₹)	Low (₹)	No. of Shares	Value (₹ Lakhs)
2021								
April	174.00	145.85	27479	42.87	166.00	145.65	509705	801.92
May	192.95	150.10	197916	340.09	193.00	151.00	3665484	6402.83
June	203.3	164.15	398594	731.81	204.70	165.00	3289150	6059.60
July	230.00	188.10	563521	1189.09	228.80	186.80	6528745	13739.08
August	212.10	165.25	236627	458.39	212.40	168.00	2401644	4663.39
September	216.00	170.90	75103	135.11	190.40	170.50	1125099	2026.94
October	204.95	169.75	89430	163.94	194.90	169.10	1289966	2374.49
November	179.00	155.00	44961	76.99	180.25	155.00	497630	847.82
December	166.70	140.70	39806	61.29	163.35	141.05	569046	881.73
2022								
January	173.00	147.15	205514	335.26	173.20	147.00	2403392	4429.38
February	153.00	133.95	85903	124.32	153.30	133.60	1169180	1706.40
March	194.05	137.15	272568	475.89	194.45	138.75	3668607	6412.78

(xviii) Performance, in comparison to broad-based indices, such as, BSE Sensex, CRISIL Index, Nifty, etc.

Please see the enclosed Chart for comparison of the Price movement of the Company's Shares with BSE Sensex and Nifty Index movement.



SESHASAYEE PAPER AND BOARDS LIMITED

(xix) Distribution of shareholding as on March 31, 2022 :

Distribution	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
1 - 100	9 601	50.59	3 72 606	0.59
101 - 200	2 697	14.21	4 12 735	0.66
201 - 500	3 796	20.00	14 05 216	2.23
501 - 1000	1 498	7.89	11 41 517	1.81
1001 - 5000	1 121	5.91	24 28 373	3.85
5001 - 10000	103	0.54	7 64 921	1.21
10001 and above	163	0.86	5 65 42 772	89.65
Total	18 979	100.00	6 30 68 140	100.00

(xx) Pattern of Shareholding as on March 31, 2022 :

Category	No. of Share holders	Voting strength (%)	No. of Shares held
Individuals	18 403	22.92	1 44 55 014
Companies	229	39.39	2 48 39 732
FILs, NRIs, OCBs	333	23.40	1 47 57 324
Mutual Funds, Insurance Companies and Banks	10	0.01	10 070
FIs	4	14.28	90 06 000
Total	18 979	100.00	6 30 68 140

(xxi) Top 10 Shareholders of the Company as on March 31, 2022:

Sl No.	Names	No. of Shares	%
1	The Tamil Nadu Industrial Investment Corporation Ltd	9000000	14.27
2	Ponni Sugars (Erode) Ltd	8840905	14.02
3	Synergy Investments Pte Limited	7738475	12.27
4	Time Square Investments Private Limited	6348105	10.07
5	Atyant Capital India Fund I	3383140	5.36
6	Dhanashree Investments Private Limited	2951290	4.68
7	Sri A L Somayaji, Managing Trustee, SPB Equity Shares Trust	2840905	4.50
8	Coromandel Sugars Limited	1692315	2.68
9	Gothic Corporation	1143879	1.81
10	Vanderbilt University - Atyant Capital Management Limited	1133634	1.80
	Total	45072648	71.46

SESHASAYEE PAPER AND BOARDS LIMITED

(xxii) Plant Locations

Unit : Erode

Pallipalayam
Namakkal District
Cauvery RS PO
ERODE
638 007
Tamil Nadu

Unit : Tirunelveli

Elanthaikulam
Singamparai Post
Mukkudal (via)
627 601
Tirunelveli District
Tamil Nadu

(xxiii) Address for correspondence

Seshasayee Paper and Boards Limited

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

CIN : L21012TZ1960PLC000364

Ph : (91)(4288)240 221-228

Fax : (91)(4288)240 229

E-mail : edoff@spbltd.com /
investor@spbltd.com

Web Site: www.spbltd.com

Annexure - A

DECLARATION

[Pursuant to Para D of Schedule V of the
SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015]

I, K S Kasi Viswanathan, Managing Director of Seshasayee Paper and Boards Limited, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management for the financial year 2021-22.

K S KASI VISWANATHAN

Managing Director

Erode

07th May 2022

B.K.SUNDARAM & ASSOCIATES

COMPANY SECRETARIES.
CS B. KALYANASUNDARAM,
B.Com., ACMA., ACS.,

OFFICE :

30, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY- 620003.
PHONE: 0431- 2761590.
Email: bkksoffice@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. We have examined the relevant registers, records, forms, returns and disclosures received during the financial year 2021-2022 from the Directors of M/s. SESHASAYEE PAPER AND BOARDS LIMITED having CIN: L21012TZ1960PLC000364 and having registered office at Pallipalayam, Erode-638007 (hereinafter referred to as 'the Company'), produced to us by the Company electronically for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authority under the Ministry of Corporate Affairs, New Delhi as on 31st March 2022.

SESHASAYEE PAPER AND BOARDS LIMITED

SI No.	Name of the Director as per DIN	DIN	Date of Appointment as Director in the Company	Designation and remarks if any
1	Sri Gopalaratnam Natarajan	00001945	26-12-1987	Chairman - Whole-time Director
2	Sri Kasiviswanathan Subramanian Kallidaikurichi	00003584	29-01-2005	Managing Director
3	Sri Lakshminarasimha Ayyalu Somayaji	00049772	29-09-2014	Independent Director
4	Sri Subbaraman Narayan	00094081	18-01-2007	Independent Director
5	Sri Pichai Venkataraman	00263934	29-01-2005	Deputy Managing Director - Whole-time Director
6	Smt. Chinny Krishna Nanditha	00906944	29-09-2014	Independent Woman Director
7	Sri Venkatesan Sridar	02241339	04-06-2009	Independent Director
8	Sri Mohan Verghese Chunkath	01142014	01-04-2019	Independent Director
9	Sri Hansraj Verma	00130877	15-06-2021	Nominee Director
10	Sri Rajkumar K	09359723	23-10-2021	Nominee Director

It is the responsibility of the management of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter and this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B.K.SUNDARAM & ASSOCIATES**
Company Secretaries

Sd/-
(B KALYANASUNDARAM)

Company Secretary
ACS NO. A672, CP No. 2209
UDIN: A000672D000250823

Peer Review Cert No.:1215/2021

Place : Trichy

ICSI Unique code:

Date : 30-04-2022

S1994TN013100

M/S MAHARAJ N R SURESH AND CO LLP

Chartered Accountants

M/S R SUBRAMANIAN AND COMPANY LLP

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, 2022, as stipulated in Regulations 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Maharaj N R Suresh and Co LLP

Chartered Accountants

Firm Regn. No. 001931S/S000020

N R Jayadevan

Membership No. 023838

Partner

UDIN : 22023838AKUURA2370

R Subramanian and Company LLP

Chartered Accountants

Firm Regn. No. 004137S/S200041

N Krishnamurthy

Membership No. 019339

Partner

UDIN : 22019339AJMQYR9549

Chennai

May 7, 2022

BUSINESS RESPONSIBILITY REPORT

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations], as amended on December 26, 2019, prescribe that top 1000 companies based on Market Capitalisation as per NSE / BSE as on March 31 of the every Financial Year, are required to have “Business Responsibility Report” (BRR) as part of their Directors’ Report.

Following is the BRR of the Company as the Company is among the top 1000 listed entities as per Market Capitalisation of NSE / BSE as on March 31, 2022. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations.

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate identification number	L21012TZ1960PLC000364
2. Name of the Company	SESHASAYEE PAPER AND BOARDS LIMITED
3. Registered Address	Pallipalayam, Namakkal District, Cauvery RS PO, Erode 638 007, Tamil Nadu
4. Website	www.spbltd.com
5. E-Mail address	edoff@spbltd.com; investor@spbltd.com
6. Financial Year reported	FY 2021-22
7. Sector(s) that the Company is engaged in	Paper is the only reportable segment of operation of the Company.
8. Three key products/services manufactured / provided by the Company	Different grades of Printing and Writing Paper and Paper Board.
9. Total number of locations where the business activity is undertaken by the Company	2 locations (Unit : Erode and Unit : Tirunelveli) in the State of Tamil Nadu, India
10. Markets served by the Company	India, USA, Europe, UAE, Middle East, African countries (Uganda, Nigeria, Kenya, Ghana, Ethiopia, etc.), other Asian countries (Sri Lanka, Afghanistan, etc.)

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital	₹ 12.04 crores
2. Total Income	₹ 1371.58 crores
3. Total Profit After Tax (PAT)	₹ 103.10 crores
4. Total spending on CSR	₹ 4.21 crores
5. Total spending on CSR as % on PAT	4.08 %
6. List of activities in which the CSR expenditure has been incurred	<p>The Company's focussed programmes are in the field of community development, water, sanitation, education, health, rural infrastructure and technical training.</p> <p>For further details, please refer the Corporate Social Responsibility Report. (Annexure - VI of Directors' Report)</p>

SECTION C : OTHER INFORMATION

1. Does the Company have any Subsidiary Company / Companies	<p>The Company has one wholly owned Subsidiary :</p> <p>- M/s Esvi International (Engineers & Exporters) Limited</p>
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D : BR INFORMATION

1. Details of the Director/s responsible for BR

- Details of the Director responsible for implementation of BR policies

a) DIN Number	00003584
b) Name	K S KASI VISWANATHAN
c) Designation	Managing Director

- Details of the BR Head

a) DIN Number	00003584
b) Name	K S KASI VISWANATHAN
c) Designation	Managing Director
d) Contact Number	(91) (4288) 240 221-228
e) E-mail	kasi@spbltd.com

2. Principle wise BR Policy / Policies

Principle	Description	Company's Policy
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	◇ Codes of Conduct ◇ Whistle Blower
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	◇ QEEGHS (Quality, Environment, Energy, Green Resources, Occupational Health and Safety Management Systems) Policy ◇ WCM Policy
Principle 3	Businesses should promote the well-being of all employees	◇ QEEGHS Policy ◇ SHAW - Prevention of sexual harassment at workplace
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	◇ CSR Policy ◇ SHAW - Prevention of sexual harassment at workplace
Principle 5	Businesses should respect and promote human rights	◇ CSR Policy ◇ WCM Policy
Principle 6	Business should respect, protect and make efforts to restore the environment	◇ Water Conservation Policy ◇ Material Conservation Recycling and Recyclability Policy ◇ Green Procurement Policy ◇ Waste Management Policy ◇ FSC® (FSC-C084458) Controlled Wood Procurement Policy ◇ ISO 14001 Certification
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	◇ Codes of conduct
Principle 8	Businesses should support inclusive growth and equitable development	◇ CSR Policy ◇ FSC® (FSC-C084458) Controlled Wood Procurement Policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	◇ QEEGHS Policy

SESHASAYEE PAPER AND BOARDS LIMITED

Details of compliance :

Sl.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	Most of the policies are aligned to various Standards like : ISO 18001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health & Safety Management System), FSC® (FSC - C084458) Controlled Wood Procurement Policy								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?^^	Y	--	--	Y	Y	--	Y	Y	--
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?*	*	*	*	*	*	*	*	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Auditors of the Company (ISO Auditors / Internal Auditors / In-house ISO and WCM co-ordinators / In-house Certified Energy Auditors) review the implementation of the policies from time to time. The Company's 2 units have been subject to audit by external certification agencies. No dedicated Business Responsibility Audit has been conducted.								

^^ All the policies are signed by an Executive Director in the Board.

* All the policies are available in Company's website : www.spbltd.com .

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	<ul style="list-style-type: none"> ◇ The Company does not have a Committee of Board for dealing with this matter specifically. ◇ However, aspects of Business Responsibility are reviewed by various other committees of the Executives / Board.
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<ul style="list-style-type: none"> ◇ The Company publishes the BR Report annually, as annexure to the Board's Report.

SECTION E: PRINCIPLE WISE GOVERNANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

- ◇ Commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, Senior Management and all other employees of the Company. It is embedded in the Company's Vision, Mission and Values Statement. The Values of the Company, as in this statement, start with "Ethical Practices". The Company's Vision is "To excel as a trusted, socially responsible and customer driven organisation providing maximum value to all stakeholders."
- ◇ The Company has adopted the 'Code of Conduct', to ensure ethics, transparency and accountability in all aspects of the business and create value for its stakeholders in a sustainable manner. All Directors and Senior Management personnel shall affirm compliance with Code on an annual basis.

- ◇ The Company has well established policies, in accordance with the statutory guidelines and relevant SEBI regulations.
 - BR policy.
 - Whistle Blower policy.
 - Code of Conduct.
 - Code of practices for fair disclosure of unpublished price sensitive information.
 - Remuneration policy.
 - Policy on preservation and archival of documents.
 - Policy for determination of Materiality for Disclosure of Information / Events to Stock Exchanges.
 - Policy on Related Party transactions.
 - Policy for determining Material subsidiaries.
 - Prevention of Sexual Harassment at Workplace.
- ◇ The Company has a policy to do business with suppliers / contractors and other who are aligned with its value systems.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- ◇ 2 Complaints (1 in SCORES & 1 in BSE Website) were received by the Company, from shareholders during the financial year. Based on replies by the Company, both the complaints were dropped by SEBI / BSE. No complaint was pending for resolution as on March 31, 2022.
- ◇ All the queries, from other stakeholders, were promptly responded to the stakeholder concerned.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- ◇ Paper is a noble Product. The printing and writing grades of paper that our Company manufactures go to educate Children and inculcate good reading habits. Paper is biodegradable, recyclable and an environmentally friendly product.
- ◇ Our company manufactures different grades of printing and writing paper using
 - Farm forestry based wood
 - Sugar cane bagasse [a by-product of a Sugar Mill] and
 - Recycled waste paper.

- ◇ Our company helps farmers to grow trees. As part of our tree farming activity, our Company provides quality Clonal seedlings of Eucalyptus and Casuarina breed at subsidized rates to farmers and also assist them with technical help through Agricultural University to achieve higher yields and revenues.

Our company is constantly focused on identifying new wood species. Recently we have identified Melia-Dubia, a high yielding fast growing species, suitable for pulp production.

- ◇ Technical support to the farmers for this initiative is being provided in association with the Department of Tree Breeding of Forest College and Research Institute, attached to Tamil Nadu Agricultural University, Coimbatore, through a Collaborative Research Project.
- ◇ In accordance with the Company's vision to achieve wood positive status, over 17.3 crore seedlings were made available during the FY 2021-22 (FY 2020-21 : 16.4 crore seedlings), at subsidized rates, for planting in 20042 acres of land in FY 2021-22 (FY 2020-21 : 19015 acres).
- ◇ Our Company has a structured, innovative Lift Irrigation Scheme by which our treated waste water is used to irrigate nearly 1500 acres of land in which local farmers grow sugar cane. The sugar cane produced is procured by our associate Company viz. Ponni Sugars(Erode) Limited which in turn gives bagasse, a residue left after extraction of sugar from sugar cane. Bagasse is used by our Company to produce paper, and in turn, our Company gives treated waste water to the farmers to grow sugar cane. This tripartite arrangement between

our Company, Ponni Sugars (Erode) Limited and the nearby Farmers has been in operation for over 35 years. This innovative Lift Irrigation Scheme is a unique and innovative irrigation scheme and has caught the attention of Overseas Experts and UNDP as a Role Model.

- ◇ Our Unit : Tirunelveli has a modern De-inking Plant in which recycled waste paper is de-inked (removal of ink) and reused for manufacture of high quality printing and writing paper grades.
- ◇ As can be seen from the above, the three primary fibrous raw materials viz. Wood, Sugar cane Bagasse and Waste Paper are obtained through a sustainable process model helping the local community.
- ◇ The paper manufacturing process adaptable by our company is also environmentally friendly and green. Our process is higher energy efficient and completely "Elemental Chlorine Free". Our process uses environmentally friendly chemicals viz. Oxygen, Hydrogen Peroxide, Chlorine Di-oxide, etc. which make our process green. The process adapted by our Company generates a liquor called "Black Liquor" which is a biomass rich in lignin and is burnt in a boiler to produce green power.
- ◇ Nearly 50% of the energy consumed by our Mill in Unit : Erode is green power generated from 'Black Liquor' in the Chemical Recovery Complex. Nearly 96% of the Chemicals used in pulping process are recovered back in the Chemical Recovery Complex and recycled.
- ◇ The Lime Sludge which is a waste product from our Recalcitrating Plant

is reburnt in a Rotary Lime Kiln which again uses about 20% biogas from the Anaerobic Digestion System.

- ◇ The solid waste viz. effluent sludge from waste water treatment plant is the primary raw material for hundreds of small board manufacturers and the board produced is used for Egg tray, Hosiery packing, Footwear packing, etc.
- ◇ Our Company has a unique waste water treatment facility. The waste water from the Mill is classified into three categories viz. (i) High COD, (ii) Medium COD & (iii) Low COD.
- ◇ The high COD stream is taken to Anaerobic Lagoon which generates Methane gas which is used in Rotary Lime Kiln to replace fossil fuel viz. Furnace Oil.
- ◇ The low COD stream is taken to Clarifier and is recycled back in the process.
- ◇ The medium COD stream is treated in the waste water treatment facility meeting the standards prescribed by the Pollution Control Board and the treated waste water is used for irrigating the waste land around the Mill through Lift Irrigation Scheme.
- ◇ Our company has bagged several awards for excellent Environment performance, safety, energy efficiency, etc. Notable Awards received by the Company in recent years are:
 - CII GreenCo Gold Rating Award during GreenCo Summit held at Pune in the year 2017.
 - Green Award 2017 by Tamil Nadu Pollution Control Board for Environment Protection.
 - CII - National Award for Excellence in Energy Management:

- a) Excellence in Energy Management - for the past 4 consecutive years.
 - b) National Energy Leader - 2nd time in row.
 - c) Innovation award - Digester modification to enhance pulp production and green energy.
 - Paper Mill of the year award for FY 2019-20, awarded by Indian Paper Manufacturers Association.
 - AEE award - Regional Corporate Energy award 2021 by Association of Energy Engineers, US.
- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- ◇ The Company, vide its QEEGHS Policy, TPM Policy, Energy Policy, etc. believes that optimising production efficiency delivers value to customers and minimises environmental impact, thereby driving the Company towards the goal of long term sustainability.
 - ◇ Raw material: The Company, in its Unit : Erode, which has an integrated pulp mill, consumes about 2.2 tonnes (BD tonnes) of wood per ton of Paper produced.
 - ◇ In this context, it is important to note that the Company has won the "Tamil Nadu Pollution Control Board Green Award" for the year 2017 for the excellent contribution to the Environmental protection.
- ◇ The Company had earlier been awarded "GOLD" Rating under CII Greenco Award recognizing the excellent performance in conservation of all input resources such as Steam, Power and Water.
 - ◇ The Company also educates and motivates their suppliers / vendors to become Green.
- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
- ◇ The Company has been certified under four standards of FSC® (FSC-C084458) (Forest Stewardship Council®) viz. FSC-STD-40-004, FSC-STD-40-005, FSC-STD-50-001 and FSC-STD-40-003. By this, the Company assures its stakeholders that the wood and wood fibre (pulp) purchased by it are traceable to responsibly managed plantations and that adequate 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 Mix products in Domestic and International Markets.
 - ◇ The Company policy on Green Procurement guidelines underlines the following :

- Sourcing of raw materials from Environmentally and socially responsible sources.
- Maximising the usage of Eco friendly chemicals and energy efficient equipments.
- Maximising the use of recovered paper in paper furnish.
- Following the 3R principles of Reduce, Reuse and Recycle.
- Conducting awareness programs on Environmental impacts for vendors / suppliers.
- Creating awareness about GSC (Green Supply Chain) to critical vendors and to help them for ISO 14000 certification and to prioritise buying from ISO vendors.
- Improving the efficiency of the suppliers by audit, training and improvement suggestions.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- ◇ The Company is investing in efforts in carrying out research and development to ensure long term sustainability of raw materials for operations via responsible sourcing and promote local procurement.
- ◇ The Company also encourages farmers to directly sell their wood produce to the Company. The Company is working towards developing clones for the improvement of plantation yields, which results in increased returns to farmers.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- ◇ Non-hazardous solid wastes such as bamboo and hard wood dust, screen rejects, fly-ash, lime sludge, and effluent sludge are re-used in various processes either directly by the Company or disposed to the manufacturers, who use these as input materials in their processes.
- ◇ Company has a specific policy towards "Material Conservation Recycling and Recyclability". Through this policy, the Company is committed to improve material conservation, recycling and recyclability by reducing cellulosic fibre content in paper, reducing process input per ton of product and reducing packing material consumption per ton of finished paper.
- ◇ The focus is also on increasing the wood availability within close proximity through plantation initiatives, increasing the pulp yield, increasing bagasse furnish in paper to maximise our "Waste to Wealth potential", increasing recycled paper content, increasing the use of eco-friendly packing materials, etc.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES.

1. Please indicate the total number of employees.

- ◇ No. of employees on the rolls of the Company, as on March 31, 2022 : 1307.

- 2. Please indicate the total number of employees hired on temporary / contractual / casual basis.**

◇ No. of employees hired on temporary / contractual / casual basis as on March 31, 2022 : 1248.

- 3. Please indicate the number of permanent women employees.**

◇ No. of permanent women employees on the rolls of the Company, as on March 31, 2022 : 22

- 4. Please indicate the number of permanent employees with disabilities.**

◇ No. of permanent employees with disabilities on the rolls of the Company, as on March 31, 2022 : 12.

- 5. Do you have an employee association that is recognised by management?**

◇ Yes. There are recognised trade unions / Staff Association affiliated to various trade union bodies.

- 6. What percentage of your permanent employees is members of this recognised employee association?**

◇ % of permanent employees as members of a recognised employee association : 76%.

- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

◇ No such complaints pertaining to child labour, forced labour, involuntary labour, sexual harassment were reported in the current financial year / were pending as at the end of the financial year.

- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Sl. No.	Category of Employees	Safety Training	Skill upgradation
1.	Permanent Employees	82 %	79 %
2.	Permanent Women Employees	80 %	100 %
3.	Casual / Temporary / Contractual Employees	88 %	69 %
4.	Employees with disabilities	90 %	80 %

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

- 1. Has the Company mapped its internal and external stakeholders?**

◇ Yes, the Company has identified its internal and external stakeholders.

- 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

◇ The Company's CSR policy drives the initiatives undertaken by the Company towards the benefit of the disadvantaged, vulnerable and marginalised stakeholders. The systems and process are in place to systematically identify stakeholders and for understanding their concerns and for engaging with them, is reviewed from time to time.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

- ◇ The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantages, vulnerable and marginalized stakeholders in and around the Company's plants.
- ◇ Education, Sports and health aids are provided to schools in rural / under-developed areas and to schools supporting differently abled children. The Company also does Lift-Irrigation programs on a large scale to support the local farming community.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

- ◇ The Company's policy on human rights is imbibed in its values and beliefs. The alignment with this value system is expected out of any person dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

- ◇ NIL under this principle.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

- ◇ The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The policy covers the Company and its employees. The Company encourages its subsidiaries, suppliers and contractors to employ environment friendly measures in their day to day operations.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

- ◇ Yes. The details on the initiatives have been explained in detail under Principle No. 2.

3. Does the Company identify and assess potential environmental risks?

- ◇ Yes. The details on the initiatives have been explained in detail under Principle No. 2.
- ◇ Also, the Company uses environmental impact assessments, recognised environmental management standards, ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and OHSAS 18001 (Occupational Health & Safety Management System) to sharpen its focus towards achieving sustainability goals.

- ◇ For more details on the energy conservation initiatives, please refer Annexure - VI of the Board's Report for the Financial Year 2021-22.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

- ◇ Energy reduction, Environment protection and water conservation are always on our focus.
- ◇ The Company utilises its resources in an optimal and responsible manner ensuring sustainability through reduction / re-use / re-cycling / managing waste. The Company seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmental friendly technologies.
- ◇ For details on the energy conservation initiatives, please refer Annexure - V of the Board's Report for the Financial Year 2021-22.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

- ◇ For details on the energy conservation initiatives and initiatives on Newer Technologies, please refer Annexure - V of the Board's Report for the FY 2021-22.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

- ◇ Yes. The Company being in manufacturing business, at all times ensures compliance with the applicable environmental laws. The Environmental policy of the Company and the ISO-1001 certification of its plants reiterates its commitment to be an environment friendly organisation setting standards in Environment management.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

- ◇ NIL

PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is member of the following associations:

- ◇ Indian Paper Manufacturers Association (IPMA).
- ◇ Indian Pulp and Paper Technical Association (IPPTA).
- ◇ Confederation of Indian Industry (CII).
- ◇ Hindustan Chamber of Commerce and Industry.
- ◇ Bombay Chamber of Commerce and Industry.
- ◇ Indo-American Chamber of Commerce and Industry.
- ◇ Indo-German Chamber of Commerce and Industry.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

- ◇ The Company is not actively involved in lobbying. However, as a responsible Corporate Citizen, the Company as part of Industry associations / chambers makes recommendations / representations before regulators and associations for advancement and improvement of the Industrial Climate in India.

- ◇ The Company also represents its views / opinions on Energy Security and Management, water security and sustainable business principles through various forums.

PRINCIPLE 8: BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

- ◇ The Company is a pioneer, in the State of Tamil Nadu, in ensuring overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc.
- ◇ The Company's CSR programmes are in the field of community development, water, sanitation, education, health, rural infrastructure and technical training.
- ◇ The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and Rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?

- ◇ The Company's in-house cross-functional teams comprising of Human Resources function / Environment Management function / Operations, in each of the plants of the Company, tailor their own approach and CSR initiatives. Frequent meetings, interaction

programs, field visits are conducted with focus groups to make an assessment of the needs, aspirations and requirements of the people.

3. Have you done any impact assessment of your initiative?

- ◇ The Company adopts Participatory Rural Appraisal to involve people in prioritising their needs and defining type of development initiatives suited to local needs.
- ◇ For most contributions by the Company, the beneficiary sends a detailed report to the Company on how the contributions have been deployed, along with photos, wherever possible, on the results of such programs / projects.
- ◇ The Company's contribution to programs like Rural School Infrastructure Development, Lift Irrigation Schemes for farmers are resultant of the impact assessment undertaken by the Company in the relevant areas.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

- ◇ Please refer CSR Report in Annexure VI of the Board's Report for Financial Year 2021-22 for complete details on the spend made by the Company during the financial year ended March 31, 2022.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

- ◇ The Human Resource function / Environment Management function / Operations team, at the manufacturing locations, regularly interact with the local communities to assess the impact

of community development projects undertaken by these units to ensure that the objectives and benefits of these projects are being met.

- ◇ The Company has a well-defined, transparent monitoring and review mechanism to ensure that each CSR project / program has :
 - Clear sustainable objectives developed out of societal needs that may be determined through discussions with the local communities and need assessment studies.
 - Clear targets, timelines and measurable indicators, wherever possible.
 - A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

PRINCIPLE 9 : BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

- ◇ The key strengths of the Company are : Development of new products, actively participating in product trials along with the customers and prompt resolution of customer complaints, if any.
- ◇ The total number of Customer complaints which were pending at the end of the year constitutes less than 5%. Company

has a well-established process whereby a cross-functional team, involving Marketing and Technical personnel, analyse each Customer Complaint in detail. The action points are identified and implemented immediately with a quick turnaround time.

- ◇ The entire process is reviewed by the Top Management on a monthly basis.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

- ◇ Yes. Wherever relevant, the Company encourages that its packaging / labelling contain detailed information regarding safe handling, storage and use, which are over and above what is mandated as per local laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

- ◇ There have been no cases filed against the Company, by any stakeholder, during the year, on issues relating to unfair trade practices, irresponsible advertising and / or anti-competitive behaviour.
- ◇ Allegation, leveled against large paper manufacturers in India (including our Company) of simultaneous price increases during the period January 2012 - December 2013, is currently under evaluation by the Competition Commission of India.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

- ◇ The Company is focused on delivering value to its customers and, therefore, customer satisfaction surveys are carried out on an annual basis. Through this annual customer surveys, feedback is obtained from our Channel Partners (Indentors) and Customers on Sales Process, Marketing Policies,

Sales Accounting and Settlements, Delivery / Order fulfillment, Product Quality, Service & Support, Compliant handling process and overall Customer Satisfaction.

- ◇ In addition, the Company also has a systematic quarterly interactions with all the Channel Partners on Market feedback, Product Development, Price indications, etc.

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

- 1 Details of contracts or arrangements or transactions not at arm's length basis.
NIL
- 2 Details of material contracts or arrangement or transactions at arm's length basis.

(a) Name(s) of the related party and nature of relationship.

(i) Control :

Esvi International (Engineers & Exporters) Limited

SPB Equity Shares Trust

(ii) Presumption of significant influence :

Ponni Sugars (Erode) Limited

SPB Projects and Consultancy Limited

Time Square Investments Private Limited

Dhanshree Investments Private Limited

Ultra Investments and Leasing Company Private Limited

(iii) Key Managerial Personnel :

Sri N Gopalaratnam, Chairman

Sri K S Kasi Viswanathan, Managing Director

Sri V Pichai, Deputy Managing Director & Secretary

(b) Nature of contracts / arrangements / transactions:

Details of transactions with the above related parties are provided in Note No. 41 to the Accounts for the Financial year 2021-22.

It may be seen there from that the total value of transactions with all Related Parties are less than 10% of the total income for the Financial Year 2021-22 and hence, none of them are material in nature.

Hence, the details required in paras (c) to (e) to be furnished in respect of Material Related Party Transactions are not applicable and hence not furnished.

(c) Amount paid as advances, if any.

Nil

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

**(Section 134(3)(m) of the Companies Act, 2013, read with
Rule 8(3) of the Companies (Accounts) Rules, 2014)**

A. CONSERVATION OF ENERGY

(I) Steps taken / Impact on Conservation of Energy :

Unit : Erode

- ◇ Identification of Mill wide high power consuming equipment for close monitoring and control of energy.
- ◇ Spiral Heat Exchanger installed in RDH Digester area for steam reduction.
- ◇ The operating frequency of the 21 MW & 16 MW TGs have been reduced from 50 Hz to 49 Hz, for mill wide energy conservation.
- ◇ Installation of Energy Efficient Vacuum Pumps in Paper Machine Complex; installation of Energy Efficient Boiler Feed Pump, Mist cooling tower pump, and Energy Efficient pumps in Intake and WTP plants, for Energy Conservation.
- ◇ Energy monitoring system provided in Paper Machine-5 complex for Energy monitoring and Control.
- ◇ Variable Frequency Drives have been installed in many pumps, mill-wide, to conserve energy.

Unit: Tirunelveli

- ◇ Replacing the flow control valve by variable frequency drive in the ETP screw press feed pump to save energy.
- ◇ Installation of Variable Frequency Drives in boiler feed water pump and

cooling tower fan, to save energy.

- ◇ Automatic controlling of the duration of functioning of the Air conditioning units during the operation of the higher capacity major loads, to conserve energy.
- ◇ Automatic controlling of the De-Inking plant MCC room ventilation fans to make it functional only during the operation of the major loads, to conserve energy.

(II) Steps taken for utilizing alternate Sources of Energy :

Unit: Erode

- ◇ Green Power generation from Chemical Recovery Complex has increased from 55 % to 61 %.
- ◇ Continuous efforts are being made to use bio-fuels, like paddy husk, Chipper dust, Saw dust, Coffee husk, etc., in the Power Boiler.

Unit : Tirunelveli

- ◇ Studies are being done to use Methane bio gas from the Anaerobic digester, in the Power boiler.
- ◇ Studies are being done to install solar power generating units in the Mill, as well as at the Intake-well area.
- ◇ Continuous efforts are being made to use bio fuels like chipper dust, Juliflora wood chips, etc., in the Power Boiler.

B. TECHNOLOGY ABSORPTION

(I) Efforts made towards technology absorption

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

UNIT : ERODE

1. Exploring alternative raw materials for Pulping

- ◇ Pulping trials on various wood varieties, clonal varieties are being carried out on laboratory scale to assess their cooking chemicals requirement, yield and bleachability to assess for suitability for paper making.
- ◇ Conducting plant trials with various digester additive to optimize the cooking process conditions and improve pulp quality.
- ◇ New Digester additive is introduced in wood pulping for reduction of Chemicals and steam consumption to achieve better pulp quality.

2. New Product Development

- ◇ Continuous efforts are being made to design and develop new products based on the market requirements. Value added products are being developed to cater the growing demand in packaging segment. New products such as MF kraft for carry bags, multilayer papers like Kraft liner Board for Corrugated boxes and Moments for Wedding card applications have been well accepted by the consumers.

3. Environment related R&D

- ◇ Pilot plant study was carried out for Forward Osmosis and Nano Filter technology by Green Pebble

Technologies, Gujarat to treat Pulp mill Bleach effluents to the level of process water quality to reuse in pulp mill itself to reduce fresh water consumption.

- ◇ Bio-methanation process improvements and augmentation of the system is being carried out with bio-inoculum and using excess bagasse washing plant effluent in order to improve effluent quality and to generate biogas to replace oil in Rotary Limekiln.
- ◇ Constant monitoring of environmental parameters, both water and air, and maintaining them within stipulated levels set by Pollution control board.
- ◇ Evaluation of different alternatives for drying the Mixed Liquor Suspended Solids (MLSS) and using the same in Boiler as fuel to reduce consumption of Coal.

4. R&D Trials and tests for quality improvement and cost effectiveness

- ◇ Manufacturing of Multilayer products (such as Kraft liner board, SPB Moment, etc.) achieved by introduction of three formers under mill development program.
- ◇ Implementation of spray starch system to improve ply bond in multilayer products.
- ◇ Introduction of new Direct Brown dye for Kraft manufacturing to maintain the shade.
- ◇ Process improvement studies are being carried out regularly to reduce the chemical consumptions and improve the functional properties of the end product.

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- ◇ New additives and fillers are evaluated for their functional properties and included in the process based on need.
- ◇ Evaluation of new additives for improving strength, surface and optical properties.
- ◇ Introduction of new supplier for EOP anti-scalent to control cost.
- ◇ Introduction of new supplier for Defoamer in Machines.
- ◇ Development of Alternate suppliers for ETP sludge dewatering system.
- ◇ Development of new flocculant suppliers as cost reduction.
- ◇ Development of alternate direct brown dye as cost reduction.

UNIT : TIRUNELVELI

Electrical

- ◇ By power system analysis, optimum protection settings in all HT equipments arrived and resulting reduced down time due to poor grid power quality.
- ◇ Harmonics mitigation Filter panels have been planned, to improve the power quality in the Power system, for the protection of the downstream Electrical / Electronic Equipment.

Paper Machine

- ◇ Center press granite roll replaced with ceramic roll to minimize press breaks, to maintain uniform dryness profile for the entire deckle and to increase the life of doctor blades.
- ◇ All vacuum pumps coated with special coating material resulting in substantial reduction in energy consumption.

- ◇ Introduction of doctor holder in 2nd group (unirun) has eliminated dryer screen damage.
- ◇ Installed a green field 60 TPD Indian A4 cutter with “state of the art technology” to fulfil the needs of copier paper in the domestic market.
- ◇ Reel packing has been modified to overcome the transit damage.
- ◇ Bagasse pulp has been introduced in the furnish and quality paper is good.
- ◇ Trials have been carried out with ecofriendly bio-bleaching and stickies control in De-inking process.
- ◇ Rotary terminal board was incorporated in the DCS of DIP to overcome the failure of digital input cord.

Environment

- ◇ De-inking plant operation is stabilized with 100% recycled back water.
- ◇ Efforts are made to reduce the water consumption further (present 15m³/Ton of paper) by recycling of treated waste water in PMC after effective colour removal.
- ◇ Air, Water and Solid waste management is well in control.
- ◇ Cyclone dust collector had been installed and its emission is passed through boiler to fuel and to control emission.
- ◇ Exclusive Sewage Treatment Plant had been installed to treat entire sewage generated.
- ◇ Feasibility studies under progress to use biogas (methane) in boiler to conserve energy / mitigate methane.

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Future plan of Action

- ◇ Commissioning and optimization of on-site PCC plant.
- ◇ Development of Value-added new products as per market requirement.
- ◇ Replacement of basic dyes with Pigment / direct dyes to improve light fastness.
- ◇ Recycling of waste water in each stage without affecting the quality for water conservation.
- ◇ Elimination of Acid sizing for all of our products.
- ◇ Conducting plant trials for ASA / AKD sizing process with different chemical suppliers and implementation.
- ◇ Introduction of Low Calcium Soapstone Powder to improve the quality of paper and reduce the alum consumption and fiber loss.
- ◇ Burning of Secondary sludge to address environment issues and to convert biomass to renewable energy.
- ◇ Foul condensate stripping to eliminate odour.

(II) Imported Technology

- ◇ Nil

(III) Expenditure incurred on Research & Development

₹ 0.80 crores (Previous Year - ₹ 0.84 crores)

C FOREIGN EXCHANGE EARNINGS AND OUTGON

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange Outgo during the year in terms of actual outflows.

	2021-22 (₹ crores)	2020-21 (₹ crores)
Earnings	322.20	149.03
Outgo	126.76	125.43

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1 Brief outline on CSR Policy of the Company.

The Company is engaged in pulp and paper sector which is rural based and is a value creator for thousands of farmers as well as skilled / semi-skilled labour in its neighbourhood. It is deeply committed to promoting rural development and contributing to inclusive growth.

The Company has been pursuing social objectives for long in the interest of rural welfare. It runs two higher education schools and an elementary school for the benefit of poor children in the neighbourhood. The Company promoted and continues to support the establishment of 3 Lift Irrigation Schemes to bring nearly 1 500 acres of dry lands under irrigation and crop cultivation, using Mill's treated trade effluents, thus turning a waste into wealth. It provides drinking water to nearby villages. It runs four

Primary Health Centres in nearby villages and provides quality health care. A qualified well experienced Doctor with adequate number of para medical Assistants manage these health Centres, providing free medicines. Medical camps covering varied fields are conducted with the support of accredited hospitals.

The Company has formed a CSR Committee of the Board. It has formulated a CSR Policy that has been approved by the Board, laying stress on CSR activities to be undertaken in its neighbourhood. The Company's focussed programmes are in the field of community development, water, sanitation, education, health, rural infrastructure and technical training. Its ongoing CSR activities are truly aligned to the CSR Policy.

The Company also raises upto the call of Central / State Government and contributes to the Relief Funds.

2 The Composition of the CSR Committee.

Sl. No.	Name of Director	Designation / Nature of Directorship	Meeting of CSR Committee during the FY 2021-22	
			Held	Attended
1.	Sri A L Somayaji &	Independent Director & Chairman of the Committee	5	3
2.	Dr Nandhitha Krishna &	Independent Director	5	3
3.	Sri N Gopalaratnam	Chairman of the Company	5	5
4.	Sri K S Kasi Viswanathan	Managing Director	5	5
5.	Sri V Pichai	Deputy Managing Director & Secretary	5	2
6.	Sri V Sridar #	Independent Director	5	2

& Appointed as members of the committee on October 10, 2021

Ceased to be a member on October 10, 2021

SESHASAYEE PAPER AND BOARDS LIMITED

- 3 Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

<https://www.spbltd.com/wp-content/themes/spb/pdf/csr.pdf>

- 4 Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

- 5 Details of the amount available for set off in pursuance of sub-rule(3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceeding financial years (₹ in lakhs)	Amount required to be set-off for the financial year, if any (₹ in lakhs)
1	2018-19	--	Nil
2	2019-20	19.00	Nil
3	2020-21	19.13	Nil
	Total	38.13	Nil

- 6 Average net profit of the Company as per Section 135(5): ₹ 20 071.19 lakhs.

- 7 (a) Two percent of average net profit of the Company as per section 135(5): ₹ 401.42 lakhs.
 (b) Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years : Nil
 (c) Amount required to be set off for the financial years, if any : Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 401.42 lakhs.

- 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY 2021-22 (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
420.78	Nil	Nil	Nil	Nil	Nil

- (b) Details of CSR Amount spent against ongoing Projects for the Financial Year : NIL
 (c) Details of CSR amount spent against other than ongoing projects for the Financial Year: ₹ 420.78 lakhs - Refer Annexure VI(A) for details
 (d) Amount spent Administrative Overheads : NIL
 (e) Amount spent on Impact Assessment, if applicable : NIL

SESHASAYEE PAPER AND BOARDS LIMITED

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 420.78 lakhs

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amounts (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	401.42
(ii)	Total amount spent for the financial year	420.78
(iii)	Excess amount spent for the financial year [(ii) -(i)]	19.36
(iv)	Surplus arising out of the CSR Project or programmes or activities of the previous financial years, if any	--
(v)	Amount available for, set off in succeeding financial years, out of spend in FY 2021-22 [(iii)-(iv)]	19.36

9 (a) Details of Unspent CSR amount for the preceding three financial years : Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Nil

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial years (asset-wise details) - Nil

11 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable.

Sd/-

(A L Somayaji)

Chairman of CSR Committee

Annexure - VI(A)

Details of CSR amount spent against other than ongoing Projects for the Financial Year 2021-22

Schedule VII Item No.	Schedule VII - Description	Name of the Project	Spend in the FY 2021 - 22 (in ₹ lakhs)	Mode of Implementation - Direct (Y/N)	Mode of Implementation - Through CSR Regn. No.	Name
Item no. I	Promoting health care including preventive health care	Covid-19 Relief activities	38.04	Yes		
Item no. I	Promoting health care including preventive health care	Covid-19 Relief activities	100.00	No		Tamilnadu State Disaster Management Authority (TNSDMA)
Item no. I	Promoting health care including preventive health care	Covid-19 Relief activities	15.00	No	CSR00004428	Olirum Erode Foundation, Erode
Item no. I	Promoting health care including preventive health care	Expenses involved in running Primary Health Care Centres and providing facilities to Government Hospitals and Govt Health Care centres	28.29	Yes		
Item no. I	Promoting health care including preventive health care	Programme for Thalassaemia Management	10.00	No	CSR00003797	Sankalp India Foundation, Chennai
Item no. I	Making available safe drinking water	Supply of Drinking Water to nearby villages	93.24	Yes		
Item no. II	Promoting education	Expenditure on running of Schools and contribution to other educational institutions	62.61	Yes		

Schedule VII Item No.	Schedule VII - Description	Name of the Project	Spend in the FY 2021 - 22 (in ₹ lakhs)	Mode of Implementation - Direct (Y/N)	Mode of Implementation - Through	
					CSR Regn. No.	Name
Item no. II	Promoting education	Renovation of School	9.00	No	CSR00020031	Bharathi Vidyalaya Sangam, Salem
Item no. II	Promoting education	Towards sponsorship for education and vocation centre meant for persons with intellectual and developmental disabilities	8.46	No	CSR00007663	Maithree, Chennai
Item no. III	Setting up homes and hostels for orphans	Maintenance of Parents Managed Training and Respite Centers for Children with Disabilities	10.00	No	CSR00000229	Amar Seva Sangam, Tirunelveli
Item no. VI	Measures for the benefit of armed forces veterans, war widows and their dependents	Measures for the benefit of armed forces veterans, war widows and their dependents	0.25	Yes		
Item no. X	Rural development projects	Providing infrastructure facilities in nearby villages including laying of Bitumen roads, Rural development programs etc.,	40.50	Yes		
Item no. X	Rural development projects	Maintenance of integrated child development centre in Thoothukudi	5.40	No	CSR00014613	Vivekananda Kendra Rural Development Trust
	TOTAL		420.78			

**Disclosure under the Companies (Appointment and
Remuneration of Managerial Personnel) Rules, 2014**

(A) Statement of particulars of remuneration as per Rule 5(1)

SI No.	Description			
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Chairman Managing Director (MD) Deputy Managing Director & Secretary (DMD&S)	49:1 44:1 21:1	Note - 1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Chairman MD DMD&S CFO	24 % 23 % (-)51 % NA	Note - 2
3.	The percentage increase in the median remuneration of employees in the financial year		7%	Note - 3
4.	The number of employees on the rolls of Company		1307	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in the salary of employees other than managerial persons Managerial remuneration	10.66 % (-)14 %	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes. Remuneration is as per the remuneration policy of the Company.		

Notes:

- Chairman, MD and DMD&S are the Whole-time Directors. Other Directors are Non Whole-time Directors, who are paid only sitting fee for attending meetings of the Board and Committees thereof and Commission. Hence, ratio provided only for Whole-time Directors.
- The remuneration package of three Whole-time Directors is revised once in three years. The remuneration package was last approved by the Shareholders of the Company, in the Annual General Meeting held on August 8, 2020. The current remuneration package is applicable from April 1, 2020. Sri S Srinivas was appointed as CFO w.e.f. August 1, 2021. Hence % increase is not given.
- For the current year, there is no change in the remuneration paid, except for increase in Dearness Allowance and annual increments.

SESHASAYEE PAPER AND BOARDS LIMITED

(B) Statement of particulars of employees as per Rule 5(2) & (3)

Sl No.	Description	Particulars		
1.	Name of the employee	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai
2.	Designation	Chairman	Managing Director	Deputy Managing Director & Secretary
3.	Remuneration received	₹ 2.34 crores	₹ 2.11 crores	₹ 1.03 crores
4.	Nature of employment	Contractual	Contractual	Contractual
5.	Qualification & experience	B. Sc., B. E. (Mech.) 49 years	B. Tech., MMA 43 years	B. Com., A.C.A., A.C.S., CAIIB 48 years
6.	Date of commencement of employment	01 04 1988	13 03 1991	12 06 1980
7.	Age of employee	75	71	74
8.	Last employment	Project Specialist, SPB Projects & Consultancy Limited	Project Coordinator, SPB Projects & Consultancy Limited	Manager, Indian Bank
9.	% of Equity shares held	Negligible (78155)	Negligible (2910)	Negligible (42695)
10.	Relationship with any director	Not a relative of any Director of the Company	Not a relative of any Director of the Company	Not a relative of any Director of the Company

Note:

Gross remuneration includes salary, incentive, perquisites and Company's contribution to retirement benefits.

On behalf of the Board

Chennai
May 7, 2022

N GOPALARATNAM
Chairman

B.K.SUNDARAM & ASSOCIATES

COMPANY SECRETARIES.
CS B. KALYANASUNDARAM,
B.Com., ACMA., ACS.,

OFFICE :

30, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY- 620003.
PHONE: 0431- 2761590.
Email: bkksoffice@gmail.com

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
M/s. Seshasayee Paper and Boards Limited
Pallipalayam, Erode - 638 007

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Seshasayee Paper and Boards Limited, Pallipalayam, Erode - 638 007 (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s.Seshasayee Paper and Boards Limited (the Company) and also the information provided electronically by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in

place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March 2022, according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder ;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with client;
- (v) Other Laws applicable specifically to the Company:
 - a. Acts and Rules prescribed under prevention and control of pollution.
 - b. Acts and Rules relating to Environment protection, energy conservation and Hazardous substances and Chemicals.
 - c. Acts and Rules relating to boilers, electricity, explosives, fire, etc.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under report, the Company did not attract the provisions of:

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

SESHASAYEE PAPER AND BOARDS LIMITED

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws,

Rules, Regulations, Guidelines, Standards, etc., referred to above.

For B.K.SUNDARAM & ASSOCIATES

Company Secretaries

Sd/-

(B KALYANASUNDARAM)

Company Secretary

ACS NO. A672, CP No. 2209

UDIN: A000672D000250834

Place : Trichy

Date : 30-04-2022

Note : This report has to be read along with the Annexure which forms an integral part of this report.

SESHASAYEE PAPER AND BOARDS LIMITED

B.K.SUNDARAM & ASSOCIATES

COMPANY SECRETARIES.

CS B. KALYANASUNDARAM,

B.Com., ACMA., ACS.,

OFFICE :

30, PANDAMANGALAM AGRAHARAM,
WORIUR, TRICHY- 620003.

PHONE: 0431- 2761590.

Email: bkksoffice@gmail.com

ANNEXURE TO SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022 OF M/s. SESHASAYEE PAPER AND BOARDS LIMITED

1. Maintenance of secretarial records with reference to the provisions of the Companies Act, 2013 & the Rules thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our audit.
2. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. We have sought and obtained all the information electronically and explanations which to the best of our knowledge and belief were necessary for the purposes of our Secretarial Audit. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.
3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and occurrence of events.

For B.K.SUNDARAM & ASSOCIATES
Company Secretaries

Sd/-
(B KALYANASUNDARAM)
Company Secretary
ACS NO. A672, CP No. 2209
UDIN: A000672D000250834

Place : Trichy
Date : 30-04-2022

FORM NO. AOC - 1

**Statement containing salient features of the financial statement of
Subsidiary / Associate Company**

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of
Companies (Accounts) Rules, 2014)

Part "A": Subsidiary

1.	Sl No.	:	1
2.	Name of the Subsidiary	:	Esvi International (Engineers & Exporters) Limited
3.	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	:	31 st March 2022
4.	Reporting currency and Exchange Rate as on the last date of the relevant Financial Year in the case of foreign Subsidiaries	:	Not Applicable
5.	Share Capital	:	₹ 1.25 crores
6.	Reserves and Surplus	:	₹ 1.28 crores
7.	Total Assets	:	₹ 2.76 crores
8.	Total Liabilities	:	₹ 0.23 crores
9.	Investments	:	₹ 0.08 crores
10.	Turnover	:	₹ 0.27 crores
11.	Profit before taxation	:	₹ 0.15 crores
12.	Provision for taxation	:	₹ 0.06 crores
13.	Profit after taxation	:	₹ 0.09 crores
14.	Proposed Dividend	:	Nil
15.	% of shareholding	:	100%

Note : There are no Subsidiaries :

- (i) which are yet to commence operations and
- (ii) which have been liquidated or sold during the year.

SESHASAYEE PAPER AND BOARDS LIMITED

Part “B”: Associate

Statement, pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company

1.	Name of the Associate	:	Ponni Sugars (Erode) Limited
2.	Latest audited Balance Sheet Date	:	31 st March 2022
3.	Shares of Associate held by the Company on the year end	:	
	No.	:	23 60 260
	Amount of Investment in Associates / Joint Venture	:	₹ 19.60 crores
	Extend of Holding %	:	27.45%
4.	Description of how there is significant influence	:	The Explanation to Section 2(6) of the Companies Act, 2013 provides that Significant Influence means control of at least 20% of total share capital. The Company holds more than 20% in the Equity Share Capital of its Associate. Hence, the Company is having Significant Influence over it Associate.
5.	Reason why the Associate is not consolidated	:	Not applicables
6.	Net Worth attributable to Shareholding as per latest audited Balance Sheet	:	₹ 101.15 crores
7.	Profit / Loss for the year	:	₹ 29.25 crores
	Considered in Consolidation	:	₹ 8.02 crores
	Not considered in Consolidation	:	₹ 21.23 crores

Note : There are no Associates or Joint Ventures :
(i) which are yet to commence operations and
(ii) which have been liquidated or sold during the year.

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N GOPALARATNAM
Chairman

V SRIDAR
S NARAYAN
A L SOMAYAJI
DR NANDITHA KRISHNA
MOHAN VERGHESE CHUNKATH
Directors.

N R Jayadevan
Membership No. 023838
Partner
Chartered Accountants
UDIN: 22023838AIOHCA9863

N Krishnamurthy
Membership No. 019339
Partner
Chartered Accountants
UDIN: 22019339AIOGJA8059

K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

**Standalone Financial Statements
for the year ended
31st March 2022**

SESHASAYEE PAPER AND BOARDS LIMITED

MAHARAJ N R SURESH AND CO LLP
CHARTERED ACCOUNTANTS

R SUBRAMANIAN & COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/s SESHASAYEE PAPER AND BOARDS LIMITED

Report on the audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of SESHASAYEE PAPER AND BOARDS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information hereinafter referred to as Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit Including Other Comprehensive Income, the Statement of changes in Equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters & Conclusion
1. As on 31 st March 2022, the company carries cash and bank balances of ₹ 362.98 crores (Excluding unpaid dividend). We considered the amount of cash and bank balance as a key audit matter given the relative size of the balance in the financial statements.	◇ We have verified and tested the design and operating effectiveness of controls with regard to maintenance of cash balances and preparation of bank reconciliation statements.

Key Audit Matters	Response to Key Audit Matters & Conclusion
	<ul style="list-style-type: none"> ◇ We have verified the cash balance at the end of the year as well as the bank reconciliation statements. ◇ We have also received confirmation of balances from banks directly which corroborates with the results of our audit procedures
2. The addition to Property, Plant and Equipment (PPE), during the year, is ₹122.59 crores. The additions being significant to the total carrying value of PPE, we have considered this as a key audit matter.	<ul style="list-style-type: none"> ◇ We have verified the project report as approved by the Board. ◇ We have tested the internal control procedures for purchases, receipts, issues of capital items, direct and indirect expenditure, technical certification on "ready for use". ◇ Based on the test checks and audit procedures applied by us, we are satisfied on the additions to PPE.

Information Other Than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this 'other information', we are required to report that fact. We have nothing to report in this regard.

Management Responsibility and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- ◊ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

- ◊ Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- ◊ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◊ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◊ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the Internal Financial Controls with reference to the financial statements of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 38 (a) to the Financial Statements.
- ii. The Company did not have any long-term contracts including derivative

contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

iv.(a) The management has represented that, to the best of the knowledge and belief, as disclosed in the note 37E(b) (i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 37E(b)(ii) to financial statements, no funds have been received by the company from any persons or entities, including foreign entities

("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, contain any material mis-statement.

v. (a) The final dividend paid by the company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act.

(b) As stated in the Note 39E to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act as applicable.

Maharaj N R Suresh and Co LLP

Firm Regn. No. 001931S/S000020

N R Jayadevan

Membership No. 023838

Partner

Chartered Accountants

UDIN :22023838AIODXT4109

Place :Chennai

Date :May 7, 2022

R Subramanian & Company LLP

Firm Regn. No. 004137S/S200041

N Krishnamurthy

Membership No. 019339

Partner

Chartered Accountants

UDIN : 22019339AIOGDF3630

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SESHASAYEE PAPER AND BOARDS LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the Internal Financial Controls with reference to the financial statements of SESHASAYEE PAPER AND BOARDS LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls with reference to the financial statements based on

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to the financial statements of the Company and their operating effectiveness. Our audit of Internal Financial Controls with reference to the financial statements of the Company included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal Financial Controls with reference to the financial statements of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

N R Jayadevan
Membership No. 023838
Partner
Chartered Accountants
UDIN :22023838AIODXT4109
Place :Chennai
Date :May 7, 2022

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of Internal Financial Controls with reference to the financial statements of the Company, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to the financial statements of the Company to future periods are subject to the risk that the Internal Financial Controls with reference to the financial statements of the Company may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the financial statements of the Company and such Internal Financial Controls with reference to the financial statements of the Company were operating effectively as at March 31, 2022, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

R Subramanian & Company LLP
Firm Regn. No. 004137S/S200041

N Krishnamurthy
Membership No. 019339
Partner
Chartered Accountants
UDIN : 22019339AIOGDF3630

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SESHASAYEE PAPER AND BOARDS LIMITED.

The Annexure referred to in Paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date:

In terms of the information and explanations sought by us and provided to us by the Company and the books of account and records examined by us in the normal course of audit and to the best of knowledge and belief we state that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The company is maintaining proper records showing full particulars of intangible assets;
 - (b) These Property, Plant and Equipment have been physically verified by the Management at the year end and no material discrepancies were noticed on such verification.
 - (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) No proceedings that have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more were noticed.
 - (b) The Company has been sanctioned working capital limits of ₹ 117 crore (Both fund and non fund based) by banks. The quarterly returns or statements filed by the company with the banks are in agreement with the books of account of the Company.
 - (iii) During the year the Company has not made investments in provided any guarantee or security or granted any loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties and hence reporting under clauses 3 (iii) (a),(b) (c) (d) and (e) does not arise.
 - (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of investments made by the Company. The company has not provided any security or guarantee to any other entity.
 - (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the

SESHASAYEE PAPER AND BOARDS LIMITED

company pursuant to the rules made by the central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained.

(vii)(a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess and any other Statutory Dues to the

appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) Details of Statutory dues Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess and any other Statutory Dues that have not been deposited as on 31st March 2022 on account of disputes are given below :

Name of the Statute	Nature of dues	Gross Amount ₹ crores	Paid Amount ₹ crores	Net Amount ₹ crores	Forum where the dispute is pending	Period to which the dues belong
Central Excise Act, 1944	Excise Duty	0.02	-	0.02	Hon'ble High Court of Madras	07 12 2008
Service Tax(Finance) Act, 1994	Service Tax	0.11	0.01	0.10	CESTAT	April 2016 - June 2017
GST Act, 2017	Input Transition Credit	1.29	-	1.29	Commissioner (Appeals)	Sep 2014 – Feb 2015, June 2015 & Oct 2015
Value Added Tax	Value Added Tax	0.37	0.04	0.33	Commissioner (Appeals)	Apr 2013 – Mar 2014
Customs Act, 1962	Customs Duty	21.64	-	21.64	CESTAT	Mar 2012 – Jan 2013
- do -	- do -	0.37	-	0.37	- do -	13 12 2002
- do -	- do -	0.09	0.01	0.08	- do -	18 01 2018
- do -	Cenvat	3.71	0.28	3.43	- do -	Apr 2012 to Jan 2016
- do -	Cenvat	1.39	0.1	1.29	- do -	Feb 2016 to June 2017

- (viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- (b) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;
- (c) The term loans were applied for the purpose for which the loans were obtained;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate Company;
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 does not arise;
- (xi) (a) The Company has not noticed or reported during the year any fraud by the Company or any fraud on the Company.
- (b) There is no report under sub-section (12) of Section 143 of the Companies Act that has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) There are no complaints received during the year under whistle-blower Mechanism;
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business. We have considered the internal audit reports issued till the date of this report;
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India direction Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India direction- 2016.

- (d) There are no CIC in the group as defined in the Regulations made by Reserve Bank of India direction- 2016.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no instance of any resignation of the statutory auditors occurred during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date

of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company has spent the minimum amount required to be spent as stipulated in Section 135 of the Companies Act and hence the transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. The Company does not have any ongoing projects under Section 135 of the said Act.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

N R Jayadevan
Membership No. 023838
Partner
Chartered Accountants
UDIN :22023838AIODXT4109

Place :Chennai
Date :May 7, 2022

R Subramanian & Company LLP
Firm Regn. No. 004137S/S200041

N Krishnamurthy
Membership No. 019339
Partner
Chartered Accountants
UDIN : 22019339AIOGDF3630

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No.	As At 31-03-2022	As At 31-03-2021
		₹ crores	₹ crores
(A) ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	813.81	732.82
(b) Capital Work-in-Progress	2(A)	13.87	32.20
(c) Other Intangible Assets	2(B)	1.24	1.54
(d) Financial Assets			
(i) Investments	3	142.52	125.51
(ii) Other Financial Assets	4	40.14	6.45
(e) Other Non-current Assets	5	5.98	14.78
Total Non-current Assets		1017.56	913.30
2 Current Assets			
(a) Inventories	6	124.12	227.25
(b) Financial Assets			
(i) Trade Receivables	7	101.28	81.54
(ii) Cash and Cash Equivalents	8	116.12	113.55
(iii) Bank balances other than (ii) above	9	213.22	92.25
(iv) Others	10	7.20	0.18
(c) Other Current Assets	11	30.29	48.09
Total Current Assets		592.23	562.86
Total Assets		1609.79	1476.16
(B) EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	12	12.04	12.04
(b) Other Equity	13	1193.56	1089.56
Total Equity		1205.60	1101.60

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022 (Contd.)

Particulars	Note No.	As At 31-03-2022	As At 31-03-2021
		₹ crores	₹ crores
II LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	0.54	3.49
(ii) Lease Liabilities	15	—	0.02
(iii) Other Financial Liabilities	16	15.55	15.76
(b) Provisions	17	18.60	16.64
(c) Deferred Tax Liabilities (net)	18	123.98	119.88
(d) Other Non-current Liabilities	19	—	1.10
Total Non-current Liabilities		158.67	156.89
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	3.56	4.03
(ii) Lease Liabilities	21	0.02	0.26
(iii) Trade Payables			
A) Total outstanding dues of Micro Enterprises and Small Enterprises	22	15.15	10.31
B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	180.43	160.98
(iv) Other Financial Liabilities	23	29.68	23.62
(b) Other Current Liabilities	24	6.88	11.83
(c) Provisions	25	2.06	4.57
(d) Current Tax Liabilities	26	7.74	2.07
Total Current Liabilities		245.52	217.67
Total Equity and Liabilities		1609.79	1476.16

See accompanying Notes to the Standalone Financial Statements.

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N GOPALARATNAM
Chairman

V SRIDAR
S NARAYAN
A L SOMAYAJI
DR NANDITHA KRISHNA
MOHAN VERGHESE CHUNKATH
Directors.

N R Jayadevan
Membership No. 023838
Partner
Chartered Accountants
UDIN: 22023838AIODXT4109

N Krishnamurthy
Membership No. 019339
Partner
Chartered Accountants
UDIN: 22019339AIOGDF3630

K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year ended 31-03-2022		Year ended 31-03-2021	
		₹ crores	₹ crores	₹ crores	₹ crores
I Revenue from Operations	27	1354.93		781.79	
II Other Income	28	16.65		19.32	
III Total Income (I+II)			1371.58		801.11
IV Expenses					
Cost of Materials Consumed	29	612.99		459.48	
Purchase of Stock-in-Trade	30	25.54		23.97	
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	31	138.78		(-)97.40	
Employee Benefits Expense	32	84.59		81.34	
Finance Cost	33	2.87		2.91	
Depreciation and Amortisation Expenses	34	40.83		37.60	
Other Expenses	35	327.44		206.85	
Total Expenses (IV)			1233.04		714.75
V Profit before Exceptional Items and Tax (III-IV)			138.54		86.36
VI Exceptional Items			—		—
VII Profit / (Loss) Before Tax (V+VI)			138.54		86.36
VIII Tax Expenses	36				
(1) Current Tax		34.55		18.44	
(2) Deferred Tax		0.89		(-)32.35	
			35.44		(-)13.91
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)			103.10		100.27

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)		103.10	100.27
X Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Statement of Profit and Loss			
(i) Remeasurement benefit of the Defined Benefit Plans		1.06	1.62
(ii) Net Fair Value Gain on investment in Equity Instruments through OCI		17.02	41.24
(iii) Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		(-)3.04	(-)3.00
		15.04	39.86
B (i) Items that will be reclassified to Statement of Profit and Loss		0.68	—
(ii) Income Tax relating to items that will be reclassified to Statement of Profit and Loss		(-)0.17	—
		0.51	—
Total Other Comprehensive Income (A + B)		15.55	39.86
XI Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the Period) (IX+X)		118.65	140.13
XII Earnings per Equity Shares	41		
(face value of ₹ 2 each)			
(1) Basic		17.12	16.65
(2) Diluted		17.12	16.65
See accompanying notes to the Standalone Financial Statements.			

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 004137S/S200041

N GOPALARATNAM
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K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A) EQUITY SHARE CAPITAL

Particulars	No. of Shares		₹ crores	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the reporting year	63068140	63068140	12.61	12.61
Changes in Equity Share Capital due to prior period errors	—	—	—	—
Restated balance at the beginning of the current reporting period	63068140	63068140	12.61	12.61
Changes in Equity Share Capital during the year	—	—	—	—
Balance at the end of the reporting year	63068140	63068140	12.61	12.61
Less : Adjustment for shares held by SPB Equity Shares Trust (Refer Note No.1.19)	2840905	2840905	0.57	0.57
Balance at the end of the reporting period after adjustment	60227235	60227235	12.04	12.04

B) OTHER EQUITY

Particulars	Reserves and Surplus				Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as at March 31, 2021	37.16	3.60	800.00	176.89	83.84	—	(-)11.93	1089.56
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—	—
Restated balance at the beginning of the current reporting period (A)	37.16	3.60	800.00	176.89	83.84	—	(-)11.93	1089.56
Additions during the year	—	—	—	103.10	—	—	—	103.10
Profit for the year	—	—	—	—	—	—	—	—
Items of OCI for the year (net of taxes)	—	—	—	0.80	—	—	—	0.80
Remeasurement benefit of Defined Benefit Plans	—	—	—	—	—	—	—	—
Net Fair Value Gain on Investment in equity Instruments through OCI	—	—	—	—	14.24	—	—	14.24
Items that will be reclassified to Statement of Profit and loss	—	—	—	—	—	0.51	—	0.51
Total Comprehensive Income for the Year 2021-22 (B)	—	—	—	103.90	14.24	0.51	—	118.65
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.19) (C)	—	—	—	1.11	—	—	—	1.11
Reductions during the Year	—	—	—	—	—	—	—	—
Dividends	—	—	—	15.76	—	—	—	15.76
Transfer to General reserve	—	—	(-)100.00	100.00	—	—	—	—
Total (D)	—	—	(-)100.00	115.76	—	—	—	15.76
Balance as at March 31, 2022 (A+B+C-D)	37.16	3.60	900.00	166.14	98.08	0.51	(-)11.93	1193.56

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Reserves and Surplus				Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as at April 01, 2020	37.16	3.60	700.00	199.77	45.32	-	(-)11.93	973.92
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period (A)	37.16	3.60	700.00	199.77	45.32	-	(-)11.93	973.92
Additions during the year								
Profit for the year	-	-	-	100.27	-	-	-	100.27
Items of OCI for the year (net of taxes)	-	-	-	1.34	-	-	-	1.34
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-	-
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-	38.52	-	-	38.52
Items that will be reclassified to Statement of Profit and loss	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year 2020-21 (B)	-	-	-	101.61	38.52	-	-	140.13
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.19) (C)	-	-	-	0.74	-	-	-	0.74
Reductions during the year								
Dividends	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	25.23	-	-	-	25.23
Total (D)	-	-	(-)100.00	100.00	-	-	-	-
Balance as at March 31, 2021 (A+B+C-D)	37.16	3.60	800.00	176.89	83.84	-	(-)11.93	1089.56

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N R Jayadevan
Membership No. 023838
Partner
Chartered Accountants
UDIN: 22023838AIODXT4109

N Krishnamurthy
Membership No. 019339
Partner
Chartered Accountants
UDIN: 22019339AIOGDF3630

N GOPALARATNAM
Chairman

K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

V SRIDAR
S NARAYAN
A L SOMAYAJI
DR NANDITHA KRISHNA
MOHAN VERGHESE CHUNKATH
Directors.

Chennai
May 07, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		138.54	86.36
Adjustments for:			
Add:			
Assets discarded		1.08	1.84
Depreciation	e ^	40.83	38.03
Imputed Finance Charge on Interest Free Sales Tax Defferal Loan (IFSTD)		0.61	0.89
Finance charge on lease liability	33	0.02	0.04
Interest and financing charges		2.24	1.98
		44.78	42.78
		183.32	129.14
Less:			
Interest income from Term Deposits		7.18	9.79
Dividend Income from Investments	28b/c	2.25	1.56
Remeasurement of Defined benefit plan		(-)1.06	(-)1.62
Deferred income arising from government grant	28d	1.10	1.10
Interest income from Lease Deposit		0.01	0.01
Profit / (Loss) on sale of assets		0.03	0.22
		9.51	11.06
Operating profit before working capital changes		173.81	118.08
Changes in working capital:			
(Increase) / Decrease in Inventories	6	103.13	(-)57.81
(Increase) / Decrease in Trade Receivables	f ^	(-)19.74	(-)0.71
(Increase) / Decrease in Other Assets	g ^	20.80	(-)27.99
Increase / (Decrease) in Liabilities and Provisions	j ^	25.32	(-)21.57
		129.51	(-)108.08
Income tax paid		(-)28.86	(-)17.11
Net cash from operating activities *		274.46	(-)7.11
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	h ^	(-)104.27	(-)102.17
Outflow towards "Right of Use" Assets	40	(-)0.27	(-)0.27
Sale of Property, Plant and Equipment		0.03	1.58
Dividend Income from Investments	28b/c	2.25	1.56
Income From SPB Equity Shares Trust	13	1.11	0.74
(Increase) / Decrease in Term Deposits	i ^	(-)155.88	28.45
Interest income from Term Deposits		7.18	9.79
Income from Inter Corporate Deposit	g ^	—	2.58
Inter Corporate Deposit repayment received	g ^	—	4.40
Net cash used in investing activities		(-)249.85	(-)53.34

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Note No.	Year ended 31-03-2022 ₹ crores	Year ended 31-03-2021 ₹ crores
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	k^	(-) 4.03	(-)3.35
Increase / (Decrease) in Secured Loans	k^	—	—
Dividend paid	13	(-) 15.76	(-)25.23
Interest and financing charges paid	33	(-) 2.25	(-)1.98
Net cash used in financing activities		(-) 22.04	(-)30.56
Net increase in cash and cash equivalents (I)		2.57	(-)91.01
Cash and cash equivalents as at the beginning of the Year (II)		113.55	204.56
Cash and cash equivalents as at the end of the Year (I + II) **	8	116.12	113.55
** Includes following balances held in EEFC Accounts			
-- Amount in US \$ (Mn)		6.04	5.88
-- Equivalent amount in ₹ crores		45.71	42.54
-- Amount in Euro (Mn)		—	0.09
-- Equivalent amount in ₹ crores		—	0.80

* CSR Expenditure Outgo refer Note 37 (D) - ₹ 4.21 crores (Previous Year ₹ 4.77 crores)

^ - Refers to the Notes to Cash Flow Statement

Notes:

- Cash and cash equivalents represent cash in hand and cash with Scheduled Banks including Term Deposit with original maturity of less than three months.
- Cash from operating activities has been prepared following the indirect method.
- Figures for the previous year have been re-grouped wherever necessary.
- During the current year (and previous year), the Company did not have any change in liabilities arising from following financing activities, affecting the cashflows from financing activities:
 - Changes arising from obtaining or losing control of subsidiaries or other businesses.
 - Changes in fair values
 - Impact of Changes in foreign exchange rates on Borrowings

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Refer Note	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
e Depreciation considered in Cash Flow Statement			
(i) Depreciation as per Profit & Loss Account	34	40.83	37.60
(ii) Depreciation included in CSR Expenses	35	—	0.43
		40.83	38.03
f (Increase) / Decrease in Trade Receivables			
Changes in Trade Receivables as per Balance Sheet	7	(-)19.74	(-)0.71
Less: Changes in Impairment Provision	7	—	—
		(-)19.74	(-)0.71
g (Increase) / Decrease in Other Assets			
Changes as per Balance Sheet in:			
Other Non-current Financial Assets	4a	1.22	5.75
Other Non-current Assets	5	8.80	(-)1.21
Current Financial Assets - Others	10	(-)7.02	0.97
Other Current Assets	11	17.80	(-)26.52
		20.80	(-)21.01
Less : Adjustment for Inter Corporate Loan Repayment		—	4.40
Less : Adjustment for Receipt of Interest on Inter Corporate Loan		—	2.58
		20.80	(-)27.99
h Purchase of Property, Plant and Equipment			
Additions as per Property, Plant and Equipment	2	122.59	100.99
Additions as per Intangible Assets	2B	0.01	0.01
Changes in Capital Work in Progress	2A	(-)18.33	1.17
		104.27	102.17
Less : Adjustment for Inter Corporate Loan Repayment		—	—
		104.27	102.17
i (Increase) / Decrease in Term Deposits			
Changes as per Balance Sheet in:			
Bank Deposits with more than 12 months maturity	4b	(-)34.91	—
Bank Balance other than Cash and Cash Equivalents	9	(-)120.97	28.45
		(-)155.88	28.45

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Refer Note	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
j Increase / (Decrease) in Liabilities and Provisions			
Changes as per Balance Sheet in:			
Non Current - Lease Liabilities	15	(-)0.02	(-)0.26
Non-Current Other Financial Liabilities	16	(-)0.21	(-)1.17
Non-Current Provisions	17	1.96	(-)3.53
Current - Lease Liabilities	21	(-)0.24	0.03
Trade Payables	22	24.29	(-)23.70
Other Current Financial Liabilities	23	6.06	0.37
Other Current Liabilities	24	(-)4.95	6.48
Current Provisions	25	(-)2.51	(-)0.02
		24.38	(-)21.80
Add : Adjustment for Items that will be reclassified to P&L		0.68	—
Less : Lease Liability considered Separately		(-)0.26	(-)0.23
		25.32	(-)21.57
k Increase / (Decrease) in Borrowings			
Changes as per Balance Sheet in:			
Non-Current Borrowings	14	(-)2.95	(-)3.14
Current Maturities of Non Current Borrowings	20	(-)0.47	0.68
Imputed Interest on IFSTD	33	(-)0.61	(-)0.89
		(-)4.03	(-)3.35
Repayment in Unsecured Loans		(-)4.03	(-)3.35
Repayment in Secured Loans		—	—

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
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N GOPALARATNAM
Chairman

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Directors.

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K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Company Background

Seshasayee Paper and Boards Limited is a Company incorporated in India under the Companies Act, 1956; an existing Company under the Companies Act, 2013 and is domiciled in India. Its Registered Office is located at Pallipalayam, Cauvery R.S. (PO), Erode – 638 007, Namakkal District (Tamil Nadu). The Company's shares are listed in National Stock Exchange of India Ltd and BSE Ltd.

The Company is engaged in the business of manufacture and sale of printing and writing paper and has plants in two locations, one at Erode and another at Tirunelveli with an aggregate capacity to produce 255000 tonnes of paper, per annum.

1 Significant Accounting Policies and Key Accounting Estimates and Judgements

A. Significant Accounting Policies

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The company adopted Ind AS from 1st April 2017. Accounting Policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

1.2 Basis of preparation and compliance

The financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the Accounting Policies set out below. The financial statements are prepared on a 'going concern' basis using accrual concept except for the cash flow information.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that the market participants would take into account when pricing the asset or liability at the measurement date, assuming the market participants act in their economic best interest. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS-2 – Inventories or Value in Use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as '--' in these financial statements.

1.3 Current / Non-Current classification

An asset or liability is classified as Current if it satisfies any of the following conditions:

- (i) the asset / liability is expected to be realised / settled in the Company's normal operating cycle;
- (ii) the asset is intended for sale or consumption;
- (iii) the asset / liability is held primarily for the purpose of trading;
- (iv) the asset / liability is expected to be realised / settled within twelve months after the reporting period;
- (v) the asset is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (vi) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as Non-Current.

For the purpose of Current / Non-Current classification, the Company has reckoned its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

Deferred Tax Assets and Liabilities are classified as Non-Current.

Advances given towards acquisition of fixed assets, outstanding at each Balance Sheet date, are disclosed as Other Non-Current Assets.

1.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

The cost of an item of Property, Plant and Equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

An item of PPE that qualifies for recognition as an Asset is measured on initial recognition at cost. Following initial recognition, PPEs are carried at their cost less accumulated depreciation and accumulated impairment losses, if any.

- (i) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPEs recognised as of April 1, 2016 (transition date), measured as per the previous IGAAP, as their deemed cost as on the transition date.
- (ii) The cost of an item of PPE comprises purchase price, taxes and duties, net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to Plans, Designs and Drawings of Buildings or Plant and Machinery is capitalised under relevant heads of PPE if the recognition criteria are met.

Borrowing Costs (net of interest earned on temporary investments of those borrowings) directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of the assets till the assets are substantially ready for their intended use.

- (iii) The Company identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant in relation to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.
- (iv) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred. All upgradation / enhancements are charged off as revenue expenditure unless they bring significant additional benefits.
- (v) Capital Advances and Capital Work-in-Progress :

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation on these assets commences when the assets are ready for their intended use which is generally on commissioning.

- (vi) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, as specified under Schedule II, using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period and changes, if any, are treated as changes in accounting estimate.

(vii) Estimated useful lives of the assets are as follows:

Asset	Years
Buildings	
Factory Buildings	30
Buildings other than factory buildings	60
Plant and Equipment (including continuous process plants)	
Generation, Transmission and Distribution of Power	40
Water Distribution Plant	30
Electric Distribution Plant	35
Other than above	25
Furniture and Fixtures	10
Vehicles	
Motor Cycles, Scooter and Mopeds	10
Other Vehicles	8
Office Equipment	5
IT Hardware	
Server	6
Other than Server	3

Assets costing ₹ 5,000/- and below are depreciated in full within the Financial Year.

1.5 Intangible Assets

a. Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

b. Useful lives of Intangible Assets

Intangible Assets are amortised equally over the estimated useful life not exceeding ten years.

1.6 De-recognition of Tangible and Intangible Assets

An item of Tangible and Intangible Asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Tangible and Intangible Assets is determined as the difference between the sales proceeds, if any, and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.7 Impairment of Tangible and Intangible Assets

The Company annually reviews the carrying amounts of its Tangible and Intangible Assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount

of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.8 Revenue Recognition,

a. Revenue from Contracts with Customers

Revenue is recognised at a point in time upon transfer of control of the products to customers. Transfer of control happens, when the products are delivered to the common carrier.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the actual underlying performance obligation that corresponds to the progress by the customer / indentor towards earning the discount / incentive.

b. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate method.

1.9 Inventories

Inventories are valued at lower of cost and net realisable value. Materials and other items intended for use in the production of inventories are not written-down below cost, if the finished goods in which they will be incorporated or expected to be sold at or above cost. Cost includes taxes and duties (other than taxes and duties for which input credit is available), freight and other direct expenses. Stocks of Raw Materials, Stores, Spares, and Chemicals, Fuels and Others are valued at cost on weighted average basis. Finished Goods / Work-in-Process are valued at cost and cost includes material, direct labour, overheads (other than administrative overheads that do not contribute to bring the inventories to the present location and condition and selling costs) incurred in bringing the inventory to their present location and condition. Net realisable value is

the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are periodically identified and provision is made where necessary.

1.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

1.11 Government grants

Government Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government Grants, relating to income, are recognised in the Statement of Profit and Loss on a systematic basis over the period in which the Company recognises as expense the related costs which the grants are intended to compensate. Government Grants, whose primary condition is that the Company should purchase, construct or otherwise acquire assets, are deducted from the carrying amount of the asset.

Government Grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Income from such benefit is recognised on a straight-line basis over the period of the loan during which the Company recognises interest expense under EIR method on such loans.

Export Benefits are recognized as Income in the year of exports. Entitlement pending realisation are disclosed under Other Financial Assets, since the scrips are utilised for settlement of duty liabilities.

1.12 Employee Benefits

a. Short Term Employee Benefits

All employee benefits payable wholly within twelve months after the end of the annual reporting period of rendering the service are classified as Short Term Employee Benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of Short Term Employee Benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b. Post Employment Benefits

(i) Defined Contribution Plans

Payments to Defined Contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions to Provident Fund and Superannuation Fund are treated as Defined Contribution Plans, since funded with Provident Fund Commissioner (as per the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952) and Life Insurance Corporation of India, respectively.

(ii) Defined Benefit Plans

For Defined Benefit Retirement Plans, the cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each annual reporting date. The Defined Benefit Obligations recognised in the Balance Sheet represent the present value of the Defined Benefit Obligations as reduced by the fair value of plan assets, if applicable. Any Defined Benefit Asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan. Gratuity and Retirement Benefit Schemes operated by the Company are treated as Defined Benefit Plans.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ asset are recognised in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ asset comprising actuarial gains and losses and the return on the plan assets excluding amounts included in net interest on the net defined benefits liability/ asset, are recognised in Other Comprehensive Income and taken to 'retained earnings'. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability / asset as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary. However, the liability towards gratuity, if any, is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

c. Other Long-term Employee Benefits

Entitlement to annual leave and sick leave are recognised when they accrue to employees. Annual leave/ sick leave can be availed or encashed either during service or on retirement subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each annual reporting date. The liability is not funded

1.13 Lease Accounting

The Company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The Company, as on March 31, 2022, didn't have any transaction of lease, as a lessor. The Company, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the Company recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rate.

Lease liability and ROU asset are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

1.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets

and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Statement of Profit and Loss (FVTPL) are recognised immediately in Statement Profit and Loss.

1.16 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

a. Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost. The debt instruments carried at amortised cost include Deposits, Loans and Advances recoverable in cash.

- ◇ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ◇ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

b. Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of Profit and Loss.

c. Investments in Equity Instruments at FVTOCI

(i) Investments in Equity Instruments in Subsidiary and Associates :

The Company has elected to carry investment in Equity Instruments in Subsidiary and Associates at cost in accordance with Paragraphs 10 of 'Ind AS27 – Separate Financial Statements'.

(ii) Investments in Other Equity Instruments:

The Company has irrevocably designated to carry investment in Other Equity Instruments at Fair Value through Other Comprehensive Income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present

the subsequent changes in Fair Value in Other Comprehensive Income pertaining to Investments in Equity Instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for Equity Instruments through Other Comprehensive Income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within Equity.

The Company has Equity Investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (see Note 3). Fair value is determined in the manner described in Note 1.2.

d. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- ◇ The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ◇ Full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to life time expected credit losses.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

e. Derecognition of Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109

Concomitantly, if the asset is one that is measured at:

- a) Amortised cost, the gain or loss is recognised in the Statement of Profit and Loss.
- b) Fair value through Other Comprehensive Income, the cumulative fair value adjustments previously taken to Reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to Reserves is reclassified within equity.

1.17 Financial Liabilities and Equity Instruments

a. Classification as Debt or Equity

Debt and Equity instruments issued by the Company are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs.

c. Financial Liabilities

All financial liabilities are initially recognised at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance Costs' line item.

d. Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

1.18 Derivative Financial Instruments and Hedge Accounting

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, by means of foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates hedging instruments in respect of foreign currency risk as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Other Comprehensive Income and are accumulated as 'cash flow hedge reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The cumulative gain or loss previously recognised in Other Comprehensive Income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in Other Comprehensive Income is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in Other Comprehensive Income is transferred to the Statement of Profit and Loss in the same period when the hedged item affects Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the Other Comprehensive Income is transferred to the Statement of Profit and Loss.

Fair Value Hedges

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item in foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to Statement of Profit and Loss from that date.

1.19 Treatment of shares held by SPB Equity Shares Trust

Pursuant to the Scheme of Amalgamation of SPB Papers Limited with the Company, 568181 Equity Shares with face value of ₹10 each (28 40 905 Equity Shares of face value of ₹ 2 each, after stock-split) were allotted to SPB Equity Shares Trust and approved by the High Court of Madras to the benefit of the Company, in the financial year 2012-13.

The original cost of the investment is adjusted in other equity as under:

- a) To the extent of Face/Nominal value is deducted from Equity Share capital
- b) Balance is reduced from other equity under a separate reserve

The dividend received by the Company from SPB Equity Shares Trust, is taken to retained Earnings.

1.20 Foreign Currency Transactions

a. Initial Recognition

On initial recognition, transactions in foreign currencies are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

b. Measurement of Foreign Currency items at reporting date

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

c. Recognition of Exchange Difference

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in Statement of Profit and Loss in the period in which they arise.

The advance, paid in Foreign Currency to the Suppliers and the advance, received in Foreign Currency from the Customers are treated as non-monetary assets and non-monetary liabilities respectively and consequently, doesn't result in exchange fluctuation at the date of fair valuation.

1.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.22 Taxes on Income

Taxes on income comprise of Current Tax and Deferred Tax.

a. Current Tax

Current Tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (temporary differences) and items that are never taxable or deductible (permanent differences) under the Income Tax Act, 1961.

Current Tax is measured using tax rates and tax laws enacted at the end of the reporting period together with any adjustment to tax payable in respect of previous years.

b. Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax, 1961.

Deferred Tax liabilities are recognised for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the accounting profit nor the taxable profit, deferred tax liabilities are not recognised.

Deferred Tax assets are recognised for all deductible temporary differences to the extent it is probable that future taxable profits will be available against which those deductible temporary difference can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets or liabilities are not recognised.

Deferred Tax Assets on account of carry forward allowances / losses are recognised, when there is a reasonable certainty that assets will be realized in the near future.

The carrying amount of Deferred Tax Assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled based on the tax rates that have been enacted or substantially enacted by the end of the reporting period in which those temporary differences are expected to be recovered or settled.

c. Current and Deferred Tax for the year

Current and Deferred Tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in Equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

1.23 Ind AS 12 – Uncertainty over Income Tax Treatments

The Company has adopted the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. However, application of this Standard from 01-04-2019 does not have any significant impact for the Company.

In respect of uncertainty in tax assessment, provision is made if liability is more probable; else it is disclosed as contingent liability.

1.24 Recent Pronouncements

1. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16–Property Plant and equipment-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property ,plant ,and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has not earned any revenue from test runs of assets capitalised/work in progress during the year.

2. Amendment to Division II to Schedule III:

MCA vide notification dated 24.03.2021 made minor modifications to the existing disclosure requirements and further additional disclosures to be made in the Financial statements are

introduced under Division II Schedule III. This is applicable for the financial statements prepared for the period from 01.04.2021. The company has examined these amendments and has made necessary disclosures that are applicable. The comparatives also been presented in line with the amendments made to Division II Schedule III.

1.25 Events after reporting period

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size of nature are only disclosed.

1.26 Financial and Management Information System

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

1.27 Segment Reporting

The Company is engaged in the business of manufacture and sale of writing and printing paper and paper boards there are no other reportable segments of operation of the Company.

1.28 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

For the purpose of computation of weighted average number of equity shares outstanding, the no. of equity shares held by SPB Equity Shares Trust in the Company, is reduced.

B. Key Accounting Estimates and Judgments**1.1 Use of Estimates**

The preparation of financial statements in conformity with IndAS requires Management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

1.2 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-

observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

b. Useful life of Property, Plant and Equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

c. Cash Discounts

In accordance with Ind AS-115, the Company deducts cash discounts from the revenue for sale of products. Cash discounts, on the sale of products in the last month of the year, is estimated based on the past experience.

d. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the State of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

e. Claims, Provisions and Contingent Liabilities

The Company has ongoing discussions / litigations with various regulatory authorities, trade unions and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute or settlements can be made based on Management's assessment of specific circumstances of each dispute and relevant external advice, Management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

f. Tax Expense

Significant judgments and estimates are involved in estimating the budgeted profits for the purposes of advance tax, determining the provision for income tax, Minimum Alternate Tax and MAT Credit which may get revised pursuant to the determination by the Income Tax Authorities.

g. Others

The Company has considered the possible effects that may result from Covid-19 pandemic on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, expects the carrying amount of these assets will be recovered.

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2 PROPERTY, PLANT AND EQUIPMENT

₹ crores

Description	Gross Carrying Amount			Depreciation				Net Carrying Amount		
	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
LAND	4.17	—	—	4.17	—	—	—	—	4.17	4.17
BUILDINGS										
- FREE HOLD	112.11	—	0.39	111.72	21.55	4.20	0.12	25.63	86.09	90.56
- RIGHT OF USE ASSETS (Refer Note. No. 1.13)	0.88	—	—	0.88	0.49	0.25	—	0.74	0.14	0.39
PLANT AND EQUIPMENT	775.14	121.59	1.12	895.61	141.34	35.29	0.32	176.31	719.30	633.80
FURNITURE AND FIXTURES	2.13	0.04	—	2.17	0.44	0.07	—	0.51	1.66	1.69
VEHICLES	2.21	0.29	0.01	2.49	1.33	0.17	—	1.50	0.99	0.88
OFFICE EQUIPMENT	3.47	0.67	0.01	4.13	2.14	0.54	0.01	2.67	1.46	1.33
	900.11	122.59	1.53	1021.17	167.29	40.52	0.45	207.36	813.81	732.82

Refer Note No 39(C) (3) (i) for charge created on Property, Plant and Equipment

Description	Gross Carrying Amount			Depreciation				Net Carrying Amount		
	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
LAND	4.17	—	—	4.17	—	—	—	—	4.17	4.17
BUILDINGS										
- FREE HOLD	108.46	4.03	0.38	112.11	16.99	4.61	0.05	21.55	90.56	91.47
- RIGHT OF USE ASSETS (Refer Note. No. 1.13)	0.88	—	—	0.88	0.24	0.25	—	0.49	0.39	0.64
PLANT AND EQUIPMENT	682.19	96.36	3.41	775.14	110.07	31.81	0.54	141.34	633.80	572.12
FURNITURE AND FIXTURES	1.95	0.18	—	2.13	0.34	0.10	—	0.44	1.69	1.61
VEHICLES	2.22	—	0.01	2.21	1.14	0.20	0.01	1.33	0.88	1.08
OFFICE EQUIPMENT	3.05	0.42	—	3.47	1.63	0.51	—	2.14	1.33	1.42
	802.92	100.99	3.80	900.11	130.41	37.48	0.60	167.29	732.82	672.51

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2 (A) CAPITAL WORK IN PROGRESS

₹ crores

Description	Net Carrying Amount	
	As at 31-03-2022	As at 31-03-2021
Opening Balance	32.20	31.03
Add: Additions to Capital Work In Progress during the year ^^	104.27	102.17
Less: Assets Capitalised during the year **	122.60	101.00
Closing Balance	13.87	32.20

** Includes Intangible assets capitalised during the year (Refer Note No. 1.5 and 2B)

^^ Includes following expenses capitalised during the year, as directly related to Project Implementation

- (a) Insurance - ₹ 0.008 crores (Previous Year - Nil)
- (b) Employee Benefits - ₹ 2.67 crores (Previous Year - ₹ 1.95 crores)
- (c) Interest capitalised - ₹ Nil (Previous Year -Nil)
- (d) Bank Charges - Nil (Previous Year - ₹ 0.08 crores)
- (e) Cost of Materials consumed during trials - ₹ 4.19 crores (Previous Year - ₹ 10.17 crores)
- (f) Other expenses - ₹ 1.78 crores (Previous Year - ₹ 0.81 crores)

2(B) OTHER INTANGIBLE ASSETS

Description	Gross carrying Amount				Amortisation			Net Carrying Amount		
	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
COMPUTER SOFTWARE	1.76	0.01	—	1.77	0.71	0.22	—	0.93	0.84	1.05
TECHNICAL KNOW-HOW	1.41	—	—	1.41	0.92	0.09	—	1.01	0.40	0.49
	3.17	0.01	—	3.18	1.63	0.31	—	1.94	1.24	1.54

Description	Gross carrying Amount				Amortisation			Net Carrying Amount		
	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
COMPUTER SOFTWARE	1.75	0.01	—	1.76	0.19	0.52	—	0.71	1.05	1.56
TECHNICAL KNOW-HOW	1.41	—	—	1.41	0.89	0.03	—	0.92	0.49	0.52
	3.16	0.01	—	3.17	1.08	0.55	—	1.63	1.54	2.08

- 2 (i) Refer Note No 38(b) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

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	No of shares	Face Value	As at 31-03-2022 ₹ crores	As at 31-03-2021 ₹ crores
3 INVESTMENTS				
Non Current Investments				
A. Investments in Equity Instruments				
a. Quoted Equity Shares				
(i) Associate				
(Measured at cost)				
Ponni Sugars (Erode) Limited	2360260	10	19.60	19.60
(ii) Others				
Investments Measured at Fair Value through Other Comprehensive Income				
Housing Development Finance Corporation Limited	265830	2	63.54	66.41
HDFC Bank Limited	5000	1	0.74	0.75
High Energy Batteries (India) Limited	282911	10	42.88	23.20
Tamilnadu Newsprint and Papers Limited	100000	10	1.68	1.47
Total Quoted Equity Shares			128.44	111.43
b. Unquoted Equity Shares				
(i) Subsidiary				
(Measured at cost)				
Esvi International (Engineers & Exporters) Limited	125000	100	14.03	14.03
(ii) Others				
Investments Measured at Fair Value through Other Comprehensive Income				
SPB Projects and Consultancy Limited	50000	10	0.05	0.05
Total Unquoted Equity Shares			14.08	14.08
Total Investments In equity Instruments			142.52	125.51
Aggregate amount of :				
Quoted Investments - At Cost			24.61	24.61
Quoted Investments - At Market value			163.16	126.68
Unquoted Investments - At Cost			14.08	14.08

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	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
4 OTHER FINANCIAL ASSETS		
(Non current)		
(a) Security Deposit	5.23	6.45
(b) Bank Deposits with more than 12 months Maturity **	34.91	—
	<u>40.14</u>	<u>6.45</u>
** Includes ₹ 23.15 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - NIL)		
5 OTHER NON CURRENT ASSETS		
Capital Advances	0.90	10.59
Prepaid expenses	0.79	—
Charges paid under Protest **	4.29	4.19
	<u>5.98</u>	<u>14.78</u>
** Includes		
- Energy Charges paid under protest to TNERC (Refer Note No. 38(a)(iv))	2.00	2.00
- Duties & Taxes paid under protest (Refer Note No. 38(a)(i))	0.55	0.28
- Grid Paralleling Charges paid under protest (not in the nature of Contingent Liability)	1.11	1.11
- Other duties and taxes paid under protest (not in the nature of Contingent Liability)	0.63	0.80
6 INVENTORIES		
Raw Materials *	52.70	29.05
Work- in- Progress	5.44	5.65
Finished Goods	11.07	148.94
Stock-in-Trade	3.72	4.42
Stores and Spares (Note 1)	16.00	15.02
Chemicals, Fuels and others # (Note 2)	35.19	24.17
	<u>124.12</u>	<u>227.25</u>
* Includes Material In Transit	14.59	7.69
# Includes Material In Transit	4.27	2.61

(For method of valuation, please refer to Note No.1.9)

(For security created on Inventories, please refer Note No.39(C)(3)(i))

Note 1: The Inventory is net of provisions for non-moving inventory of ₹ 0.11 crores (Previous Year ₹ 0.08 crores)

Note 2: The Inventory is net of provisions for non-moving inventory of ₹ 0.34 crores (Previous Year ₹ 0.12 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
7 TRADE RECEIVABLES		
a) Considered Good - Secured	34.37	30.67
b) Considered Good - Unsecured	66.91	50.87
c) Have significant increase in credit risk	—	—
d) Credit impaired.	1.93	1.93
Less: Allowance for bad and doubtful debts	(-)1.93	(-)1.93
	<u>101.28</u>	<u>81.54</u>

(Please refer Note No.39(C)(3)(i) for security created on Receivables)

Ageing Schedule : As at 31-03-2022

₹ crores

Particulars	Not Due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	93.57	5.93	0.13	0.96	0.29	0.40	101.28
(ii) Have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Credit impaired	—	—	—	—	—	0.53	0.53
DISPUTED							
(iv) Considered good	—	—	—	—	—	—	—
(v) Have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Credit impaired	—	—	—	—	—	1.40	1.40
	<u>93.57</u>	<u>5.93</u>	<u>0.13</u>	<u>0.96</u>	<u>0.29</u>	<u>2.33</u>	<u>103.21</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>101.28</u>

Ageing Schedule : As at 31-03-2021

₹ crores

Particulars	Not Due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	69.44	5.11	5.27	0.52	0.08	1.12	81.54
(ii) Have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Credit impaired	—	—	—	—	—	0.53	0.53
DISPUTED							
(iv) Considered good	—	—	—	—	—	—	—
(v) Have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Credit impaired	—	—	—	—	—	1.40	1.40
	<u>69.44</u>	<u>5.11</u>	<u>5.27</u>	<u>0.52</u>	<u>0.08</u>	<u>3.05</u>	<u>83.47</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>81.54</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
8 CASH AND CASH EQUIVALENTS		
Balances with banks	58.89	58.34
Term deposits with original maturity of less than 3 months	57.04	55.04
Cash on hand	0.19	0.17
	<u>116.12</u>	<u>113.55</u>
9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	1.27	1.25
Term deposits with original maturity for more than 3 months but less than 12 months *	211.95	91.00
	<u>213.22</u>	<u>92.25</u>
* Includes ₹ 115.75 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 40.88 crores)		
10 OTHER CURRENT FINANCIAL ASSETS		
a) Export Incentive Receivable *	6.51	0.18
b) Fair Value of Derivatives (Net)	0.69	—
	<u>7.20</u>	<u>0.18</u>
* Includes scrips / scrolls received and pending utilisation		
11 OTHER CURRENT ASSETS		
a) Advances / Claims Recoverable	8.13	12.26
b) Balance with Government Authorities		
- GST Receivable	16.34	30.40
c) Prepaid expenses	2.91	3.41
d) Advance to Employees	0.30	0.31
e) Other receivable	2.61	1.71
	<u>30.29</u>	<u>48.09</u>

12 EQUITY SHARE CAPITAL

EQUITY SHARE CAPITAL		₹ crores
	As at 31-03-2022	As at 31-03-2021
Authorised		
20 00 00 000 - Equity Shares of ₹ 2 each	40.00	40.00
3 00 00 000 - Cumulative Redeemable Preference Shares of ₹ 10 each	30.00	30.00
	70.00	70.00
Issued, Subscribed and Fully paid up:		
6 30 68 140 Equity Shares of ₹ 2 each	12.61	12.61
Less : Adjustment for shares held by SPB Equity Shares Trust (Refer Note No.1.19)	0.57	0.57
	12.04	12.04

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31-03-2022		As at 31-03-2021	
	No of Shares	₹ crores	No of Shares	₹ crores
At the beginning of the year	6,30,68,140	12.61	6,30,68,140	12.61
Change During the Year	—	—	—	—
At the end of the year	6,30,68,140	12.61	6,30,68,140	12.61

b) Terms / rights attached to Equity Shares

The Equity Shares of the Company having par value of ₹ 2 per share rank pari passu in all respects, including voting rights, dividend entitlement and repayment of capital.

c) Details of shareholders holding more than 5% Equity Shares in the Company

Name of Share Holders	As at 31-03-2022			As at 31-03-2021	
	No of Shares	% of Shareholding	No of Shares	% of Shareholding	
(a) Taminadu Industrial Investment Corporation Limited	90,00,000	14.27	90,00,000	14.27	14.27
(b) Ponni Sugars (Erode) Ltd (Associate)	88,40,905	14.02	88,40,905	14.02	14.02
(c) Synergy Investments Pte Ltd	77,38,475	12.27	77,38,475	12.27	12.27
(d) Time Square Investments (P) Ltd	63,48,105	10.07	62,88,105	9.97	9.97
(e) Atyant Capital India Fund I	33,83,140	5.36	33,83,140	5.36	5.36

d) Shareholding of Promoters

Sl. No	Promoter name	As at 31-03-2022			As at 31-03-2021		
		No. of Shares	% of total shares	Change in %	No. of Shares	% of total shares	Change in %
1	Ponni Sugars (Erode) Limited	88,40,905	14.02	-	88,40,905	14.02	-
2	Synergy Investments Pte Limited	77,38,475	12.27	-	77,38,475	12.27	-
3	Time Square Investments Private Limited	63,48,105	10.07	0.10	62,88,105	9.97	-
4	Dhanashree Investments Private Limited	29,51,290	4.68	-	29,51,290	4.68	-
5	Ultra Investments and Leasing Co.Pvt Ltd	9,26,480	1.47	-	9,26,480	1.47	-
6	High Energy Batteries (India) Limited	51,645	0.08	-	51,645	0.08	-
7	SPB Projects and Consultancy Limited	11,360	0.02	-	11,360	0.02	-
8	N Gopalaratnam	78,155	0.12	0.05	46,155	0.07	-
9	K S Kasi Viswanathan	2,910	-	-	2,910	0.00	-
10	V Pichai	42,695	0.07	-	42,695	0.07	-
		2,69,92,020	42.80	0.15	2,69,00,020	42.65	-

SESHASAYEE PAPER AND BOARDS LIMITED

13 OTHER EQUITY

₹ crores

Particulars	Reserves and Surplus				Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as at April 01, 2021	(A)	37.16	3.60	800.00	176.89	83.84	-	1089.56
Additions during the year:								
Profit for the year	-	-	-	103.10	-	-	-	103.10
Items of OCI for the year (net of taxes)	-	-	-	-	-	-	-	-
Remeasurement of Defined Benefit Plans	-	-	-	0.80	-	-	-	0.80
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-	14.24	-	-	14.24
Items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	0.51	-	0.51
Total Comprehensive Income for the Year 2021-22	(B)	-	-	103.90	14.24	0.51	-	118.65
Income from SPB Equity Shares Trust (C) (Refer Note No.1.19)	-	-	-	1.11	-	-	-	1.11
Reductions during the Year								
Dividend	-	-	-	15.76	-	-	-	15.76
Transfer to General reserve	-	-	(-)100.00	100.00	-	-	-	-
Total	(D)	-	(-)100.00	115.76	-	-	-	15.76
Balance as at March 31, 2022 (A+B+C-D)	37.16	3.60	900.00	166.14	98.08	0.51	(-)11.93	1193.56

SESHASAYEE PAPER AND BOARDS LIMITED

Particulars	Reserves and Surplus					Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings					
Balance as at April 01, 2020 (A)	37.16	3.60	700.00	199.77		45.32	-	(-)11.93	973.92
Additions during the year:									
Profit for the year	-	-	-	100.27		-	-	-	100.27
Items of OCI for the year (net of taxes)	-	-	-	-		-	-	-	-
Remeasurement of Defined Benefit Plans	-	-	-	1.34		-	-	-	1.34
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-		38.52	-	-	38.52
Items that will be reclassified to Statement of Profit and Loss	-	-	-	-		-	-	-	-
Total Comprehensive Income for the Year 2020-21 (B)	-	-	-	101.61		38.52	-	-	140.13
Income from SPB Equity Shares Trust (Refer Note No.1.19) (C)	-	-	-	0.74		-	-	-	0.74
Reductions during the Year									
Dividend	-	-	-	25.23		-	-	-	25.23
Transfer to General reserve	-	-	(-)100.00	100.00		-	-	-	-
Total (D)	-	-	(-)100.00	125.23		-	-	-	25.23
Balance as at March 31, 2021 (A+B+C-D)	37.16	3.60	800.00	176.89		83.84	-	(-)11.93	1089.56

Description of nature and purpose of each reserve :

General Reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of Equity to another and is not an item of Other Comprehensive Income. It is a free reserve created to enhance the Net Worth of the Company and is available for distribution to the shareholders of the Company.

Capital Reserve

Capital Reserve represents gain of a capital nature and is not available for dividend declaration.

Securities Premium Account

Securities Premium account records the premium component on issue of shares and can be utilised in accordance with the provisions of Companies Act, 2013

SESHASAYEE PAPER AND BOARDS LIMITED

Cash Flow Hedge Reserve

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Other Comprehensive Income and are accumulated as 'cash flow hedge reserve'. This reserve will be transferred to Statement of Profit and Loss, on expiry / settlement / closure / ineffectiveness of the hedge.

	As at 31-03-2022 ₹ crores	As at 31-03-2021 ₹ crores
14 BORROWINGS		
(Non-Current Financial Liabilities)		
Unsecured		
From others - Interest Free Sales Tax Loan	0.54	3.49
	<u>0.54</u>	<u>3.49</u>
14 (i) Interest free loan under Sales Tax Deferment Scheme of Government of Tamil Nadu:		
Interest free loan under Sales tax Deferment Scheme of Government of Tamil Nadu has a deferment period of 10 years from 01.06.2013. Out of total loan of ₹ 47.64 crores, the Company has already repaid ₹ 43.27 crores up to March 31, 2022.		
The Company has adopted previous GAAP for the carrying amount of the loan at the date of transition and has applied Ind AS 109 after the date of Transition.		
Loan outstanding as at April 01, 2016 was valued at fair value and the difference between gross outstanding and fair value of loan was the benefit derived from interest free loan and is recognised as deferred income. Interest on the loan is recognised in the Statement of Profit and Loss applying effective interest rate of 10%. (Refer Note No. 1.11)		
(ii) Default in Repayment of principal and Interest - NIL		
15 LEASE LIABILITIES		
(Non-Current Financial Liabilities)		
Lease Liabilities	—	0.02
	<u>—</u>	<u>0.02</u>
16 OTHER FINANCIAL LIABILITIES		
(Non-Current Financial Liabilities)		
Security Deposits	15.55	15.76
	<u>15.55</u>	<u>15.76</u>
17 PROVISIONS		
(Non-Current Liabilities)		
a) Provision for Employee Benefits		
Provision for Leave Encashment and Retirement Fund	10.49	8.53
b) Others		
Provision for Generation tax *	8.11	8.11
	<u>18.60</u>	<u>16.64</u>

* Provisions made during the Year ₹ 2.07 crores (Previous Year ₹ 1.79 crores)

* Settled during the Year ₹ 2.06 crores (Previous Year ₹ 5.58 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

18 DEFERRED TAX LIABILITY (NET)

₹ crores

Particulars	As at 01-04-2021	Recognised in		As at 31-03-2022
		Statement of P&L during 2021-22	OCI 2021-22	
Deferred Tax Liabilities				
Difference between WDV of Fixed Assets as per the books of accounts and Income Tax, Act 1961.	127.31	(-)0.49	–	126.82
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-)7.34	1.12	–	(-)6.22
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	(-)0.47	0.26	–	(-)0.21
Taxes on Items of Other Comprehensive Income	0.38	–	3.04	3.42
Income Tax relating to items that will be reclassified to Statement of Profit and Loss	–	–	0.17	0.17
Deferred Tax Liability	119.88	0.89	3.21	123.98

Particulars	As at 01-04-2020	Recognised in		As at 31-03-2021
		Statement of P&L during 2020-21	OCI 2020-21	
Deferred Tax Liabilities				
Difference between WDV of Fixed Assets as per the books of accounts and Income Tax, Act 1961.	166.88	(-)39.57	–	127.31
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-)7.23	(-)0.11	–	(-)7.34
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	(-)0.52	0.05	–	(-)0.47
Taxes on Items of Other Comprehensive Income	(-)2.62	–	3.00	0.38
Income Tax relating to items that will be reclassified to Statement of Profit and Loss	–	–	–	–
Deferred Tax Liability	156.51	(-)39.63	3.00	119.88
Tax Credit				
MAT Credit Entitlement	7.28	(-)7.28	–	–
	149.23			119.88

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
19 OTHER NON-CURRENT LIABILITIES		
Deferred Income arising from Government grants (Refer Note No. 1.11)	—	1.10
	—	1.10
20 BORROWINGS		
Current maturities of Interest Free Sales Tax Loan (Refer Note No.14 (i))	3.56	4.03
	3.56	4.03
21 LEASE LIABILITIES		
Lease Liabilities (Current)	0.02	0.26
	0.02	0.26
22 TRADE PAYABLES		
a) Total outstanding dues of Micro and Small and Medium Enterprises	15.15	10.31
b) Total Outstanding dues of creditors other than Micro and Small and Medium Enterprises	180.43	160.98
	195.58	171.29
22 (i) The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company.		
22 (ii) Disclosure requirement as required under Micro, Small, & Medium Enterprises Development Act, 2006 is as follows		
	FY 2021-22	FY 2020-21
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	15.15	10.31
b) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d) Interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

SESHASAYEE PAPER AND BOARDS LIMITED

22 (iii) - Trade Payables - Ageing Schedule as on 31-03-2022

₹ crores

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	15.15	—	—	—	—	15.15
(ii) Others	100.90	64.20	10.41	1.33	3.59	180.43
(iii) Disputed dues - MSME	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	116.05	64.20	10.41	1.33	3.59	195.58

Trade Payables Aging Schedule as on 31-03-2021

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.31	—	—	—	—	10.31
(ii) Others	102.67	51.58	1.90	2.12	2.71	160.98
(iii) Disputed dues - MSME	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	112.98	51.58	1.90	2.12	2.71	171.29

**As at
31-03-2022**

As at
31-03-2021

₹ crores

₹ crores

23 OTHER FINANCIAL LIABILITIES

(Current Financial Liabilities)

Unpaid Dividends * 1.27 1.25

Others;

- Payable for capital expenditure 1.31 1.45

- Security Deposit 1.57 1.51

- Retention Monies 12.50 7.75

- Employees dues 13.03 11.64

- Fair valuation of derivatives — 0.02

29.68

23.62

* Due for transfer to IEPF as at the end of the year - Nil (Previous Year - Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
24 OTHER CURRENT LIABILITIES		
Other liabilities:		
(a) Advances received from Customers #	1.19	6.82
(b) Statutory Liabilities	4.59	3.91
(c) Deferred Income arising from Government grants (Refer Note 1.11)	1.10	1.10
	6.88	11.83
# Revenue recognised during the year from the Opening Advances ₹ 6.82 crores (Previous Year ₹ 1.79 crores)		
25 CURRENT PROVISIONS		
Provision for Employee Benefits	2.06	4.57
	2.06	4.57
26 CURRENT TAX LIABILITIES		
Income Tax **	7.74	2.07
	7.74	2.07
** Includes provision of ₹ 5.76 crores, towards for uncertainty expected in allowance of incomes claimed as not taxable.		
** Includes provision made for settlement under Direct Tax Vivad Se Vishwas Rules, 2020 - NIL (Previous Year - ₹ 1.40 crores)		

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022		Year ended 31-03-2021	
	₹ crores	₹ crores	₹ crores	₹ crores
27 REVENUE FROM OPERATIONS				
A) REVENUE FROM SALE OF PRODUCTS				
Paper and Paper Boards				
India	944.09		590.68	
Rest of the World	368.82		155.19	
		1312.91		745.87
Stock in Trade				
India	27.14		25.36	
		1340.05		771.23
Break-up of Revenue from Sale of Products - Contracted Price and adjustments				
Sales Value at Contracted price	1393.38		806.53	
Add : Export Benefits	10.66		4.37	
Less : Adjustments				
Cash Discount	24.40		14.06	
Other Discounts / Incentives	39.59		25.61	
		63.99		39.67
		1340.05		771.23
B) OTHER OPERATING INCOME				
Other Operating Income	14.88		10.56	
		14.88		10.56
		1354.93		781.79
28 OTHER INCOME				
(a) Interest Income				
- On financial assets carried at Amortised Cost	9.44		12.11	
(b) Dividend Income from Equity Investments measured at fair value through OCI	1.07		0.62	
(c) Dividend Income from Equity Investments in Associate	1.18		0.94	
(d) Government Grant (Refer Note No. 1.11)	1.10		1.10	
(e) Other non-operating income	0.83		1.59	
(f) Net Exchange Gain	3.03		2.96	
		16.65		19.32

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
29 COST OF MATERIALS CONSUMED		
Raw material		
i) Wood	236.14	203.37
ii) Bagasse	11.19	7.70
iii) Purchased Pulp	51.65	41.49
iv) Waste Paper	50.28	15.53
	<u>349.26</u>	<u>268.09</u>
Feeding and other Charges	7.09	6.39
	<u>356.35</u>	274.48
Chemicals & Consumables @	232.08	163.33
Packing Materials	24.56	21.67
	<u>612.99</u>	<u>459.48</u>
@ Includes provision for non-moving inventory - ₹ 0.25 crores (Previous Year ₹.05 crores)		
30 PURCHASE OF STOCK-IN-TRADE		
Notebook & Paper	0.10	2.97
Petroleum Products	25.44	21.00
	<u>25.54</u>	<u>23.97</u>
31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening stock		
- Finished goods	148.94	45.45
- Work in progress	5.65	11.78
- Stock-in-Trade	4.42	4.38
	<u>159.01</u>	61.61
Closing stock		
- Finished goods	11.07	148.94
- Work in progress	5.44	5.65
- Stock-in-Trade	3.72	4.42
	<u>20.23</u>	159.01
	<u>138.78</u>	<u>(-)97.40</u>
32 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	70.32	68.35
Contribution to Provident & other Funds (Refer Note No.1.12)	7.62	7.02
Staff welfare Expenses	6.65	5.97
	<u>84.59</u>	<u>81.34</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
33 FINANCE COSTS		
Interest on financial liabilities carried at amortised cost		
- Effective interest method		
- Interest on borrowings	0.25	—
- Interest on interest free Sales tax loan (Refer Note No. 1.11)	0.61	0.89
Interest on Security Deposits measured at Amortised Cost	1.90	1.96
Other borrowing costs **	0.11	0.06
	<u>2.87</u>	<u>2.91</u>
** includes finance charge on lease liability ₹ 0.02 crores (previous year ₹ 0.04 crores)		
34 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment (Refer Note No. 2) **	40.52	37.05
Amortisation of Intangible assets (Refer Note No. 2(B))	0.31	0.55
	<u>40.83</u>	<u>37.60</u>
** Excludes depreciation at 100% on capital expenditure incurred for CSR purposes - Nil (previous year ₹ 0.43 crores).		
35 OTHER EXPENSES		
Power and Fuel		
(i) Purchased Power	32.99	21.96
(ii) Consumption of Fuel	151.78	82.09
(iii) Generation Tax	2.07	1.88
	<u>186.84</u>	105.93
Repairs and Maintenance		
- Buildings	4.45	5.31
- Plant & Machinery	32.59	27.38
- Others	2.02	1.67
	<u>39.06</u>	34.36
Insurance	2.99	3.03
Rent, Rates and Taxes	3.49	2.91
Selling and Distribution Expenses	68.45	36.38
Auditors' remuneration (Refer Note No. 37 (A))	0.61	0.69
Corporate Social Responsibility expenses (Refer Note No. 37 (D)) ^	4.21	4.77
Miscellaneous	21.79	18.78
	<u>327.44</u>	<u>206.85</u>
^ Includes depreciation at 100% on capital expenditure incurred for CSR purposes - Nil (previous year ₹ 0.43 Crores)		

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
36 TAX EXPENSE		
A) The major components of Income Tax expense for the year are as under:		
Tax expenses recognised in the Statement of Profit and Loss		
Current Tax		
Current tax on the Taxable income for the year	34.55	18.44
	<u>34.55</u>	<u>18.44</u>
Deferred Tax comprises:		
Deferred Tax Liability on account of depreciation	(-)0.49	4.10
Disallowance of expenses Under Section 43B and other Temporary difference	1.12	(-)0.11
Deferred Tax Asset on account of Interest Free Sales Tax Loan	0.26	0.05
Restatement of Deferred Tax liability(net) at probable tax rate at the time of settlement in future	—	(-)43.67
MAT Credit Set off	—	7.28
	<u>0.89</u>	<u>(-)32.35</u>
Total Tax Expense	<u>35.44</u>	<u>(-)13.91</u>
(B) Reconciliation of Tax expense and the accounting profit for the year is as under:		
Enacted income tax rate in India applicable to the Company	25.17%	34.94%
Profit Before Tax	138.54	86.36
Current tax expenses on Profit Before Tax at the enacted income tax rate in India	34.87	30.18
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Tax on CSR activities	1.06	1.67
Tax On Dividend deducted u/s 80 M	(-)0.57	(-)0.55
Tax on difference in Depreciation	(-)1.83	(-)3.93
MAT Credit Set off	—	(-)7.28
Tax on Fair Valuation loss on Forward Contracts held on Cash Flow basis	—	(-)1.76
Other Differences	1.02	0.11
	<u>(-)0.32</u>	<u>(-)11.74</u>
	<u>34.55</u>	<u>18.44</u>
Effective rate of tax	24.94%	21.35%

* Rate as per Section 115 BAA of the Income Tax Act, 1961

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	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
36 TAX EXPENSE (Contd.)		
(C) Taxes on items of OCI:		
A Items that will not be reclassified to Statement of Profit and Loss:		
Income Tax on Remeasurement of Defined Benefit Plans	0.26	0.28
Income Tax on Net Fair Value Gain/ (Loss) on Investment in Equity Instruments	2.78	2.72
B Items that will be reclassified to Statement of Profit and Loss	0.17	—
	<u>3.21</u>	<u>3.00</u>

37 (A) PAYMENT TO AUDITORS

Statutory Audit fees	0.33	0.33
Taxation Matters	0.15	0.18
Certification work	0.13	0.17
Reimbursement of expenses	—	0.01
	<u>0.61</u>	<u>0.69</u>

37 (B) CWIP AGEING SCHEDULE

CWIP ageing Schedule as on 31-03-2022

₹ crores

Sl. No.	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in Progress	12.43	1.18	0.26	—	13.87
2	Projects temporarily suspended	—	—	—	—	—
		<u>12.43</u>	<u>1.18</u>	<u>0.26</u>	<u>—</u>	<u>13.87</u>

CWIP ageing Schedule as on 31-03-2021

Sl. No.	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in Progress	21.45	9.90	0.85	—	32.20
2	Projects temporarily suspended	—	—	—	—	—
		<u>21.45</u>	<u>9.90</u>	<u>0.85</u>	<u>—</u>	<u>32.20</u>

Project with cost/time overrun - Nil (Previous year Nil)

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	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
37 (C) Analytical Ratios		
(a) Current ratio (times)	2.41	2.59
<u>Current Assets</u>	<u>592.23</u>	<u>562.86</u>
<u>Current Liabilities</u>	<u>245.52</u>	<u>217.67</u>
(b) Debt-equity ratio (times)	0.003	0.007
<u>Total Debt</u>	<u>4.10</u>	<u>7.52</u>
<u>Shareholder's Equity</u>	<u>1205.6</u>	<u>1101.6</u>
(Note : Debt includes current and non-current borrowings)		
(c) Debt service coverage ratio (times)	20.47	21.56
<u>Earnings available for debt service</u>	<u>146.80</u>	<u>140.78</u>
<u>Debt Service</u>	<u>7.17</u>	<u>6.53</u>
(d) Return on equity ratio	9.70%	10.24%
<u>Net Profits after taxes – Preference Dividend</u>	<u>103.10</u>	<u>100.27</u>
<u>Average Shareholder's Equity</u>	<u>1062.64</u>	<u>979.20</u>
(e) Inventory turnover ratio (times)	6.61	3.41
<u>Cost of goods sold OR sales</u>	<u>1161.72</u>	<u>675.46</u>
<u>Average Inventory</u>	<u>175.69</u>	<u>198.35</u>
-- Increase is mainly due to significant reduction in Finished Goods Inventory		
(f) Trade receivables turnover ratio (times)	14.59	9.48
<u>Net Credit Sales</u>	<u>1333.23</u>	<u>769.44</u>
<u>Avg. Accounts Receivable</u>	<u>91.41</u>	<u>81.19</u>
-- Increase is mainly due to better market conditions resulting in shorter credit period		
(g) Trade payables turnover ratio (times)	5.77	4.01
<u>Net Credit Purchases</u>	<u>1058.59</u>	<u>733.27</u>
<u>Average Trade Payables</u>	<u>183.44</u>	<u>182.99</u>
(h) Net capital turnover ratio (times)	3.87	2.23
<u>Net Sales</u>	<u>1340.05</u>	<u>771.23</u>
<u>Working Capital</u>	<u>346.71</u>	<u>345.19</u>
(i) Net profit ratio	7.69%	13.00%
<u>Net Profit</u>	<u>103.10</u>	<u>100.27</u>
<u>Net Sales</u>	<u>1340.05</u>	<u>771.23</u>
-- Reduction in PAT Margins in % is mainly due to significant increase in cost of input materials in FY 2021-22 and deferred tax liability written back in FY 2020-21 on migrating to section 115BAA of the Income Tax Act.		
(j) Return on capital employed	11.44%	7.80%
<u>Earning before interest and taxes</u>	<u>141.41</u>	<u>89.27</u>
<u>Capital Employed</u>	<u>1235.60</u>	<u>1145.16</u>

(k) Return on investment

Since most of the investments of the Company is in core activities and hence investment in shares materially insignificant, ROI is represented through ROCE.

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
37 (D) CORPORATE SOCIAL RESPONSIBILITY EXPENSES		
Disclosure with regard to CSR activities		
(i) Gross amount required to be spent by the Company during the year	4.01	4.58
(ii) amount of expenditure incurred	4.21	4.77
(a) Construction/acquisition of any asset	0.58	1.85
(b) On purposes other than (i) above	3.62	2.92
(iii) shortfall at the end of the year	—	—
(iv) total of previous years shortfall	—	—
(v) reason for shortfall	NA	NA
(vi) nature of CSR activities		
a) Expenditure on running of schools and contribution to other educational institutions	0.63	1.17
b) Providing infrastructure facilities in nearby villages	0.34	1.09
c) Supply of drinking water to nearby villages	0.93	0.76
d) Covid-19 relief activities	1.53	0.77
e) Others	0.78	0.98
(vii) details of related party transactions	Nil	Nil
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

37. (E) ADDITIONAL REGULATORY INFORMATION:

a. Borrowings secured against current assets

The Quarterly returns or statements of current assets filed by the Company with Banks or financial statements are in agreement with the books of accounts.

b. Utilisation of borrowed funds and share Premium thro' intermediaries or for benefit of third party beneficiaries.

- i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries..

- ii) No funds have been received by the company from any persons or entities, including foreign entities ("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Other points

Sl. No.	Disclosure requirement as per amended Shedule III	Reason for non-disclosure
1	Title deeds of immovable properties not held in name of the Company.	Nil
2	Fair value of investment property	Investment property Nil. Not Applicable
3	Revaluation of Property, Plant and Equipment	Not Applicable
4	Revaluation of intangible assets	Not Applicable
5	Loans or advances in the nature of loans are granted to promoters, directors , KMPs and the related parties	Nil
6	Intangible Assets under development	Nil
7	Details of benami property held	Nil
8	Willful defaulter	No
9	Relationship with struck off companies	Nil transaction
10	Registration of charges or satisfaction with Registrar of Companies (ROC)	Charges were registered in time
11	Compliance with number of layers of Companies	Not Applicable
12	Compliance with approved scheme (s) of Arrangement	Not Applicable
13	Undisclosed income	Nil
14	Details of Crypto Currency or Virtual Currency	No trade / investment

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	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
38 CONTINGENT LIABILITIES AND COMMITMENTS		
a. Contingent Liabilities		
Claims against the company not acknowledged as debts:		
(i) Demands for various years relating to Central excise, Customs duty, Service tax, VAT and GST contested in appeal	7.35	4.31
(ii) Differential duty on Coal imported and consequent penalty contested before CESTAT, Chennai	21.64	21.64
(iii) Demand by Public Works department based on Sanctioned quantity of water as against actual water drawn contested in writ petition before Hon'ble High Court of Madras.	25.09	22.80
(iv) Demand towards energy charges as per TNERC order contested in writ petition before Hon'ble High Court of Madras.	4.63	4.63
(v) Partial Disallowance of the claim under Section 80IA of the Income Tax Act, 1961 - contested / estimated	15.01	—
(vi) Other - Demand contested.	0.18	0.18
b. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	5.06	42.42

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39 (A) CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ crores

	Refer Note	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
		Non Current		Current	
Financial Assets measured at Fair Value through Profit or Loss (FVTPL)		—	—	—	—
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in quoted equity shares *	3(A)(a)	108.84	91.83	—	—
Investments in Unquoted equity shares	3(A)(b)	0.05	0.05	—	—
Financial Assets measured at amortised cost				—	
Investments in Unquoted equity shares	3(A)(b)(i)	14.03	14.03	—	—
Investments in quoted equity shares	3(A)(a)(i)	19.60	19.60	—	—
Trade Receivables	7	—	—	101.28	81.54
Cash and Cash Equivalents	8	—	—	116.12	113.55
Bank balances other than Cash And Cash Equivalents	9	—	—	213.22	92.25
Other Financial Asset	4 / 10	40.14	6.45	7.20	0.19
Financial Liabilities measured at Fair Value through Profit and Loss		—	—	—	—
Financial Liabilities measured at amortised cost					
Term Loan from Banks	14 / 20	—	—	—	—
Interest free sales tax Loan	14 / 20	0.54	3.49	3.56	4.03
Other Financial Liabilities	16	15.55	15.76	—	—
Trade Payables	22	—	—	195.57	171.29
Other Financial Liabilities	23				
Unpaid / Unclaimed Dividend		—	—	1.27	1.25
Payable towards capital expenditure		—	—	1.31	1.45
Security Deposit		—	—	1.57	1.51
Retention Monies		—	—	12.50	7.75
Employees Dues		—	—	13.03	11.63
Fair Valuation of Derivatives		—	—	—	0.02

* Investments in these equity shares are not held for trading. Upon the application of Ind AS 109-Financial instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these Investments in the statement of Profit and Loss may not be indicative of the performance of the Company.

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39 (B) FAIR VALUE MEASUREMENTS

₹ crores

	Fair value hierarchy			
	Fair value	Quoted price in active Markets	Significant observable	Significant unobservable
As at 31st March 2022		(Level 1)	(Level 2)	(Level 3)
Financial Assets / Financial Liabilities				
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investments in quoted equity shares	108.84	108.84		
Investments in Unquoted equity shares	0.05	—		0.05

	Fair value hierarchy			
	Fair value	Quoted price in active Markets	Significant observable	Significant unobservable
As at 31st March 2021		(Level 1)	(Level 2)	(Level 3)
Financial Assets / Financial Liabilities				
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investments in quoted equity shares	91.83	91.83		
Investments in Unquoted equity shares	0.05	—		0.05

1. The fair value of quoted investment in quoted equity shares measured at quoted price.
2. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

39 (C) FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realises that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise mainly of trade payables and other payables. The Company has NIL Term Loan Borrowings from Banks / any Financial Institutions as on March 31, 2022 and hence doesn't have any financial liability and allied risk on this account. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks, trade receivables, other receivables and investments.

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The Company has financial risk exposure in the form of market risk, credit risk and liquidity risk. The risk management policies of the Company are monitored by the Board of Directors. The present disclosure made by the Company summarizes the exposure to the financial risks.

1) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Interest Rate Risk exposure

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has repaid / prepaid all the Term Loans (sanctioned and availed for Projects) during the FY 2021-22. The Company, throughout the FY 2021-22, has not availed the Fund Based Working Capital Limits, sanctioned by the Consortium of Bankers. The Company doesn't have any Term Loan outstanding as of March 31, 2022. The Company has not entered into any of the interest rate swaps. Hence, the Company is not exposed to any interest rate risk, as on March 31, 2022.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31-03-2022 ₹ crores	31-03-2021 ₹ crores
Variable Rate Borrowings	—	—
Fixed Rate Borrowings	—	—

As at the end of the reporting period, the company had the following variable rate borrowings outstanding

	31-03-2022 ₹ crores	31-03-2021 ₹ crores
i. Weighted average interest rate (%)	—	—
ii. Balance (₹ crores)	—	—
iii. % of Total Loan	—	—

Interest Rate Sensitivity analysis

As explained above, the Company has NIL Interest Rate risk, as of March 31, 2022, Sensitivity analysis of the same is not applicable, at the end of the reporting period.

	Impact on Profit before tax	
	31-03-2022 ₹ crores	31-03-2021 ₹ crores
Interest rates - increase by 50 basis points	—	—
Interest rates - decrease by 50 basis points	—	—

b) Foreign currency risk exposure

The Company imports coal, pulp, waste paper and other stores & spares for which payables are denominated in foreign currency. The Company is exposed to foreign currency risk on these transactions. The Company, in general, follows a conservative and sound policy by entering into simple Forward Exchange Contracts to hedge the foreign currency risk whose maturity is coterminous with the maturity period of the foreign currency liabilities (underlying). The Company had unhedged Foreign Exchange liability for US \$3.37 Mn as on 31st March 2022. The Company had EEFC Balance to mitigate the risk arising out of this open exposure.

The Company is also exposed to foreign currency risk on its Exports. As on March 31, 2022, the Company had Export Receivables in Foreign Currency amounting to US \$ 1,896,866. (Previous Year –US \$ 1,617,073), which is hedged with forward contracts on cash flow basis.

Forward Contract Obligations pending as at the end of the reporting period:

	As at 31-03-2022 US \$	As at 31-03-2021 US \$
Payment Obligations, towards Imports, hedged with Forward Contracts under		
- Fair Value Approach	—	1,258,648
- Cash Flow Approach	—	—
Export Realizations hedged with Forward Contract under		
- Cash Flow Approach	8,000,000	—

c) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check, to the extent possible.

d) Other price risk

Other price risk is the risk that the fair value of a financial instruments will fluctuate due to changes in market traded prices. The Company's investment in fixed deposit with banks is on Fixed Interest Rate Terms and hence, there is no risk price movement arising to the Company. The Company's equity investment in its subsidiary and associate is for strategic purposes and not held for trading. They are carried at cost and are hence not subjected to price related risk. Other investments in equity instruments are held with a view to hold them for a long-term basis and not held for trading. The investments are in fundamentally strong companies and temporary fluctuations in price do not attribute any investment risk.

e) Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and wide range of products to meet the needs of its customers.

2) Credit Risk

The credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, other balances with banks and other receivables.

The credit risk arising from the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counterparties are public sector banks / AAA rated private sector banks.

The Company sells its products through appointed indentors. The Company has established a credit policy under which every indenter is analysed individually for creditworthiness. Each indenter places security deposit in the Company, based on the quota allocated to him. Though the invoices are raised on the individual customer, the indenter is responsible for the collection and in case of default by the customer, the dues from the customer are withheld / adjusted against the payables to indenter. Thus, the credit risk is mitigated with a substantial portion of due covered by deposit and payables.

Exports are, in general, made against advances received or terms with payment against documents or against confirmed LCs. The Company has also covered the residual risk with a credit insurance from ECGC. Hence, the credit risk in respect of its exports is fully covered.

For trade receivables, as a practical expedient, the Company computes the credit loss allowance if there is life-time expected credit losses.

3) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly to meet obligations when due. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company manages the liquidity risk by (i) maintaining adequate and sufficient cash and cash equivalents including investments in fixed deposits with banks (ii) making available the funds from realizing timely maturities of financial assets to meet the obligations when due. The management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Also, the Company manages the liquidity risk by projecting cash flows considering the level of liquid assets necessary to meet the obligations by matching the maturity profiles of financial assets and financial liabilities and monitoring balance sheet liquidity ratios. Further, the liquidity risk management involves matching the maturity profiles of financial assets and financial liabilities.

i. Financial arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	31-03-2022	31-03-2021
	₹ crores	₹ crores
Expiring within one year	61.00	287.50
Expiring beyond one year	—	—
	<u>61.00</u>	<u>287.50</u>

The Company makes an annual / long term financial plan so as to ensure there are no maturity mismatches in settlement of liabilities.

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Undrawn Working Capital borrowing facilities (₹ 61 crores of Fund Based Limits and ₹ 56 crores of Non-Fund Based Limits, sanctioned by State Bank of India & HDFC Bank) secured by :

- Hypothecation of stocks of Raw Materials, Stores, Spares, Chemicals and others, including Goods-in-Transit, Stock-in-Trade, Stock-in-Process, Finished Goods and Book Debts of the Company
- Second charge, by way of mortgage of immovable properties of the Company, consisting of land, buildings, fixed plant and machinery, fixtures and fittings [excluding (i) the assets created out of MDP III Project (ii) 57.93 acres of land together with structures thereon and (iii) Captive Power Plant Assets to the extent of ₹ 85.00 crores, of Unit : Erode.]

Period and amount of continuing default in respect of above said borrowing facilities: NIL

39 (D) CAPITAL MANAGEMENT

The Company adheres to a cautious capital management that seeks to trigger growth creation and maximization of shareholders' value. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the shareholders of the Company. The Company has been funding its growth and acquisition plans and working capital requirements through a balanced approach of internal accruals and external debt from banks. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt component of the Company.

The following table summarises the capital of the Company:

Particulars	Refer Note	As at 31-03-2022 ₹ crores	As at 31-03-2021 ₹ crores
Equity		1205.60	1101.60
Debt		4.10	7.52
Cash and cash equivalents **		362.98	204.55
Net Debt		(-)358.88	(-)197.03
Total Capital (Equity + Net Debt)		846.72	904.56
Net Debt to Capital Ratio		(-)42%	(-)22%
** Cash and cash equivalents break up :			
(i) Cash and Cash Equivalents	8	116.12	113.55
(ii) Bank Balances	9	213.22	92.25
(iii) Bank Deposits with more than 12 months Maturity **	4	34.91	—
		364.25	205.80
Less : Unpaid Dividend account balance	9	1.27	1.25
		362.98	204.55

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39 (E) DIVIDEND

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
Dividend on equity shares paid during the year	15.76	25.23
Total	15.76	25.23

Proposed Dividend

The Board of directors at its meeting held on 7th May 2022 have recommended a payment of dividend of ₹ 2.50 per equity share of face value of ₹ 2 each for the financial year ended 31st March 2022. The same amounts to ₹ 15.76 crores.

40 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

Right to Use Assets	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
Gross Block	0.88	0.88
Cumulative Depreciation	0.74	0.49
Liability at the end of the year :		
Current	0.02	0.26
Non-Current	—	0.02
Payment during the year	0.27	0.27

41 Information on Related party Transactions as Required by Ind AS 24-Related Party Disclosure for the year ended 31st March 2022

Name of the Company	% of Holding as at 31-03-2022	% of Holding as at 31-03-2021
A) Subsidiary : (where control exists)		
Direct Subsidiary		
- Esvi International (Engineers & Exporters) Limited (ESVIN)	100.00	100.00
B) Associates:		
- Ponni Sugars(Erode) Limited (PEL)	27.45	27.45
C) Directors - Key Managerial Personnel:		
- Sri N Gopalaratnam, Chairman		
- Sri K S Kasi Viswanathan, Managing Director		
- Sri V Pichai, Deputy Managing Director & Secretary		
OTHER DIRECTORS:		
Sri A L Somayaji		
Sri V Sridar		
Sri S Narayan, I A S (Retd.)		
Sri Mohan Verghese Chunkath, I A S (Retd.)		
Dr.(Tmt.) Nanditha Krishna		
Sri Hans Raj Verma, IAS		
Sri K Rajkumar, IFS		

SESHASAYEE PAPER AND BOARDS LIMITED

D) Entities where Directors have significant influence

- SPB Projects and Consultancy Limited (SPB-PC)
- Time Square Investments Private Limited (TSI)
- Dhanashree Investments Private Limited (DSI)
- Ultra Investments and Leasing Co. Private Limited (UIL)

E) Transaction details :

	Transaction amount		Amount outstanding on 31-03-2022
	2021-22 ₹ crores	2020-21 ₹ crores	
(a) Esvi International (Engineers & Exporters) Limited			Assets :
- Investment made	—	—	Investments in: 0.01 crores Equity Shares (100%)
(b) Ponni Sugars (Erode) Limited :			Assets :
- Purchase of Bagasse	12.46	5.53	Investments in: 0.24 crores Equity Shares (27.45%)
- Purchase of Sugar	0.07	0.06	
- Sale of fuel	5.91	4.21	
- Sale of Paper, Water	0.27	0.13	
- Dividend paid	2.21	3.53	Liabilities :
- Dividend received	1.18	0.94	0.884 crores Equity Shares (14.02%)
- Other transactions (Net Debit)	0.23	0.07	
			Payable :
			₹ 2.83 crores
(c) Dhanashree Investments Private Limited			Liabilities :
- Rent and amenity charges	0.04	0.04	0.295 crores Equity Shares (4.68%)
- Dividend paid	0.74	1.18	
			Payable :
			₹ 0.003 crores
(d) Ultra Investments and Leasing Co. Private Limited			Liabilities :
- Reimbursement of expenses	—	—	0.093 crores Equity Shares (1.47%)
- Dividend paid	0.23	0.37	
(e) Time Square Investments Private Limited			Liabilities :
- Dividend paid	1.57	2.52	0.635 crores Equity Shares (10.07%)
(f) SPB Projects and Consultancy Limited			Assets :
- Reimbursement of expenses	0.02	0.04	Investments in: 0.01 crores Equity Shares (16.67%)
- Engineering and Technical Consultancy paid	0.81	1.73	
- Dividend paid	0.01	0.01	Liabilities :
			0.0011 crores Equity Shares (0.02%)

SESHASAYEE PAPER AND BOARDS LIMITED

(g) Remuneration to Whole-time Directors :

	Sri N Gopalaratnam Chairman	Sri K S Kasi Viswanathan Managing Director	Sri V Pichai Deputy Managing Director and Secretary
	₹ crores	₹ crores	₹ crores
Current Year 2021-22			
Short term employee benefits	2.08	1.89	0.81
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.17	0.14	0.14
Contribution to Provident Fund	0.09	0.08	0.08
	2.34	2.11	1.03
Payable as on 31-03-2022	0.71	0.60	0.01
Previous Year 2020-21			
Short term employee benefits	2.08	1.89	1.89
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.17	0.14	0.14
Contribution to Provident Fund	0.09	0.08	0.08
	2.11	2.11	2.11
Payable as on 31-03-2021	0.66	0.56	0.56

(h) Sitting fees and Commission to Non-Wholetime :

	2021-22	2020-21
	₹ crores	₹ crores
Sitting fees	0.23	0.20
Commission	0.57	0.71
	0.80	0.91
Payable at the end of the year	0.48	0.50

42 EARNINGS PER SHARE

	Year ended 31-03-2022	Year ended 31-03-2021
Profit after Tax (₹ crores)	103.10	100.27
Weighted average no of Shares :		
Issued and paid-up Ordinary Shares as at beginning of the year	6,30,68,140	6,30,68,140
Less : Investment by SPB Equity Shares Trust in the shares of the Company (Refer Note 1.19)	28,40,905	28,40,905
Weighted average number of shares as at period end for basic and diluted EPS	6,02,27,235	6,02,27,235
Basic earnings per share (₹)	17.12	16.65
Diluted earnings per Share (₹)	17.12	16.65

43 EMPLOYEE BENEFITS

(i) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company in the FY 2021-22, recognised ₹ 4.66 crores (Year ended March 31, 2021 ₹ 4.26 crores) for Provident Fund contributions and ₹ 0.32 crores (Year ended March 31, 2021 ₹ 0.32 crores) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans:

Gratuity (Funded) and Retirement Benefit Scheme (Unfunded)

In respect of Gratuity, the most recent actuarial valuation of the plan assets and in respect of Gratuity and Retirement benefit Scheme the present value of the defined benefit obligation were carried out by actuarial valuation . The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan and the Retirement benefit Scheme of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit and through annual contributions to the funds managed by the Life Insurance Corporation of India

The Company is exposed to various risks in providing the above gratuity benefit and Leave encashment which are as follows:

Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

43 EMPLOYEE BENEFITS (contd.)

Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	₹ crores	₹ crores	₹ crores	₹ crores
(i) Changes in Defined Benefit Obligations				
Present Value of - opening balance	35.49	34.75	1.30	1.30
Current Service Cost	2.11	2.00	0.07	0.07
Interest Cost	2.37	2.21	0.09	0.08
Actuarial (Gain) / Loss	(-1.08)	(-1.59)	(-0.03)	(-0.02)
Benefits paid	(-1.13)	(-1.87)	(-0.08)	(-0.13)
Present value - closing balance	37.76	35.50	1.35	1.30
(ii) Changes in the Fair Value of Plan Assets				
Opening Balance	33.86	33.19	—	—
Expected Return	2.34	2.12	—	—
Actuarial (gain) / loss	(-0.05)	0.01	—	—
Contributions by employer	2.43	0.40	0.08	0.13
Benefits paid	(-1.13)	(-1.87)	(-0.08)	(-0.13)
Closing Balance	37.45	33.85	—	—
Actual return	2.29	2.13	—	—
(iii) Amounts recognised in the Balance Sheet (as at year end)				
Present Value of Obligations	37.76	35.50	1.35	1.30
Fair Value of Plan Assets	37.45	33.85	—	—
Net Asset / (Liability) recognised	(-0.31)	(-1.65)	(-1.35)	(-1.30)

SESHASAYEE PAPER AND BOARDS LIMITED

43 EMPLOYEE BENEFITS (contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	₹ crores	₹ crores	₹ crores	₹ crores
(iv) Expenses recognised in the Profit and Loss account statement.				
Current Service Cost	2.11	2.00	0.07	0.07
Interest on obligation	0.03	0.09	0.09	0.08
Total included in Employee benefit expense	2.14	2.09	0.16	0.15
(V) Expenses recognized in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial Gain and Losses arising from changes in experience adjustment	0.60	0.96	0.03	0.03
- Actuarial Gain and Losses arising from changes in financial Assumption	0.48	0.63	0.00	(-)0.01
Return on plan assets	(-)0.05	0.01	—	—
Net cost in Other Comprehensive Income	1.03	1.60	0.03	0.02
Asset information				
- Insurer managed	100%	100%	NA	NA
Principal actuarial assumptions				
Mortality	Indian assured Lives Mortality (2012-14)			
Discount rate(%)	7.03	6.78	7.03	6.78
Future Salary increase (%)	8.00	8.00	NA	NA
Expected Rate of return of plan assets (%)	7.03	6.78	NA	NA
Expected average remaining working lives of employees (years)	10.30	9.30	NA	NA
Expected contribution (₹ in crores)	4.00	4.00		

43 EMPLOYEE BENEFITS (contd.)

The Company pays contributions to the insurer as determined by them. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds and Money Market Instruments. The expected rate of return on plan assets based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation. Significant actuarial assumptions for the determination of the defined benefit obligation are as discussed above.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	₹ crores	₹ crores	₹ crores	₹ crores
Discount Rate				
- 0.5% Increase	36.39	34.28	1.29	1.24
- 0.5% decrease	39.24	36.78	1.41	1.37
Salary Growth Rate				
- 0.5% Increase	39.26	36.81		
- 0.5% decrease	36.35	34.25		
Attrition Rate				
- 0.5% Increase	37.71	35.42		
- 0.5% decrease	37.83	35.57		

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity

43 EMPLOYEE BENEFITS (contd.)

outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 4.00 crores (Previous year Actual ₹ 2.42 crores).

44 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors at their meeting held on 7th May 2022

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N GOPALARATNAM
Chairman

V SRIDAR
S NARAYAN
A L SOMAYAJI
DR NANDITHA KRISHNA
MOHAN VERGHESE CHUNKATH
Directors.

N R Jayadevan
Membership No. 023838
Partner
Chartered Accountants
UDIN: 22023838AIODXT4109

N Krishnamurthy
Membership No. 019339
Partner
Chartered Accountants
UDIN: 22019339AIOGDF3630

K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

**Consolidated Financial Statements
for the year ended
31st March 2022**

SESHASAYEE PAPER AND BOARDS LIMITED

M/S MAHARAJ N R SURESH AND CO LLP

Chartered Accountants

M/S R SUBRAMANIAN AND COMPANY LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/s SESHASAYEE PAPER AND BOARDS LIMITED

Report on the audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of SESHASAYEE PAPER AND BOARDS LIMITED (hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as 'the Group') and its Associate which comprise the Consolidated Balance Sheet as at March 31, 2022 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended and Notes to the Consolidated Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its Associate as at March 31, 2022, of Consolidated Profit, Consolidated statement of changes in Equity, and its Consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group, its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statement in India in terms of the Code of Ethics issued by ICAI, and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of consolidated Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters & Conclusion
1. As on 31st March 2022, the company carries cash and bank balances of ₹364.19 crores (Excluding unpaid dividend). We considered the amount of cash and bank balance as a key audit matter given the relative size of the balance in the financial statements.	<ul style="list-style-type: none"> ◇ We have verified and tested the design and operating effectiveness of controls with regard to maintenance of cash balances and preparation of bank reconciliation statements. ◇ We have verified the cash balance at the end of the year as well as the bank reconciliation statements. ◇ We have also received confirmation of balances from banks directly which corroborates with the results of our audit procedures.
2. The addition to Property, Plant and Equipment (PPE), during the year, is ₹122.59 crores. The additions being significant to the total carrying value of PPE, we have considered this as a key audit matter .	<ul style="list-style-type: none"> ◇ We have verified the project report as approved by the Board. ◇ We have tested the internal control procedures for purchases, receipts, issues of capital items, direct and indirect expenditure, technical certification on "ready for use". ◇ Based on the test checks and audit procedures applied by us, we are satisfied on the additions to PPE.

Information Other Than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information, comprising of the Board's report and its annexures, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this 'other information', we are required to

report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged With Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Group, including its Associate, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the Companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associate and

for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Associate are responsible for assessing the ability of the group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- ◇ Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◇ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its Associate have adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- ◇ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◇ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associate to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate to cease to continue as a going concern.

- ◊ Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◊ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the consolidated financial statements of which one of us is the independent Auditors. For the associate included in the Consolidated Financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning

the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- (a) Financial statements / financial information of M/s Esvi International (Engineers & Exporters) Limited, a wholly owned Subsidiary whose financial statements / financial information reflect total assets of ₹ 2.76 crores as at March 31, 2022, total revenues of ₹ 0.33 crores and net cash inflows amounting to ₹ 0.01 crores for the year ended on that date, as considered in the Consolidated Financial Statements, have been audited by one of us.
- (b) The Consolidated Financial Statements also include the Company's share of Net Profit of ₹ 8.02 crores for the year ended March 31, 2022 as considered in the Consolidated Financial Statements, in respect of its Associate M/s Ponni Sugars (Erode) Limited whose financial statements / financial information have not been audited by us. These Financial Statements / financial information of this Associate have

been audited by other Auditors whose Reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amount and disclosures included in respect of this Associate, and our Report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associates is based solely on the Reports of the other Auditors.

- (c) The comparative financial information of the Group and its associate for the year ended 31st March, 2021 included in these consolidated financial statements, are based on the previously issued Consolidated financial statements audited by us for the year ended 31st March, 2021 dated 8th May, 2021.

Our opinion on the Consolidated Financial Statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the Reports of the Statutory Auditors of its Subsidiary Companies and associate company, none of the Directors of the Group company, its Associate company is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of Internal Financial controls with reference to the financial statements of the Group and its Associate, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group and its Associate to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group, its associate – Refer Note 38 to the Consolidated financial statements.
- ii. The Group, its Associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary and associate and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company and Associate incorporated in India.
- iv. (a) The respective Managements of the Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 37 D (b)(i) to the accounts, no funds have been advanced or loaned or invested (either

from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 37 D (b)(ii) to accounts, no funds have been received by the Company, subsidiary and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company subsidiary and associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary, associate and which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material mis-statement.

- v. (a) The final dividend paid by the company during the year in respect of the same declared

for the previous year is in accordance with Section 123 of the Act.

- (b) As stated in the Note 39 E to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act as applicable.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order 2020, to be included in the Auditors report, and based on the CARO reports issued by us for the Company and the subsidiary and audit report on the Associate by other auditors and included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in those CARO Reports.

For Maharaj N R Suresh and Co LLP

Chartered Accountants
Firm Regn. No. 001931S/S000020

N R Jayadevan

Membership No. 023838
Partner
UDIN : 22023838AIOHCA9863

For R Subramanian and Company LLP

Chartered Accountants
Firm Regn. No. 004137S/S200041

N Krishnamurthy

Membership No. 019339
Partner
UDIN : 22019339AIOGJA8059

Chennai
May 7, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SESHASAYEE PAPER AND BOARDS LIMITED.

Report on Internal Financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited Internal Financial controls with reference to the financial statements of SESHASAYEE PAPER AND BOARDS LIMITED (‘the Holding Company’) and its Subsidiary Company and Associate, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its Subsidiary Company and Associate which are companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Holding Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (‘the Act’).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Group Company’s and Associate’s Internal Financial controls with reference to the financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial controls with reference to the financial statements and their operating effectiveness. Our audit of Internal Financial controls with reference to the financial statements included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditors’ judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors in terms of their Reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls system over Financial Reporting of the Group and its Associate.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s Internal Financial controls with reference to the financial statements is

a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control Over Financial Reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to the financial statements

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of Internal Financial controls with reference to the financial statements to future periods are subject to the risk that the Internal Financial Control Over Financial Reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiary Company and its Associate incorporated in India has, in all material respects, an Internal Financial controls with reference to the financial statements and such Internal Financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on the Internal Control Over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

Our aforesaid Reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of Internal Financial controls with reference to the financial statements in so far as it relates to the Subsidiary and Associate which are companies incorporated in India, is based on the corresponding Reports of the Auditors of such companies incorporated in India.

For Maharaj N R Suresh and Co LLP

Chartered Accountants

Firm Regn. No. 001931S/S000020

N R Jayadevan

Membership No. 023838

Partner

UDIN : 22023838AIOHCA9863

For R Subramanian and Company LLP

Chartered Accountants

Firm Regn. No. 004137S/S200041

N Krishnamurthy

Membership No. 019339

Partner

UDIN : 22019339AIOGJA8059

Chennai

May 7, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No.	As At 31-03-2022	As At 31-03-2021
		₹ crores	₹ crores
(A) ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	813.81	732.82
(b) Capital Work-in-Progress	2(A)	13.87	32.20
(c) Other Intangible Assets	2(B)	1.24	1.54
(d) Investment Property	2(C)	1.24	1.26
(e) Financial Assets			
(i) Investments	3	177.95	152.49
(ii) Other Financial Assets	4	40.14	6.45
(f) Goodwill on Consolidation		11.78	11.78
(g) Other Non-current Assets	5	5.98	14.78
Total Non-current Assets		1066.01	953.32
2 Current Assets			
(a) Inventories	6	124.12	227.25
(b) Financial Assets			
(i) Trade Receivables	7	101.45	81.67
(ii) Cash and Cash Equivalents	8	116.17	113.60
(iii) Bank balances other than (ii) above	9	214.38	93.36
(iv) Others	10	7.25	0.23
(c) Other Current Assets	11	30.29	48.08
Total Current Assets		593.66	564.19
Total Assets		1659.67	1517.51
(B) EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	12	12.04	12.04
(b) Other Equity	13	1243.22	1130.69
Total Equity		1255.26	1142.73

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022 (Contd.)

Particulars	Note No.	As At 31-03-2022	As At 31-03-2021
		₹ crores	₹ crores
II LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	0.54	3.49
(ii) Lease Liabilities	15	—	0.02
(iii) Other Financial Liabilities	16	15.55	15.76
(b) Provisions	17	18.60	16.64
(c) Deferred Tax Liabilities (net)	18	123.98	119.88
(d) Other Non-current Liabilities	19	—	1.10
Total Non-current Liabilities		158.67	156.89
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	3.56	4.03
(ii) Lease Liabilities	21	0.02	0.26
(iii) Trade Payables			
A) Total outstanding dues of Micro Enterprises and Small Enterprises	22	15.15	10.31
B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	180.44	160.99
(iv) Other Financial Liabilities	23	29.90	23.83
(b) Other Current Liabilities	24	6.88	11.84
(c) Provisions	25	2.06	4.57
(d) Current Tax Liabilities	26	7.73	2.06
Total Current Liabilities		245.74	217.89
Total Equity and Liabilities		1659.67	1517.51

See accompanying Notes to the Standalone Financial Statements.

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N GOPALARATNAM
Chairman

V SRIDAR
S NARAYAN
A L SOMAYAJI
DR NANDITHA KRISHNA
MOHAN VERGHESE CHUNKATH
Directors.

N R Jayadevan
Membership No. 023838
Partner
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N Krishnamurthy
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K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year ended 31-03-2022		Year ended 31-03-2021	
		₹ crores	₹ crores	₹ crores	₹ crores
I Revenue from Operations	27	1355.20		782.06	
II Other Income	28	15.53		18.44	
III Total Income (I+II)			1370.73		800.50
IV Expenses					
Cost of Materials Consumed	29	612.99		459.48	
Purchase of Stock-in-Trade	30	25.54		23.97	
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	31	138.78		(-)97.40	
Employee Benefits Expense	32	84.59		81.34	
Finance Cost	33	2.87		2.91	
Depreciation and Amortisation Expenses	34	40.87		37.64	
Other Expenses	35	327.59		207.12	
Total Expenses (IV)			1233.23		715.06
V Profit before Exceptional Items and Tax (III-IV)			137.50		85.44
VI Exceptional Items			—		—
VII Profit / (Loss) Before Tax (V+VI)			137.50		85.44
VIII Share of Profits / (Loss) of Associate			8.02		7.07
IX Tax Expenses	36				
(1) Current Tax		34.61		18.49	
(2) Deferred Tax		0.89		(-)32.35	
			35.50		(-)13.86
X Profit / (Loss) for the period from Continuing Operations (VII+VIII-IX)			110.02		106.37

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
X Profit / (Loss) for the period from Continuing Operations (VII+VIII-IX)		110.02	106.37
XI Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Statement of Profit and Loss			
(i) Remeasurement benefit of the Defined Benefit Plans		1.06	1.62
(ii) Net Fair Value Gain on investment in Equity Instruments through OCI		17.02	41.24
(iii) Income Tax relating to items that will not be reclassified to Statement of Profit and Loss		(-)3.04	(-)3.00
		15.04	39.86
(iv) Share of OCI in Associate		1.61	1.74
B (i) Items that will be reclassified to Statement of Profit and Loss		0.68	—
(ii) Income Tax relating to items that will be reclassified to Statement of Profit and Loss		(-)0.17	—
		0.51	—
Total Other Comprehensive Income (A + B)		17.16	41.60
XII Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the Period) (X+XI)		127.18	147.97
XIII Earnings per Equity Shares	41		
(face value of ₹ 2 each)			
(1) Basic		18.27	17.66
(2) Diluted		18.27	17.66
See accompanying notes to the Standalone Financial Statements.			

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N GOPALARATNAM
Chairman

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K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A) EQUITY SHARE CAPITAL

Particulars	No. of Shares		₹ crores	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the reporting year	6,30,68,140	6,30,68,140	12.61	12.61
Changes in Equity Share Capital due to prior period errors	—	—	—	—
Restated balance at the beginning of the current reporting period	6,30,68,140	6,30,68,140	12.61	12.61
Changes in Equity Share Capital during the year	—	—	—	—
Balance at the end of the reporting year	6,30,68,140	6,30,68,140	12.61	12.61
Less : Adjustment for shares held by SPB Equity Shares Trust (Refer Note No.1.19)	28,40,905	28,40,905	0.57	0.57
Balance at the end of the reporting period after adjustment	6,02,27,235	6,02,27,235	12.04	12.04

B) OTHER EQUITY

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at March 31, 2021	37.16	3.60	800.04	217.98	83.84	(-)11.93	1130.69
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—
Restated balance at the beginning of the current reporting period (A)	37.16	3.60	800.04	217.98	83.84	(-)11.93	1130.69
Additions during the year							
Profit for the year	—	—	—	110.02	—	—	110.02
Items of OCI for the year (net of taxes)	—	—	—	0.80	—	—	0.80
Remeasurement benefit of Defined Benefit Plans	—	—	—	—	—	—	—
Net Fair Value Gain on Investment in equity Instruments through OCI	—	—	—	—	—	—	—
Share in OCI of Associate	—	—	—	1.61	14.24	—	14.24
Items that will be reclassified to Statement of Profit and loss	—	—	—	—	—	—	1.61
Total Comprehensive Income for the Year 2021-22 (B)	—	—	—	112.43	14.24	—	0.51
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.19) (C)	—	—	—	—	0.51	—	0.51
Reductions during the year							
Dividends	—	—	—	1.11	—	—	1.11
Transfer to General reserve	—	—	—	15.76	—	—	15.76
Total (D)	—	(-)100.00	(-)100.00	100.00	—	—	—
Balance as at March 31, 2022 (A+B+C-D)	37.16	3.60	900.04	215.76	98.08	(-)11.93	1243.22

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

₹ crores

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at April 01, 2020	37.16	3.60	700.04	233.02	45.32	(-)11.93	1007.21
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period (A)	37.16	3.60	700.04	233.02	45.32	(-)11.93	1007.21
Additions during the year							
Profit for the year	-	-	-	106.37	-	-	106.37
Items of OCI for the year (net of taxes)	-	-	-	1.34	-	-	1.34
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	-
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-	38.52	-	38.52
Share in OCI of Associate	-	-	-	1.74	-	-	1.74
Items that will be reclassified to Statement of Profit and loss	-	-	-	-	-	-	-
Total Comprehensive Income for the Year 2020-21 (B)	-	-	-	109.45	38.52	-	147.97
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.19) (C)	-	-	-	0.74	-	-	0.74
Reductions during the year							
Dividends	-	-	-	25.23	-	-	25.23
Transfer to General reserve	-	-	(-)100.00	100.00	-	-	-
Total (D)	-	-	(-)100.00	125.23	-	-	25.23
Balance as at March 31, 2021 (A+B+C-D)	37.16	3.60	800.04	217.98	83.84	(-)11.93	1130.69

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S/000020

N GOPALARATNAM
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CFO & Secretary

Chennai
May 07, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		137.50	85.44
Adjustments for:			
Add:			
Assets discarded		1.08	1.84
Depreciation	e ^	40.87	38.07
Allowance for Doubtful debts	35	—	—
Imputed Finance Charge on Interest Free Sales Tax Defferal Loan (IFSTD)	33	0.61	0.89
Finance charge on lease liability		0.02	0.04
Interest and financing charges		2.24	1.98
		44.82	42.82
		182.32	128.26
Less:			
Interest income from Term Deposits		7.24	9.85
Dividend Income from Investments	28b/c	1.07	0.62
Remeasurement of Defined benefit plan		(-)1.06	(-)1.62
Deferred income arising from government grant	28d	1.10	1.10
Interest income from Lease Deposit		0.01	0.01
Profit / (Loss) on sale of assets		0.03	0.22
		8.39	10.18
Operating profit before working capital changes		173.93	118.08
Changes in working capital:			
(Increase) / Decrease in Inventories	6	103.13	(-)57.81
(Increase) / Decrease in Trade Receivables	f ^	(-)19.78	(-)0.66
(Increase) / Decrease in Other Assets	g ^	20.79	(-)27.98
Increase / (Decrease) in Liabilities and Provisions	j ^	25.32	(-)21.57
		129.46	(-)108.02
Income tax paid		(-)28.93	(-)17.15
Net cash from operating activities *		274.46	(-)7.09
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	h ^	(-)104.28	(-)102.18
Outflow towards "Right to Use" Assets	40	(-)0.27	(-)0.27
Sale of Property, Plant and Equipment		0.03	1.58
Dividend Income from Investments	28b/c	2.25	1.56
Income From SPB Equity Shares Trust	13	1.11	0.74
(Increase) / Decrease in Term Deposits	i ^	(-)155.93	28.19
Interest income from Term Deposits		7.24	9.85
Income from Inter Corporate Deposit	g ^	—	2.58
Inter Corporate Deposit repayment received	g ^	—	4.40
Net cash used in investing activities		(-)249.85	(-)53.55

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Note No.	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	k [^]	(-)4.03	(-)3.35
Increase / (Decrease) in Secured Loans	k [^]	—	—
Dividend paid	13	(-)15.76	(-)25.23
Interest and financing charges paid	33	(-)2.25	(-)1.98
Net cash used in financing activities		(-)22.04	(-)30.56
Net increase in cash and cash equivalents (I)		2.57	(-)91.20
Cash and cash equivalents as at the beginning of the Year (II)		113.60	204.80
Cash and cash equivalents as at the end of the Year (I + II) **	8	116.17	113.60
** Includes following balances held in EEFC Accounts			
-- Amount in US \$ (Mn)		6.04	5.88
-- Equivalent amount in ₹ crores		45.71	42.54
-- Amount in Euro (Mn)		—	0.09
-- Equivalent amount in ₹ crores		—	0.80

* CSR Expenditure Outgo refer Note 37 (D) - ₹ 4.21 crores (Previous Year ₹ 4.77 crores)

^ - Refers to the Notes to Cash Flow Statement

Notes:

- a Cash and cash equivalents represent cash in hand and cash with Scheduled Banks including Term Deposits with original maturity of less than three months.
- b Cash from operating activities has been prepared following the indirect method.
- c Figures for the previous year have been re-grouped wherever necessary.
- d During the current year (and previous year), the Company did not have any change in liabilities arising from following financing activities, affecting the cashflows from financing activities:
 - (i) Changes arising from obtaining or losing control of subsidiaries or other businesses.
 - (ii) Changes in fair values
 - (ii) Impact of Changes in foreign exchange rates on Borrowings

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Refer Note	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
e Depreciation considered in Cash Flow Statement			
(i) Depreciation as per Profit & Loss Account	34	40.87	37.64
(i) Depreciation included in CSR Expenses	35	—	0.43
		40.87	38.07
f (Increase) / Decrease in Trade Receivables			
Changes in Trade Receivables as per Balance Sheet	7	(-)19.78	(-)0.66
Less: Changes in Impairment Provision	7	—	—
		(-)19.78	(-)0.66
g (Increase) / Decrease in Other Assets			
Changes as per Balance Sheet in:			
Other Non-current Financial Assets	4a	1.22	5.75
Other Non-current Assets	5	8.80	(-)1.21
Current Financial Assets - Others	10	(-)7.02	0.97
Other Current Assets	11	17.79	(-)26.51
		20.79	(-)21.00
Less : Adjustment for Inter Corporate Loan Repayment		—	4.40
Less : Adjustment for Receipt of Interest on Inter Corporate Loan		—	2.58
		20.79	(-)27.98
h Purchase of Property, Plant and Equipment			
Additions as per Property, Plant and Equipment	2	122.59	100.99
Additions as per Intangible Assets	2B	0.01	0.01
Changes in Capital Work in Progress	2A	(-)18.33	1.17
Additions as per Investment Property	2C	0.01	0.01
		104.28	102.18
Less : Lease Asset Addition Considered Separately		—	—
		104.28	102.18
i (Increase) / Decrease in Term Deposits			
Changes as per Balance Sheet in:			
Bank Deposits with more than 12 moths maturity	4b	(-)34.91	—
Bank Balance other than Cash and Cash Equivalents	9	(-)121.02	28.19
		(-)155.93	28.19

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Particulars	Refer Note	Year ended 31-03-2022	Year ended 31-03-2021
		₹ crores	₹ crores
j Increase / (Decrease) in Liabilities and Provisions			
Changes as per Balance Sheet in:			
Non Current - Lease Liabilities	15	(-)0.02	(-)0.26
Non-Current Other Financial Liabilities	16	(-)0.21	(-)1.17
Non-Current Provisions	17	1.96	(-)3.53
Current - Lease Liabilities	21	(-)0.24	0.03
Trade Payables	22	24.29	(-)23.70
Other Current Financial Liabilities	23	6.07	0.36
Other Current Liabilities	24	(-)4.96	6.49
Current Provisions	25	(-)2.51	(-)0.02
		24.38	(-)21.80
Add : Adjustment for Items that will be reclassified to P&L		0.68	—
Less : Lease Liability considered Separately		(-)0.26	(-)0.23
		25.32	(-)21.57
k Increase / (Decrease) in Borrowings			
Changes as per Balance Sheet in:			
Non-Current Borrowings	14	(-)2.95	(-)3.14
Current Maturities of Non Current Borrowings	20	(-)0.47	0.68
Imputed Interest on IFSTD	33	(-)0.61	(-)0.89
		(-)4.03	(-)3.35
Repayment in Unsecured Loans		(-)4.03	(-)3.35
Repayment in Secured Loans		—	—

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
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Directors.

Chennai
May 07, 2022

SESHASAYEE PAPER AND BOARDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company Background

M/s.Seshasayee Paper and Boards Limited – M/s. Esvi International (Engineers and Exporters Limited) its subsidiary and M/s.Ponni Sugars (Erode) Limited, its associate (collectively referred to as “The Company” or M/s.SPB Ltd or Group).

Seshasayee Paper and Boards Limited is a Company incorporated in India under the Companies Act, 1956; an existing Company under the Companies Act, 2013 and is domiciled in India. Its Registered Office is located at Pallipalayam, Cauvery R.S. (PO), Erode – 638 007, Namakkal District (Tamil Nadu). The Company's shares are listed in National Stock Exchange of India Ltd and BSE Ltd.

The Company is engaged in the business of manufacture and sale of printing and writing paper and has plants in two locations, one at Erode and another at Tirunelveli with an aggregate capacity to produce 255000 tonnes of paper, per annum.

1 Significant Accounting Policies and Key Accounting Estimates and Judgements

A. Significant Accounting Policies

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The company adopted Ind AS from 1st April 2017. Accounting Policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto adopted.

1.2 Basis of preparation and compliance

The financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the Accounting Policies set out below. The financial statements are prepared on a 'going concern' basis using accrual concept except for the cash flow information.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that the market participants would take into account when pricing the asset or liability at the measurement date, assuming the market participants act in their economic best interest. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS-2 – Inventories or Value in Use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable

and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as '--' in these financial statements.

Principles Used in Preparing Consolidated Financial Statements

The consolidated financial statements relate to Seshasayee Paper and Boards Limited with its wholly owned Subsidiary Esvi International (Engineers & Exporters) Limited and Associate Ponni Sugars (Erode) Limited. The financial statements have been prepared on the following basis.

- (i) The financial statements of parent and its Subsidiary is combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.
- (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (iii) Intercompany transaction, balances and unrealized gains on transactions between group companies are eliminated.
- (iv) Investments in Associate has been accounted under equity method as per Ind AS 28 – Investment in associate and joint venture. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.
- (v) The Company accounts for its share of post acquisition changes in net assets of associates after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its consolidated Statement of Profit and Loss.
- (vi) The difference between the cost of investments in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (vii) Consolidated Financial Statement are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

1.3 Current / Non-Current classification

An asset or liability is classified as Current if it satisfies any of the following conditions:

- (i) the asset / liability is expected to be realised / settled in the Company's normal operating cycle;

- (ii) the asset is intended for sale or consumption;
- (iii) the asset / liability is held primarily for the purpose of trading;
- (iv) the asset / liability is expected to be realised / settled within twelve months after the reporting period;
- (v) the asset is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (vi) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as Non-Current.

For the purpose of Current / Non-Current classification, the Company has reckoned its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

Deferred Tax Assets and Liabilities are classified as Non-Current.

Advances given towards acquisition of fixed assets, outstanding at each Balance Sheet date, are disclosed as Other Non-Current Assets.

1.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

The cost of an item of Property, Plant and Equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably

An item of PPE that qualifies for recognition as an Asset is measured on initial recognition at cost. Following initial recognition, PPEs are carried at their cost less accumulated depreciation and accumulated impairment losses, if any.

- (i) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPEs recognised as of April 1, 2016 (transition date), measured as per the previous IGAAP, as their deemed cost as on the transition date.
- (ii) The cost of an item of PPE comprises purchase price, taxes and duties, net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalised if the recognition criteria are met. Expenditure related to Plans, Designs and Drawings of Buildings or Plant and Machinery is capitalised under relevant heads of PPE if the recognition criteria are met.

SESHASAYEE PAPER AND BOARDS LIMITED

Borrowing Costs (net of interest earned on temporary investments of those borrowings) directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of the assets till the assets are substantially ready for their intended use.

- (iii) The Company identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant in relation to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.
- (iv) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred. All upgradation / enhancements are charged off as revenue expenditure unless they bring significant additional benefits.
- (v) Capital Advances and Capital Work-in-Progress :
Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation on these assets commences when the assets are ready for their intended use which is generally on commissioning.
- (vi) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, as specified under Schedule II, using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period and changes, if any, are treated as changes in accounting estimate.
- (vii) Estimated useful lives of the assets are as follows:

Asset	Years
Buildings	
Factory Buildings	30
Buildings other than factory buildings	60
Plant and Equipment (including continuous process plants)	
Generation, Transmission and Distribution of Power	40
Water Distribution Plant	30
Electric Distribution Plant	35
Other than above	25
Furniture and Fixtures	10
Vehicles	
Motor Cycles, Scooter and Mopeds	10
Other Vehicles	8
Office Equipment	5
IT Hardware	
Server	6
Other than Server	3

Assets costing ₹ 5,000/- and below are depreciated in full within the Financial Year.

1.5 Intangible Assets**a. Intangible Assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

b. Useful lives of Intangible Assets

Intangible Assets are amortised equally over the estimated useful life not exceeding ten years.

1.6 De-recognition of Tangible and Intangible Assets

An item of Tangible and Intangible Asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Tangible and Intangible Assets is determined as the difference between the sales proceeds, if any, and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.7 Impairment of Tangible and Intangible Assets

The Company annually reviews the carrying amounts of its Tangible and Intangible Assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.8 Revenue Recognition,**a. Revenue from Contracts with Customers**

Revenue is recognised at a point in time upon transfer of control of the products to customers. Transfer of control happens, when the products are delivered to the common carrier.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the actual underlying performance obligation that corresponds to the progress by the customer / indenter towards earning the discount / incentive

b. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate method.

1.9 Inventories

Inventories are valued at lower of cost and net realisable value. Materials and other items intended for use in the production of inventories are not written-down below cost, if the finished goods in which they will be incorporated or expected to be sold at or above cost. Cost includes taxes and duties (other than taxes and duties for which input credit is available), freight and other direct expenses. Stocks of Raw Materials, Stores, Spares, and Chemicals, Fuels and Others are valued at cost on weighted average basis. Finished Goods / Work-in-Process are valued at cost and cost includes material, direct labour, overheads (other than administrative overheads that do not contribute to bring the inventories to the present location and condition and selling costs) incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are periodically identified and provision is made where necessary.

1.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

1.11 Government grants

Government Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government Grants, relating to income, are recognised in the Statement of Profit and Loss on a systematic basis over the period in which the Company recognises as expense the related costs which the grants are intended to compensate. Government Grants, whose primary condition is that the Company should purchase, construct or otherwise acquire assets, are deducted from the carrying amount of the asset.

Government Grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Income from such benefit is recognised on a straight-line basis over the period of the loan during which the Company recognises interest expense under EIR method on such loans.

Export Benefits are recognized as Income in the year of exports. Entitlement pending realisation are disclosed under Other Financial Assets.

1.12 Employee Benefits**a. Short Term Employee Benefits**

All employee benefits payable wholly within twelve months after the end of the annual reporting period of rendering the service are classified as Short Term Employee Benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of Short Term Employee Benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b. Post Employment Benefits**(i) Defined Contribution Plans**

Payments to Defined Contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions to Provident Fund and Superannuation Fund are treated as Defined Contribution Plans, since funded with Provident Fund Commissioner (as per the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952) and Life Insurance Corporation of India, respectively.

(ii) Defined Benefit Plans

For Defined Benefit Retirement Plans, the cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each annual reporting date. The Defined Benefit Obligations recognised in the Balance Sheet represent the present value of the Defined Benefit Obligations as reduced by the fair value of plan assets, if applicable. Any Defined Benefit Asset (negative defined

benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan. Gratuity and Retirement Benefit Schemes operated by the Company are treated as Defined Benefit Plans.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ asset are recognised in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ asset comprising actuarial gains and losses and the return on the plan assets excluding amounts included in net interest on the net defined benefits liability/ asset, are recognised in Other Comprehensive Income and taken to 'retained earnings'. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability / asset as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary. However, the liability towards gratuity, if any, is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

c. Other Long-term Employee Benefits

Entitlement to annual leave and sick leave are recognised when they accrue to employees. Annual leave/ sick leave can be availed or encashed either during service or on retirement subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each annual reporting date. The liability is not funded.

1.13 Lease Accounting

The Company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application. Consequently, the application of the standard has no transition impact.

The Company, as on March 31, 2022, didn't have any transaction of lease, as a lessor. The Company, as a lessee, recognises, at inception of a contract, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the Company recognizes the lease payment as an expense on a straight line basis over the term of the lease.

At commencement date, the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rate.

Lease liability and ROU asset are separately presented in the Balance Sheet. Lease payments are classified as financing cash flows while short-term lease payments, payment for leases of low value assets are classified within operating activities.

1.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Statement of Profit and Loss (FVTPL) are recognised immediately in Statement Profit and Loss.

1.16 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a. Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost. The debt instruments carried at amortised cost include Deposits, Loans and Advances recoverable in cash.

- ◇ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ◇ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets are subsequently measured at fair value.

b. Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of Profit and Loss.

c. Investments in Equity Instruments at FVTOCI

(i) Investments in Equity Instruments in Subsidiary and Associates :

The Company has elected to carry investment in Equity Instruments in Subsidiary and Associates at cost in accordance with Paragraphs 10 of 'Ind AS27 – Separate Financial Statements'.

(ii) Investments in Other Equity Instruments:

The Company has irrevocably designated to carry investment in Other Equity Instruments at Fair Value through Other Comprehensive Income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in Fair Value in Other Comprehensive Income pertaining to Investments in Equity Instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for Equity Instruments through Other Comprehensive Income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within Equity.

The Company has Equity Investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (see Note 3). Fair value is determined in the manner described in Note 1.2.

d. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses “Expected Credit Loss” (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- ◇ The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ◇ Full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to life time expected credit losses.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

e. Derecognition of Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109

Concomitantly, if the asset is one that is measured at:

- a) Amortised cost, the gain or loss is recognised in the Statement of Profit and Loss.
- b) Fair value through Other Comprehensive Income, the cumulative fair value adjustments previously taken to Reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to Reserves is reclassified within equity.

1.17 Financial Liabilities and Equity Instruments**a. Classification as Debt or Equity**

Debt and Equity instruments issued by the Company are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs.

c. Financial Liabilities

All financial liabilities are initially recognised at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at

FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance Costs' line item.

d. Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

1.18 Derivative Financial Instruments and Hedge Accounting

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, by means of foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates hedging instruments in respect of foreign currency risk as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Other Comprehensive Income and are accumulated as 'cash flow hedge reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The cumulative gain or loss previously recognised in Other Comprehensive Income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in Other Comprehensive Income is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in Other Comprehensive Income is transferred to the Statement of Profit and Loss in the same period when the hedged item affects Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the Other Comprehensive Income is transferred to the Statement of Profit and Loss.

Fair Value Hedges

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item in foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to Statement of Profit and Loss from that date.

1.19 Treatment of shares held by SPB Equity Shares Trust

Pursuant to the Scheme of Amalgamation of SPB Papers Limited with the Company, 568181 Equity Shares with face value of ₹ 10 each (28 40 905 Equity Shares of face value of ₹ 2 each, after stock-split) were allotted to SPB Equity Shares Trust and approved by the High Court of Madras to the benefit of the Company, in the financial year 2012-13.

The original cost of the investment is adjusted in other equity as under:

- a) To the extent of Face/Nominal value is deducted from Equity Share capital
- b) Balance is reduced from other equity under a separate reserve

The dividend received by the Company from SPB Equity Shares Trust, is taken to retained Earnings.

1.20 Foreign Currency Transactions**a. Initial Recognition**

On initial recognition, transactions in foreign currencies are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

b. Measurement of Foreign Currency items at reporting date

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

c. Recognition of Exchange Difference

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in Statement of Profit and Loss in the period in which they arise.

The advance, paid in Foreign Currency to the Suppliers and the advance, received in Foreign Currency from the Customers are treated as non-monetary assets and non-monetary liabilities respectively and consequently, doesn't result in exchange fluctuation at the date of fair valuation.

1.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.22 Taxes on Income

Taxes on income comprise of Current Tax and Deferred Tax.

a. Current Tax

Current Tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (temporary differences) and items that are never taxable or deductible (permanent differences) under the Income Tax Act, 1961.

Current Tax is measured using tax rates and tax laws enacted at the end of the reporting period together with any adjustment to tax payable in respect of previous years.

b. Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax, 1961.

Deferred Tax liabilities are recognised for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the accounting profit nor the taxable profit, deferred tax liabilities are not recognised.

Deferred Tax assets are recognised for all deductible temporary differences to the extent it is probable that future taxable profits will be available against which those deductible temporary difference can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets or liabilities are not recognised.

Deferred Tax Assets on account of carry forward allowances / losses are recognised, when there is a reasonable certainty that assets will be realized in the near future.

The carrying amount of Deferred Tax Assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled based on the tax rates that have been enacted or substantially enacted by the end of the reporting period in which those temporary differences are expected to be recovered or settled.

c. Current and Deferred Tax for the year

Current and Deferred Tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in Equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

1.23 Ind AS 12 – Uncertainty over Income Tax Treatments

The Company has adopted the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. However, application of this Standard from 01-04-2019 does not have any significant impact for the Company.

In respect of uncertainty in tax assessment, provision is made if liability is more probable; else it is disclosed as contingent liability.

1.24 Recent Pronouncements

1. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16–Property Plant and equipment–The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property ,plant ,and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has not earned any revenue from test runs of assets capitalised/work in progress during the year.

2. Amendment to Division II to Schedule III:

MCA vide notification dated 24.03.2021 made minor modifications to the existing disclosure requirements and further additional disclosures to be made in the Financial statements are introduced under Division II Schedule III. This is applicable for the financial statements prepared for the period from 01.04.2021. The company has examined these amendments and has made necessary disclosures that are applicable. The comparatives also been presented in line with the amendments made to Division II Schedule III.

1.25 Events after reporting period

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size of nature are only disclosed.

1.26 Financial and Management Information System

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

1.27 Segment Reporting

The Company is engaged in the business of manufacture and sale of writing and printing paper and paper boards and there are no other reportable segments of operation of the Company.

1.28 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

For the purpose of computation of weighted average number of equity shares outstanding, the no. of equity shares held by SPB Equity Shares Trust in the Company, is reduced.

B. Key Accounting Estimates and Judgments**1.1 Use of Estimates**

The preparation of financial statements in conformity with IndAS requires Management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

1.2 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

b. Useful life of Property, Plant and Equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

c. Cash Discounts

In accordance with Ind AS-115, the Company deducts cash discounts from the revenue for sale of products. Cash discounts, on the sale of products in the last month of the year, is estimated based on the past experience

d. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the State of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

e. Claims, Provisions and Contingent Liabilities

The Company has ongoing discussions / litigations with various regulatory authorities, trade unions and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute or settlements can be made based on Management's assessment of specific circumstances of each dispute and relevant external advice, Management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

f. Tax Expense

Significant judgments and estimates are involved in estimating the budgeted profits for the purposes of advance tax, determining the provision for income tax, Minimum Alternate Tax and MAT Credit which may get revised pursuant to the determination by the Income Tax Authorities.

g. Others

The Company has considered the possible effects that may result from Covid-19 pandemic on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, expects the carrying amount of these assets will be recovered.

SESHASAYEE PAPER AND BOARDS LIMITED

2 PROPERTY, PLANT AND EQUIPMENT

₹ crores

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount		
	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021	
LAND	4.17	—	—	4.17	-	—	—	—	4.17	4.17	
BUILDINGS											
- FREE HOLD	112.11	0.00	0.39	111.72	21.55	4.20	0.12	25.63	86.09	90.56	
- RIGHT OF USE ASSETS	0.88	—	—	0.88	0.49	0.25	—	0.74	0.14	0.39	
(Refer Note. No. 1.13)											
PLANT AND EQUIPMENT	775.14	121.59	1.12	895.61	141.34	35.29	0.32	176.31	719.30	633.80	
FURNITURE AND FIXTURES	2.13	0.04	—	2.17	0.44	0.07	—	0.51	1.66	1.69	
VEHICLES	2.21	0.29	0.01	2.49	1.33	0.17	—	1.50	0.99	0.88	
OFFICE EQUIPMENT	3.47	0.67	0.01	4.13	2.14	0.54	0.01	2.67	1.46	1.33	
	900.11	122.59	1.53	1021.17	167.29	40.52	0.45	207.36	813.81	732.82	

Refer Note No 39(C) (3) (i) for charge created on Property, Plant and Equipment

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount		
	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020	
LAND	4.17	—	—	4.17	—	—	—	—	4.17	4.17	
BUILDINGS											
- FREE HOLD	108.46	4.03	0.38	112.11	16.99	4.61	0.05	21.55	90.56	91.47	
- RIGHT OF USE ASSETS	0.88	—	—	0.88	0.24	0.25	—	0.49	0.39	0.64	
PLANT AND EQUIPMENT	682.19	96.36	3.41	775.14	110.07	31.81	0.54	141.34	633.80	572.12	
FURNITURE AND FIXTURES	1.95	0.18	—	2.13	0.34	0.10	—	0.44	1.69	1.61	
VEHICLES	2.22	—	0.01	2.21	1.14	0.20	0.01	1.33	0.88	1.08	
OFFICE EQUIPMENT	3.05	0.42	—	3.47	1.63	0.51	—	2.14	1.33	1.42	
	802.92	100.99	3.80	900.11	130.41	37.48	0.60	167.29	732.82	672.51	

SESHASAYEE PAPER AND BOARDS LIMITED

2 (A) CAPITAL WORK IN PROGRESS

₹ crores

Description	Net Carrying Amount	
	As at 31-03-2022	As at 31-03-2021
Opening Balance	32.20	31.03
Add: Additions to Capital Work In Progress during the year ^	104.27	102.17
Less: Assets Capitalised during the year **	122.60	101.00
Closing Balance	13.87	32.20

** Includes Intangible assets capitalised during the year (Refer Note No. 1.5 and 2B)

^ Includes following expenses capitalised during the year, as directly related to Project Implementation

- (a) Insurance - ₹ 0.008 crores (Previous Year - Nil)
- (b) Employee Benefits - ₹ 2.67 crores (Previous Year - ₹1.95 crores)
- (c) Interest capitalised - ₹ Nil (Previous Year -Nil)
- (d) Bank Charges - Nil (Previous Year - ₹ 0.08 crores)
- (e) Cost of Materials consumed during trials - ₹ 4.19 crores (Previous Year - ₹10.17 crores)
- (f) Other expenses - ₹ 1.78 crores (Previous Year - ₹ 0.81 crores)

2(B) OTHER INTANGIBLE ASSETS

Description	Gross carrying Amount				Amortisation			Net Carrying Amount		
	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deductions/ Adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
COMPUTER SOFTWARE	1.76	0.01	–	1.77	0.71	0.22	–	0.93	0.84	1.05
TECHNICAL KNOW-HOW	1.41	–	–	1.41	0.92	0.09	–	1.01	0.40	0.49
	3.17	0.01	–	3.18	1.63	0.31	–	1.94	1.24	1.54

Description	Gross carrying Amount			Amortisation				Net Carrying Amount		
	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
COMPUTER SOFTWARE	1.75	0.01	—	1.76	0.19	0.52	—	0.71	1.05	1.56
TECHNICAL KNOW-HOW	1.41	—	—	1.41	0.89	0.03	—	0.92	0.49	0.52
	3.16	0.01	—	3.17	1.08	0.55	—	1.63	1.54	2.08

- 2 (i) Refer Note No 38(A)(b) (i) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

SESHASAYEE PAPER AND BOARDS LIMITED

2(C) : INVESTMENT PROPERTY

₹ crores

Description	Gross Carrying Amount			Depreciation / Amortisation				Net Carrying Amount		
	As at 01-04-2021	Additions	Deductions	As at 31-03-2022	Upto 01-04-2021	For the year	Withdrawn	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
LAND	0.05	—	—	0.05		—	—	—	0.05	0.05
BUILDINGS	1.25	0.01	—	1.26	0.10	0.02	—	0.12	1.14	1.15
PLANT AND EQUIPMENT	0.14	—	—	0.14	0.08	0.02	—	0.09	0.05	0.06
FURNITURE AND FIXTURES	0.03	—	—	0.03	0.03	—	—	0.03	—	—
	1.47	0.01	—	1.48	0.21	0.04	—	0.24	1.24	1.26

₹ crores

Description	Gross Carrying Amount			Depreciation / Amortisation				Net Carrying Amount		
	As at 01-04-2020	Additions	Deductions	As at 31-03-2021	Upto 01-04-2020	For the year	Withdrawn	Upto 31-03-2021	As at 31-03-2021	As at 31-03-2020
LAND	0.05	—	—	0.05		—	—	—	0.05	0.05
BUILDINGS	1.25	—	—	1.25	0.08	0.02	—	0.10	1.15	1.17
PLANT AND EQUIPMENT	0.13	0.01	—	0.14	0.06	0.02	—	0.08	0.06	0.07
FURNITURE AND FIXTURES	0.03	—	—	0.03	0.03	—	—	0.03	—	—
	1.46	0.01	—	1.47	0.17	0.04	—	0.21	1.26	1.29

i) Fair value as on 31-03-2022 is ₹ 37.30 crores (Previous Year ₹ 36.74 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	No of shares	Face Value	As at 31-03-2022 ₹ crores	As at 31-03-2021 ₹ crores
3 INVESTMENTS				
Non Current Investments				
A. Investments in Equity Instruments				
a. Quoted Equity Shares				
(i) Associate (Measured using Equity Method)				
Ponni Sugars (Erode) Limited				
Carrying amount of Investment #	2365062	10	69.00	60.55
(ii) Others				
Investments Measured at Fair Value through Other Comprehensive Income				
Housing Development Finance Corporation Limited	265830	2	63.54	66.41
HDFC Bank Limited	5000	1	0.74	0.75
High Energy Batteries (India) Limited	282911	10	42.88	23.20
Tamilnadu Newsprint and Papers Limited	100000	10	1.68	1.47
Total Quoted Equity Shares			177.84	152.38
b. Unquoted Equity Shares				
(i) Others				
Investments Measured at Fair Value through Other Comprehensive Income				
SPB Projects and Consultancy Limited	52250	10	0.05	0.05
Time Square Investments Private Ltd	55000	10	0.06	0.06
Total Unquoted Equity Shares			0.11	0.11
Total Investments In equity Instruments			177.95	152.49
# Carrying amount includes the following:				
Goodwill			4.49	4.49
Share of Profit for the year			9.63	8.81
Aggregate amount of :				
Quoted Investments - At Cost			24.62	24.62
Quoted Investments - At Market value			163.28	126.75
Unquoted Investments - At Cost			0.11	0.11

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022 ₹ crores	As at 31-03-2021 ₹ crores
4 OTHER FINANCIAL ASSETS		
(Non current)		
(a) Security Deposit	5.23	6.45
(b) Bank Deposits with more than 12 months Maturity **	34.91	—
	40.14	6.45
** Includes ₹ 23.15 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - NIL)		
5 OTHER NON CURRENT ASSETS		
Capital Advances	0.90	10.59
Prepaid expenses	0.79	—
Charges paid under Protest **	4.29	4.19
	5.98	14.78
** Includes		
- Energy Charges paid under protest to TNERC (Refer Note No. 38(A)(a)(iv))	2.00	2.00
- Duties & Taxes paid under protest (Refer Note No. 38(A)(a)(i))	0.55	0.28
- Grid Paralleling Charges paid under protest (not in the nature of Contingent Liability)	1.11	1.11
- Other duties and taxes paid under protest (not in the nature of Contingent Liability)	0.63	0.80
6 INVENTORIES		
Raw Materials *	52.70	29.05
Work- in- Progress	5.44	5.65
Finished Goods	11.07	148.94
Stock-in-Trade	3.72	4.42
Stores and Spares (Note 1)	16.00	15.02
Chemicals, Fuels and others # (Note 2)	35.19	24.17
	124.12	227.25
* Includes Material In Transit	14.59	7.69
# Includes Material In Transit	4.27	2.61

(For method of valuation, please refer to Note No.1.9)

(For security created on Inventories, please refer Note No.39(C)(3)(i))

Note 1: The Inventory is net of provisions for non-moving inventory of ₹ 0.11 crores (Previous Year ₹ 0.08 crores)

Note 2: The Inventory is net of provisions for non-moving inventory of ₹ 0.34 crores (Previous Year ₹ 0.12 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
7 TRADE RECEIVABLES		
a) Considered Good - Secured	34.37	30.67
b) Considered Good - Unsecured	67.08	51.00
c) Have significant increase in credit risk	—	—
d) Credit impaired.	1.93	1.93
Less: Allowance for bad and doubtful debts	(-)1.93	(-)1.93
	<u>101.45</u>	<u>81.67</u>

(Please refer Note No.39(C)(3)(i) for security created on Receivables)

Trade Receivables ageing schedule : As at 31-03-2022

₹ crores

Particulars	Not Due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	93.74	5.93	0.13	0.96	0.29	0.40	101.45
(ii) Have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Credit impaired	—	—	—	—	—	0.53	0.53
DISPUTED							
(iv) Considered good	—	—	—	—	—	—	—
(v) Have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Credit impaired	—	—	—	—	—	1.40	1.40
	<u>93.74</u>	<u>5.93</u>	<u>0.13</u>	<u>0.96</u>	<u>0.29</u>	<u>2.33</u>	<u>103.38</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>101.45</u>

Trade Receivables ageing schedule : As at 31-03-2021

₹ crores

Particulars	Not Due	Outstanding from due the date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	69.57	5.11	5.27	0.52	0.08	1.12	81.67
(ii) Have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Credit impaired	—	—	—	—	—	0.53	0.53
DISPUTED							
(iv) Considered good	—	—	—	—	—	—	—
(v) Have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Credit impaired	—	—	—	—	—	1.40	1.40
	<u>69.57</u>	<u>5.11</u>	<u>5.27</u>	<u>0.52</u>	<u>0.08</u>	<u>3.05</u>	<u>83.60</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>81.67</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
8 CASH AND CASH EQUIVALENTS		
Balances with banks	58.94	58.39
Term deposits with original maturity of less than 3 months	57.04	55.04
Cash on hand	0.19	0.17
	<u>116.17</u>	<u>113.60</u>
9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	1.27	1.25
Term deposits with original maturity for more than 3 months but less than 12 months *	213.11	92.11
	<u>214.38</u>	<u>93.36</u>
* Includes ₹ 115.75 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 40.88 crores)		
10 OTHER CURRENT FINANCIAL ASSETS		
a) Export Incentive Receivable *	6.51	0.18
b) Fair Value of Derivatives (Net)	0.69	—
c) Security Deposits	0.05	0.05
	<u>7.25</u>	<u>0.23</u>
* Includes scrip / scrolls received and pending utilisation		
11 OTHER CURRENT ASSETS		
a) Advances / Claims Recoverable	8.13	12.25
b) Balance with Government Authorities		
- GST Receivable	16.34	30.40
c) Prepaid expenses	2.91	3.41
d) Advance to Employees	0.30	0.31
e) Other receivable	2.61	1.71
	<u>30.29</u>	<u>48.08</u>

12 EQUITY SHARE CAPITAL

12 EQUITY SHARE CAPITAL		₹ crores
	As at 31-03-2022	As at 31-03-2021
Authorised		
20 00 00 000 - Equity Shares of ₹ 2 each	40.00	40.00
3 00 00 000 - Cumulative Redeemable Preference Shares of ₹ 10 each	30.00	30.00
	70.00	70.00
Issued, Subscribed and Fully paid up:		
6 30 68 140 Equity Shares of ₹ 2 each	12.61	12.61
Less : Adjustment for shares held by SPB Equity Shares Trust (Refer Note No.1.19)	0.57	0.57
	12.04	12.04

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31-03-2022		As at 31-03-2021	
	No of Shares	₹ crores	No of Shares	₹ crores
At the beginning of the year	6,30,68,140	12.61	6,30,68,140	12.61
Change During the Year	—	—	—	—
At the end of the year	6,30,68,140	12.61	6,30,68,140	12.61

b) Terms / rights attached to Equity Shares

The Equity Shares of the Company having par value of ₹ 2 per share rank pari passu in all respects, including voting rights, dividend entitlement and repayment of capital.

c) Details of shareholders holding more than 5% Equity Shares in the Company

Name of Share Holders	As at 31-03-2022		As at 31-03-2021	
	No of Shares	% of Shareholding	No of Shares	% of Shareholding
(a) Tamilnadu Industrial Investment Corporation Limited	90,00,000	14.27	90,00,000	14.27
(b) Ponni Sugars (Erode) Ltd (Associate)	88,40,905	14.02	88,40,905	14.02
(c) Synergy Investments Pte Ltd	77,38,475	12.27	77,38,475	12.27
(d) Time Square Investments (P) Ltd	63,48,105	10.07	62,88,105	9.97
(e) Atyant Capital India Fund I	33,83,140	5.36	33,83,140	5.36

d) Shareholding of Promoters

Sl. No	Promoter name	As at 31-03-2022			As at 31-03-2021		
		No. of Shares	% of total shares	Change in %	No. of Shares	% of total shares	Change in %
1	Ponni Sugars (Erode) Limited	88,40,905	14.02	-	88,40,905	14.02	-
2	Synergy Investments Pte Limited	77,38,475	12.27	-	77,38,475	12.27	-
3	Time Square Investments Private Limited	63,48,105	10.07	0.10	62,88,105	9.97	-
4	Dhanashree Investments Private Limited	29,51,290	4.68	-	29,51,290	4.68	-
5	Ultra Investments and Leasing Co.Pvt Ltd	9,26,480	1.47	-	9,26,480	1.47	-
6	High Energy Batteries (India) Limited	51,645	0.08	-	51,645	0.08	-
7	SPB Projects and Consultancy Limited	11,360	0.02	-	11,360	0.02	-
8	N Gopalaratnam	78,155	0.12	0.05	46,155	0.07	-
9	K S Kasi Viswanathan	2,910	0.00	-	2,910	0.00	-
10	V Pichai	42,695	0.07	-	42,695	0.07	-
		2,69,92,020	42.80	0.15	2,69,00,020	42.65	-

13 OTHER EQUITY

₹ crores

Particulars	Reserves and Surplus				Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as at April 01, 2021	(A)	37.16	3.60	800.04	217.98	83.84	(-)11.93	1130.69
Additions during the year:								
Profit for the year	—	—	—	110.02	—	—	—	110.02
Items of OCI for the year (net of taxes)	—	—	—	—	—	—	—	—
Remeasurement of Defined Benefit Plans	—	—	—	0.80	—	—	—	0.80
Net Fair Value Gain on Investment in Equity Instruments through OCI	—	—	—	—	14.24	—	—	14.24
Share in OCI of Associate	—	—	—	1.61	—	—	—	1.61
Items that will be reclassified to Statement of Profit and Loss	—	—	—	—	—	0.51	—	0.51
Total Comprehensive Income for the Year 2021-22	(B)	—	—	112.43	14.24	0.51	—	127.18
Income from SPB Equity Shares Trust (C) (Refer Note No.1.19)	—	—	—	1.11	—	—	—	1.11
Reductions during the Year								
Dividend	—	—	—	15.76	—	—	—	15.76
Transfer to General reserve	—	—	(-)100.00	100.00	—	—	—	—
Total	(D)	—	(-)100.00	115.76	—	—	—	15.76
Balance as at March 31, 2022 (A+B+C-D)	37.16	3.60	900.04	215.76	98.08	0.51	(-)11.93	1243.22

Particulars	Reserves and Surplus				Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.19)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as at April 01, 2020	37.16	3.60	700.04	233.02	45.32	-	(-)11.93	1007.21
Additions during the year:								
Profit for the year	-	-	-	106.37	-	-	-	106.37
Items of OCI for the year (net of taxes)	-	-	-	-	-	-	-	-
Remeasurement of Defined Benefit Plans	-	-	-	1.34	-	-	-	1.34
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-	38.52	-	-	38.52
Share in OCI of Associate	-	-	-	1.74	-	-	-	1.74
Items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year 2020-21	-	-	-	109.45	38.52	-	-	147.97
Income from SPB Equity Shares Trust (Refer Note No.1.19)	-	-	-	0.74	-	-	-	0.74
Reductions during the Year								
Dividend	-	-	-	25.23	-	-	-	25.23
Transfer to General reserve	-	-	(-)100.00	100.00	-	-	-	-
Total	-	-	(-)100.00	125.23	-	-	-	25.23
Balance as at March 31, 2021 (A+B+C-D)	37.16	3.60	800.04	217.98	83.84	-	(-)11.93	1130.69

Description of nature and purpose of each reserve :

General Reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of Equity to another and is not an item of Other Comprehensive Income. It is a free reserve created to enhance the Net Worth of the Company and is available for distribution to the shareholders of the Company.

Capital Reserve

Capital Reserve represents gain of a capital nature and is not available for dividend declaration..

Securities Premium Account

Securities Premium account records the premium component on issue of shares and can be utilised in accordance with the provisions of Companies Act, 2013.

Cash Flow Hedge Reserve

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Other Comprehensive Income and are accumulated as 'cash flow hedge reserve. This reserve will be transferred to Statement of Profit and Loss, on expiry / settlement / closure / ineffectiveness of the hedge.

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
14 BORROWINGS		
(Non-Current Financial Liabilities)		
Unsecured		
From others - Interest Free Sales Tax Loan	<u>0.54</u>	<u>3.49</u>
	<u>0.54</u>	<u>3.49</u>
14(i) Interest free loan under Sales Tax Deferment Scheme of Government of Tamil Nadu :		
Interest free loan under Sales tax Deferment Scheme of Government of Tamil Nadu has a deferment period of 10 years from 01.06.2013. Out of total loan of ₹ 47.64 crores, the Company has already repaid ₹ 43.27 crores up to March 31, 2022.		
The Company has adopted previous GAAP for the carrying amount of the loan at the date of transition and has applied Ind AS 109 after the date of Transition.		
Loan outstanding as at April 01, 2016 was valued at fair value and the difference between gross outstanding and fair value of loan was the benefit derived from interest free loan and is recognised as deferred income. Interest on the loan is recognised in the Statement of Profit and Loss applying effective interest rate of 10%. (Refer Note No. 1.11).		
(ii) Default in Repayment of principal and Interest - NIL		
15 LEASE LIABILITIES		
(Non-Current Financial Liabilities)		
Lease Liabilities	<u>-</u>	<u>0.02</u>
	<u>-</u>	<u>0.02</u>
16 OTHER FINANCIAL LIABILITIES		
(Non-Current Financial Liabilities)		
Security Deposits	<u>15.55</u>	<u>15.76</u>
	<u>15.55</u>	<u>15.76</u>
17 PROVISIONS		
(Non-Current Liabilities)		
a) Provision for Employee Benefits		
Provision for Leave Encashment and Retirement Fund	<u>10.49</u>	<u>8.53</u>
b) Others		
Provision for Generation tax *	<u>8.11</u>	<u>8.11</u>
	<u>18.60</u>	<u>16.64</u>

* Provisions made during the Year ₹ 2.07 crores (Previous Year ₹ 1.79 crores)

* Settled during the Year ₹ 2.06 crores (Previous Year ₹ 5.58 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

18 DEFERRED TAX LIABILITY (NET)

₹ crores

Particulars	As at 01-04-2021	Recognised in		As at 31-03-2022
		Statement of P&L during 2021-22	OCI 2021-22	
Deferred Tax Liabilities				
Difference between WDV of Fixed Assets as per the books of accounts and Income Tax, Act 1961.	127.31	(-)0.49	–	126.82
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-)7.34	1.12	–	(-)6.22
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	(-)0.47	0.26	–	(-)0.21
Taxes on Items of Other Comprehensive Income	0.38	–	3.04	3.42
Income Tax relating to items that will be reclassified to Statement of Profit and Loss	–	–	0.17	0.17
Deferred Tax Liability	119.88	0.89	3.21	123.98

Particulars	As at 01-04-2020	Recognised in		As at 31-03-2021
		Statement of P&L during 2020-21	OCI 2020-21	
Deferred Tax Liabilities				
Difference between WDV of Fixed Assets as per the books of accounts and Income Tax, Act 1961.	166.88	(-)39.57	–	127.31
Deferred Tax Assets				
Expenses claimed for tax purpose on payment basis	(-)7.23	(-)0.11	–	(-)7.34
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	(-)0.52	0.05	–	(-)0.47
Taxes on Items of Other Comprehensive Income	(-)2.62	–	3.00	0.38
Income Tax relating to items that will be reclassified to Statement of Profit and Loss	–	–	–	–
Deferred Tax Liability	156.51	(-)39.63	3.00	119.88
Tax Credit				
MAT Credit Entitlement	7.28	(-)7.28	–	–
	149.23			119.88

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
19 OTHER NON-CURRENT LIABILITIES		
Deferred Income arising from Government grants (Refer Note No. 1.11)	—	1.10
	<u>—</u>	<u>1.10</u>
20 BORROWINGS		
Current maturities of Interest Free Sales Tax Loan (Refer Note No.14 (i))	3.56	4.03
	<u>3.56</u>	<u>4.03</u>
21 LEASE LIABILITIES		
Lease Liabilities (Current)	0.02	0.26
	<u>0.02</u>	<u>0.26</u>
22 TRADE PAYABLES		
a) Total outstanding dues of Micro and Small and Medium Enterprises	15.15	10.31
b) Total Outstanding dues of creditors other than Micro and Small and Medium Enterprises	180.44	160.99
	<u>195.59</u>	<u>171.30</u>
22 (i) The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company.		
22 (ii) Disclosure requirement as required under Micro, Small, & Medium Enterprises Development Act, 2006 is as follows.		
	FY 2021-22	FY 2020-21
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	15.15	10.31
b) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d) Interest accrued and remaining unpaid at the end of each accounting year:	Nil	Nil
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

SESHASAYEE PAPER AND BOARDS LIMITED

22 (iii) - Trade Payables - Ageing Schedule as on 31-03-2022

₹ crores

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	15.15	—	—	—	—	15.15
(ii) Others	100.91	64.20	10.41	1.33	3.59	180.44
(iii) Disputed dues - MSME	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	116.06	64.20	10.41	1.33	3.59	195.59

Trade Payables Aging Schedule as on 31-03-2021

Particulars	Not Due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.31	—	—	—	—	10.31
(ii) Others	102.68	51.58	1.90	2.12	2.71	160.99
(iii) Disputed dues - MSME	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	112.99	51.58	1.90	2.12	2.71	171.30

**As at
31-03-2022**

As at
31-03-2021

₹ crores

₹ crores

23 OTHER FINANCIAL LIABILITIES

(Current Financial Liabilities)

Unpaid Dividends *	1.27	1.25
Others;		
- Payable for capital expenditure	1.31	1.45
- Security Deposit	1.79	1.72
- Retention Monies	12.50	7.75
- Employees dues	13.03	11.64
Fair valuation of derivatives	—	0.02
	29.90	23.83

* Due for transfer to IEPF as at the end of the year - Nil
(Previous year - Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
24 OTHER CURRENT LIABILITIES		
Other liabilities:		
(a) Advances received from Customers #	1.19	6.82
(b) Statutory Liabilities	4.59	3.92
(c) Deferred Income arising from Government grants (Refer Note 1.11)	1.10	1.10
	6.88	11.84
# Revenue recognised during the year from the Opening Advances ₹ 6.82 crores (Previous Year ₹ 1.79 crores)		
25 CURRENT PROVISIONS		
Provision for Employee Benefits	2.06	4.57
	2.06	4.57
26 CURRENT TAX LIABILITIES		
Income Tax **	7.73	2.06
	7.73	2.06

** Includes provision of ₹ 5.76 crores towards uncertainty expected in allowance of incomes claimed as not taxable.

** Includes provision made for settlement under Direct Tax Vivad Se Vishwas Rules, 2020 - NIL (Previous Year - ₹ 1.40 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
27 REVENUE FROM OPERATIONS		
A) REVENUE FROM SALE OF PRODUCTS AND SERVICES		
Paper and Paper Boards		
India	944.09	590.68
Rest of the World	368.82	155.19
	<u>1312.91</u>	<u>745.87</u>
Stock in Trade		
India	27.14	25.36
Services - Rent		
India	0.27	0.27
	<u>1340.32</u>	<u>771.50</u>
Break-up of Revenue from Sale of Products and Services - Contracted Price and adjustments		
Sales Value at Contracted price	1393.65	806.80
Add : Export Benefits	10.66	4.37
Less : Adjustments		
Cash Discount	24.40	14.06
Other Discounts / Incentives	39.59	25.61
	<u>63.99</u>	<u>39.67</u>
	<u>1340.32</u>	<u>771.50</u>
B) OTHER OPERATING INCOME		
Other Operating Income	14.88	10.56
	<u>14.88</u>	<u>10.56</u>
	<u>1355.20</u>	<u>782.06</u>
28 OTHER INCOME		
(a) Interest Income		
- On financial assets carried at Amortised Cost	9.50	12.17
(b) Dividend Income from Equity Investments measured at fair value through OCI	1.07	0.62
(c) Government Grant (Refer Note No. 1.11)	1.10	1.10
(d) Other non-operating income	0.83	1.59
(e) Net Exchange Gain	3.03	2.96
	<u>15.53</u>	<u>18.44</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
29 COST OF MATERIALS CONSUMED		
Raw material		
i) Wood	236.14	203.37
ii) Bagasse	11.19	7.70
iii) Purchased Pulp	51.65	41.49
iv) Waste Paper	50.28	15.53
	<u>349.26</u>	<u>268.09</u>
Feeding and other Charges	7.09	6.39
	<u>356.35</u>	274.48
Chemicals & Consumables @	232.08	163.33
Packing Materials	24.56	21.67
	<u>612.99</u>	<u>459.48</u>
@ Includes provision for non-moving inventory - ₹ 0.25 crores (Previous Year ₹.05 crores)		
30 PURCHASE OF STOCK-IN-TRADE		
Notebook & Paper	0.10	2.97
Petroleum Products	25.44	21.00
	<u>25.54</u>	<u>23.97</u>
31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening stock		
- Finished goods	148.94	45.45
- Work in progress	5.65	11.78
- Stock-in-Trade	4.42	4.38
	<u>159.01</u>	61.61
Closing stock		
- Finished goods	11.07	148.94
- Work in progress	5.44	5.65
- Stock-in-Trade	3.72	4.42
	<u>20.23</u>	159.01
	<u>138.78</u>	<u>(-)97.40</u>
32 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	70.32	68.35
Contribution to Provident & other Funds (Refer Note No.1.12)	7.62	7.02
Staff welfare Expenses	6.65	5.97
	<u>84.59</u>	<u>81.34</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
33 FINANCE COSTS		
Interest on financial liabilities carried at amortised cost		
- Effective interest method		
- Interest on borrowings	0.25	—
- Interest on interest free Sales tax loan (Refer Note No. 1.11)	0.61	0.89
Interest on Security Deposits measured at Amortised Cost	1.90	1.96
Other borrowing costs **	0.11	0.06
	<u>2.87</u>	<u>2.91</u>
** includes finance charge on lease liability ₹ 0.02 crores (previous year ₹ 0.04 crores)		
34 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment (Refer Note No. 2) **	40.52	37.05
Amortisation of Intangible assets (Refer Note No. 2(B))	0.31	0.55
Depreciation on investment property (Refer Note No. 2(C))	0.04	0.04
	<u>40.87</u>	<u>37.64</u>
** Excludes depreciation at 100% on capital expenditure incurred for CSR purposes - Nil (previous year ₹ 0.43 crores).		
35 OTHER EXPENSES		
Power and Fuel		
(i) Purchased Power	32.99	21.96
(ii) Consumption of Fuel	151.78	82.09
(iii) Generation Tax	2.07	1.88
	<u>186.84</u>	105.93
Repairs and Maintenance		
- Buildings	4.53	5.50
- Plant & Machinery	32.60	27.40
- Others	2.02	1.67
	<u>39.15</u>	34.57
Insurance	2.99	3.04
Rent, Rates and Taxes	3.53	2.95
Selling and Distribution Expenses	68.45	36.38
Auditors' remuneration (Refer Note No. 37 (A))	0.62	0.69
Corporate Social Responsibility expenses (Refer Note No. 37 (C)) ^^	4.21	4.77
Miscellaneous	21.80	18.79
	<u>327.59</u>	<u>207.12</u>
^^ Includes depreciation at 100% on capital expenditure incurred for CSR purposes - Nil (previous year ₹ 0.43 crores).		

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
36 TAX EXPENSE		
A) The major components of Income Tax expense for the year are as under:		
Tax expenses recognised in the Statement of Profit and Loss		
Current Tax		
Current tax on the Taxable income for the year	34.61	18.49
	<u>34.61</u>	<u>18.49</u>
Deferred Tax comprises:		
Deferred Tax Liability on account of depreciation	(-)0.49	4.10
Disallowance of expenses Under Section 43B and other Temporary difference	1.12	(-)0.11
Deferred Tax Asset on account of Interest Free Sales Tax Loan	0.26	0.05
Restatement of Deferred Tax liability(net) at probable tax rate at the time of settlement in future	—	(-)43.67
MAT Credit Set off	—	7.28
	<u>0.89</u>	<u>(-)32.35</u>
Total Tax Expense	<u>35.50</u>	<u>(-)13.86</u>
(B) Reconciliation of Tax expense and the accounting profit for the year is as under:		
Enacted income tax rate in India applicable to the Company	25.17%	34.94%
Profit Before Tax	137.50	85.44
Current tax expenses on Profit Before Tax at the enacted income tax rate in India	34.61	29.86
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Tax on CSR activities	1.06	1.67
Tax On Dividend deducted u/s 80 M	(-)0.27	(-)0.21
Tax on difference in Depreciation	(-)1.83	(-)3.93
MAT Credit Set off	—	(-)7.28
Tax on Fair Valuation loss on Forward Contracts held on Cash Flow basis	—	(-)1.76
Other Differences	1.04	0.14
	<u>—</u>	<u>(-)11.37</u>
Current Tax for the Year	<u>34.61</u>	<u>18.49</u>
Effective rate of tax	25.17%	21.64%

* Rate as per Section 115 BAA of the Income Tax Act, 1961

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
36 TAX EXPENSE (Contd.)		
(C) Taxes on items of OCI:		
A Items that will not be reclassified to Statement of Profit and Loss:		
Income Tax on Remeasurement of Defined Benefit Plans	0.26	0.28
Income Tax on Net Fair Value Gain/ (Loss) on Investment in Equity Instruments	2.78	2.72
B Items that will be reclassified to Statement of Profit and Loss	0.17	—
	<u>3.21</u>	<u>3.00</u>
37 (A) PAYMENT TO AUDITORS		
Statutory Audit fees	0.34	0.34
Taxation Matters	0.15	0.18
Certification work	0.13	0.17
Reimbursement of expenses	—	—
Total payment to Auditors	<u>0.62</u>	<u>0.69</u>

37 (B) CWIP AGEING SCHEDULE

CWIP ageing Schedule as on 31-03-2022

₹ crores

Sl. No.	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in Progress	12.43	1.18	0.26	—	13.87
2	Projects temporarily suspended	—	—	—	—	—
		<u>12.43</u>	<u>1.18</u>	<u>0.26</u>	<u>—</u>	<u>13.87</u>

CWIP ageing Schedule as on 31-03-2021

Sl. No.	CWIP	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in Progress	21.45	9.90	0.85	—	32.20
2	Projects temporarily suspended	—	—	—	—	—
		<u>21.45</u>	<u>9.90</u>	<u>0.85</u>	<u>—</u>	<u>32.20</u>

Project with cost/time overrun - Nil (Previous year Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2022	Year ended 31-03-2021
	₹ crores	₹ crores
37 (C) CORPORATE SOCIAL RESPONSIBILITY EXPENSES		
Disclosure with regard to CSR activities		
(i) Gross amount required to be spent by the Company during the year	4.01	4.58
(ii) amount of expenditure incurred	4.21	4.77
(a) Construction/acquisition of any asset	0.58	1.85
(b) On purposes other than (i) above	3.62	2.92
(iii) shortfall at the end of the year	—	—
(iv) total of previous years shortfall	—	—
(v) reason for shortfall	NA	NA
(vi) nature of CSR activities		
a) Expenditure on running of schools and contribution to other educational institutions	0.63	1.17
b) Providing infrastructure facilities in nearby villages	0.34	1.09
c) Supply of drinking water to nearby villages	0.93	0.76
d) Covid-19 relief activities	1.53	0.77
e) Others	0.78	0.98
(vii) details of related party transactions	Nil	Nil
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

37 (D) ADDITIONAL REGULATORY INFORMATION:

a. Borrowings secured against current assets

The Quarterly returns or statements of current assets filed by the Company with Banks or financial statements are in agreement with the books of accounts

b. Utilisation of borrowed funds and share Premium thro' intermediaries or for benefit of third party beneficiaries

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii) No funds have been received by the Company, subsidiary and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company subsidiary and associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Fair value of investment property

Fair value as on 31-03-2022 is ₹ 37.30 crores (Previous Year ₹ 36.74 crores). Fair value is based on internal valuation and it is not based on valuation by a Registered Valuer as defined under Rule 2 of Companies (Registered Valuer and Valuation) Rules, 2017.

d. Other points

Sl. No.	Disclosure requirement as per amended Schedule III	Reason for non-disclosure
1	Revaluation of property, plant and Equipment	Not Applicable
2	Revaluation of intangible assets	Not Applicable
3	Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Nil
4	Intangible Assets under development	Nil
5	Details of benami property held	Nil
6	Willful defaulter	No
7	Relationship with struck off companies	Nil transaction
8	Compliance with number of layers of Companies	Not Applicable
9	Compliance with approved scheme (s) of Arrangement	Not Applicable
10	Undisclosed income	Nil
11	Details of Crypto Currency or Virtual Currency	No trade / investment

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	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
38 CONTINGENT LIABILITIES AND COMMITMENTS		
(A) Holding Company		
a. Contingent Liabilities		
Claims against the company not acknowledged as debts:		
(i) Demands for various years relating to Central excise, Customs duty, Service tax, VAT and GST contested in appeal	7.35	4.31
(ii) Differential duty on Coal imported and consequent penalty contested before CESTAT, Chennai	21.64	21.64
(iii) Demand by Public Works department based on Sanctioned quantity of water as against actual water drawn contested in writ petition before Hon'ble High Court of Madras.	25.09	22.80
(iv) Demand towards energy charges as per TNERC order contested in writ petition before Hon'ble High Court of Madras.	4.63	4.63
(v) Partial Disallowance of the claim under Section 80IA of the Income Tax Act, 1961 - Contested / estimated	15.01	—
(vi) Other - Demand contested.	0.18	0.18
b. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	5.06	42.42
(B) Subsidiary Company	Nil	Nil
(C) Associate Company (Holding Company's share)		
a. Contingent Liabilities		
Claims against the company not acknowledged as debts:		
(i) Indirect tax demands contested	0.02	0.02
(ii) Electricity related demands contested	—	0.05
(iii) Others	0.03	—
b. Commitments		
(i) Contracts for purchase of Sugarcane	48.83	38.40
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for	0.12	0.69

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39 (A) CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ crores

	Refer Note	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
		Non Current		Current	
Financial Assets measured at Fair Value through Profit or Loss (FVTPL)		—	—	—	—
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in quoted equity shares *	3(A)(a)	108.84	91.83	—	—
Investments in Unquoted equity shares	3(A)(b)	0.11	0.11	—	—
Financial Assets measured at amortised cost					
Trade Receivables	7	—	—	101.45	81.67
Cash and Cash Equivalents	8	—	—	116.17	113.60
Bank balances other than Cash And Cash Equivalents	9	—	—	214.38	93.36
Other Financial Asset	4 / 10	40.14	6.45	7.25	0.23
Financial Liabilities measured at Fair Value through Profit and Loss		—	—	—	—
Financial Liabilities measured at amortised cost					
Term Loan from Banks	14 / 20	—	—	—	—
Interest free sales tax Loan	14 / 20	0.54	3.49	3.56	4.03
Other Financial Liabilities	16	15.55	15.76	—	—
Trade Payables	22	—	—	195.60	171.30
Other Financial Liabilities	23				
Unpaid / Unclaimed Dividend		—	—	1.27	1.25
Payable towards capital expenditure		—	—	1.31	1.45
Security Deposit		—	—	1.57	1.51
Retention Monies		—	—	12.50	7.75
Employees Dues		—	—	13.03	11.63
Fair Valuation of Derivatives		—	—	—	0.02

* Investments in these equity shares are not held for trading. Upon the application of Ind AS 109-Financial instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these Investments in the statement of Profit and Loss may not be indicative of the performance of the Company.

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39 (B) FAIR VALUE MEASUREMENTS

₹ crores

	Fair value	Fair value hierarchy		
		Quoted price in active Markets	Significant observable	Significant unobservable
As at 31st March 2022		(Level 1)	(Level 2)	(Level 3)
Financial Assets / Financial Liabilities				
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investments in quoted equity shares	108.84	108.84		
Investments in Unquoted equity shares	0.11	—		0.11

	Fair value	Fair value hierarchy		
		Quoted price in active Markets	Significant observable	Significant unobservable
As at 31st March 2021		(Level 1)	(Level 2)	(Level 3)
Financial Assets / Financial Liabilities				
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investments in quoted equity shares	91.83	91.83		
Investments in Unquoted equity shares	0.11	—		0.11

1. The fair value of quoted investment in quoted equity shares measured at quoted price.
2. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

39 (C) FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realises that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise mainly of trade payables and other payables. The Company has NIL Term Loan Borrowings from Banks / any Financial Institutions as on March 31, 2022 and hence doesn't have any financial liability and allied risk on this account. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks, trade receivables, other receivables and investments.

The Company has financial risk exposure in the form of market risk, credit risk and liquidity risk. The risk management policies of the Company are monitored by the Board of Directors. The present disclosure made by the Company summarizes the exposure to the financial risks

1) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Interest Rate Risk exposure

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has repaid / prepaid all the Term Loans (sanctioned and availed for Projects) during the FY 2021-22. The Company, throughout the FY 2021-22, has not availed the Fund Based Working Capital Limits, sanctioned by the Consortium of Bankers. The Company doesn't have any Term Loan outstanding as of March 31, 2022. The Company has not entered into any of the interest rate swaps. Hence, the Company is not exposed to any interest rate risk, as on March 31, 2022.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31-03-2022 ₹ crores	31-03-2021 ₹ crores
Variable Rate Borrowings	—	—
Fixed Rate Borrowings	—	—

As at the end of the reporting period, the company had the following variable rate borrowings outstanding.

	31-03-2022 ₹ crores	31-03-2021 ₹ crores
i. Weighted average interest rate (%)	—	—
ii. Balance (₹ crores)	—	—
iii. % of Total Loan	—	—

Interest Rate Sensitivity analysis

As explained above, the Company has NIL Interest Rate risk, as of March 31, 2022, Sensitivity analysis of the same is not applicable, at the end of the reporting period.

	Impact on Profit before tax	
	31-03-2022 ₹ crores	31-03-2021 ₹ crores
Interest rates - increase by 50 basis points	—	—
Interest rates - decrease by 50 basis points	—	—

b) Foreign currency risk exposure

The Company imports coal, pulp, waste paper and other stores & spares for which payables are denominated in foreign currency. The Company is exposed to foreign currency risk on these transactions. The Company, in general, follows a conservative and sound policy by entering into simple Forward Exchange Contracts to hedge the foreign currency risk whose maturity is coterminous with the maturity period of the foreign currency liabilities (underlying). The Company had unhedged Foreign Exchange liability for US \$3.37 Mn as on 31st March 2022. The Company had EEFC Balance to mitigate the risk arising out of this open exposure

The Company is also exposed to foreign currency risk on its Exports. As on March 31, 2022, the Company had Export Receivables in Foreign Currency amounting to US \$ 1,896,866. (Previous Year –US \$ 1,617,073), which is hedged with forward contracts on cash flow basis.

Forward Contract Obligations pending as at the end of the reporting period:

	As at 31-03-2022 US \$	As at 31-03-2021 US \$
Payment Obligations, towards Imports, hedged with Forward Contracts under		
- Fair Value Approach	—	1,258,648
- Cash Flow Approach	—	—
Export Realizations hedged with Forward Contract under		
- Cash Flow Approach	8,000,000	—

c) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check, to the extent possible.

d) Other price risk

Other price risk is the risk that the fair value of a financial instruments will fluctuate due to changes in market traded prices. The Company's investment in fixed deposit with banks is on Fixed Interest Rate Terms and hence, there is no risk price movement arising to the Company. The Company's equity investment in its subsidiary and associate is for strategic purposes and not held for trading. They are carried at cost and are hence not subjected to price related risk. Other investments in equity instruments are held with a view to hold them for a long-term basis and not held for trading. The investments are in fundamentally strong companies and temporary fluctuations in price do not attribute any investment risk

e) Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and wide range of products to meet the needs of its customers.

2) Credit Risk

The credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, other balances with banks and other receivables.

The credit risk arising from the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counterparties are public sector banks /AAA rated private sector banks.

The Company sells its products through appointed indentors. The Company has established a credit policy under which every indenter is analysed individually for creditworthiness. Each indenter places security deposit in the Company, based on the quota allocated to him. Though the invoices are raised on the individual customer, the indenter is responsible for the collection and in case of default by the customer, the dues from the customer are withheld / adjusted against the payables to indenter. Thus, the credit risk is mitigated with a substantial portion of due covered by deposit and payables.

Exports are, in general, made against advances received or terms with payment against documents or against confirmed LCs. The Company has also covered the residual risk with a credit insurance from ECGC. Hence, the credit risk in respect of its exports is fully covered.

For trade receivables, as a practical expedient, the Company computes the credit loss allowance if there is life-time expected credit losses.

3) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly to meet obligations when due. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company manages the liquidity risk by (i) maintaining adequate and sufficient cash and cash equivalents including investments in fixed deposits with banks (ii) making available the funds from realizing timely maturities of financial assets to meet the obligations when due. The management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Also, the Company manages the liquidity risk by projecting cash flows considering the level of liquid assets necessary to meet the obligations by matching the maturity profiles of financial assets and financial liabilities and monitoring balance sheet liquidity ratios. Further, the liquidity risk management involves matching the maturity profiles of financial assets and financial liabilities

i. Financial arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	31-03-2022 ₹ crores	31-03-2021 ₹ crores
Expiring within one year	61.00	287.50
Expiring beyond one year	—	—
	<u>61.00</u>	<u>287.50</u>

The Company makes an annual / long term financial plan so as to ensure there are no maturity mismatches in settlement of liabilities.

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Undrawn Working Capital borrowing facilities (₹ 61 crores of Fund Based Limits and ₹ 56 crores of Non-Fund Based Limits, sanctioned by State Bank of India & HDFC Bank) secured by :

- Hypothecation of stocks of Raw Materials, Stores, Spares, Chemicals and others, including Goods-in-Transit, Stock-in-Trade, Stock-in-Process, Finished Goods and Book Debts of the Company
- Second charge, by way of mortgage of immovable properties of the Company, consisting of land, buildings, fixed plant and machinery, fixtures and fittings [excluding (i) the assets created out of MDP III Project (ii) 57.93 acres of land together with structures thereon and (iii) Captive Power Plant Assets to the extent of ₹ 85.00 crores, of Unit : Erode.]

Period and amount of continuing default in respect of above said borrowing facilities: NIL

39 (D) CAPITAL MANAGEMENT

The Company adheres to a cautious capital management that seeks to trigger growth creation and maximization of shareholders' value. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the shareholders of the Company. The Company has been funding its growth and acquisition plans and working capital requirements through a balanced approach of internal accruals and external debt from banks. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt component of the Company.

The following table summarises the capital of the Company:

Particulars	Refer Note	As at 31-03-2022 ₹ crores	As at 31-03-2021 ₹ crores
Equity		1255.26	1142.73
Debt		4.10	7.52
Cash and cash equivalents **		364.19	205.71
Net Debt		(-)360.09	(-)198.19
Total Capital (Equity + Net Debt)		895.18	944.54
Net Debt to Capital Ratio		(-)40%	(-)21%
** Cash and cash equivalents break up :			
(i) Cash and Cash Equivalents	8	116.17	113.60
(ii) Bank Balances	9	214.38	93.36
(iii) Bank Deposits with more than 12 months Maturity **	4	34.91	—
		365.46	206.96
Less : Unpaid Dividend account balance	9	1.27	1.25
		364.19	205.71

39 (E) DIVIDEND

	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
Dividend on equity shares paid during the year	15.76	25.23
Total	15.76	25.23

Proposed Dividend

The Board of directors at its meeting held on 7th May 2022 have recommended a payment of dividend of ₹ 2.50 per equity share of face value of ₹ 2 each for the financial year ended 31st March 2022. The same amounts to ₹ 15.76 crores.

40 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

Right to Use Assets	As at 31-03-2022	As at 31-03-2021
	₹ crores	₹ crores
Gross Block	0.88	0.88
Cumulative Depreciation	0.74	0.49
Liability at the end of the year :		
Current	0.02	0.26
Non-Current	—	0.02
Payment during the year	0.27	0.27

41 Information on Related party Transactions as Required by Ind AS 24-Related Party Disclosure for the year ended 31st March 2022

A) Directors - Key Managerial Personnel:

- Sri N Gopalaratnam, Chairman
- Sri K S Kasi Viswanathan, Managing Director
- Sri V Pichai, Deputy Managing Director & Secretary

OTHER DIRECTORS:

- Sri A L Somayaji
- Sri V Sridar
- Sri S Narayan, I A S (Retd.)
- Sri Mohan Verghese Chunkath, I A S (Retd.)
- Dr.(Tmt.) Nanditha Krishna
- Sri Hans Raj Verma, IAS
- Sri K Rajkumar, IFS

B) Entities where Directors have significant influence

- SPB Projects and Consultancy Limited (SPB-PC)
- Time Square Investments Private Limited (TSI)
- Dhanashree Investments Private Limited (DSI)
- Ultra Investments and Leasing Co. Private Limited (UIL)

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C) Transaction details :

	Transaction amount 2021-22 ₹ crores	2020-21 ₹ crores	Amount outstanding on 31-03-2022
(a) Dhanashree Investments Private Limited			Liabilities :
- Rent and amenity charges	0.04	0.04	0.295 crores Equity Shares (4.68%)
- Dividend paid	0.74	1.18	
			Payable : ₹ 0.003 crores
(b) Ultra Investments and Leasing Co. Private Limited			Liabilities :
- Reimbursement of expenses	—	—	0.093 crores Equity Shares (1.47%)
- Dividend paid	0.23	0.37	
(c) Time Square Investments Private Limited			Liabilities :
- Dividend paid	1.57	2.52	0.635 crores Equity Shares (10.07%)
(d) SPB Projects and Consultancy Limited			Assets :
- Reimbursement of expenses	0.02	0.04	Investments in: 0.01 crores Equity
- Engineering and Technical Consultancy paid	0.81	1.73	Shares (16.67%)
- Dividend paid	0.01	0.01	Liabilities : 0.0011 crores Equity Shares (0.02%)

(g) Remuneration to Whole-time Directors :

	Sri N Gopalratnam Chairman	Sri K S Kasi Viswanathan Managing Director	Sri V Pichai Deputy Managing Director and Secretary
	₹ crores	₹ crores	₹ crores
Current Year 2021-22			
Short term employee benefits	2.08	1.89	0.81
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.17	0.14	0.14
Contribution to Provident Fund	0.09	0.08	0.08
	2.34	2.11	1.03
Payable as on 31-03-2022	0.71	0.60	0.01

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	Sri N Gopalaratnam Chairman	Sri K S Kasi Viswanathan Managing Director	Sri V Pichai Deputy Managing Director and Secretary
	₹ crores	₹ crores	₹ crores
Previous Year 2020-21			
Short term employee benefits	2.08	1.89	1.89
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.17	0.14	0.14
Contribution to Provident Fund	0.09	0.08	0.08
	2.34	2.11	2.11
Payable as on 31-03-2021	0.66	0.56	0.56

(h) Sitting fees and Commission to Non-Wholetime :

	2021-22	2020-21
	₹ crores	₹ crores
Sitting fees	0.23	0.20
Commission	0.57	0.71
	0.80	0.91
Payable at the end of the year	0.48	0.50

42 EARNINGS PER SHARE

	Year ended 31-03-2022	Year ended 31-03-2021
Profit after Tax (₹ crores)	110.03	106.37
Weighted average no of Shares :		
Issued and paid-up Ordinary Shares as at beginning of the year	6,30,68,140	6,30,68,140
Less : Investment by SPB Equity Shares Trust in the shares of the Company (Refer Note 1.19)	28,40,905	28,40,905
Weighted average number of shares as at period end for basic and diluted EPS	6,02,27,235	6,02,27,235
Basic earnings per share (₹)	18.27	17.66
Diluted earnings per Share (₹)	18.27	17.66

43 Additional information on Net Assets and share of profits and other comprehensive income for the year ended 31-03-2022

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit or loss	Amount (₹ crores)	As % of consolidated OCI	Amount (₹ crores)	As % of consolidated Total Comprehensive Income	Amount (₹ crores)
Wholly owned Subsidiary								
- Esvi International (Engineers & Exporters) Limited	0.20	2.53	0.08	0.09	—	—	0.07	0.09
Associate								
- Ponni Sugars (Erode) Limited	5.50	69.00	7.29	8.02	9.38	1.61	7.57	9.63

44 EMPLOYEE BENEFITS

(i) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company in the FY 2021-22, recognised ₹ 4.66 crores (Year ended March 31, 2021 ₹ 4.26 crores) for Provident Fund contributions and ₹ 0.32 crores (Year ended March 31, 2021 ₹ 0.32 crores) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans:

Gratuity (Funded) and Retirement Benefit Scheme (Unfunded)

In respect of Gratuity, the most recent actuarial valuation of the plan assets and in respect of Gratuity and Retirement benefit Scheme the present value of the defined benefit obligation were carried out by actuarial valuation. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan and the Retirement benefit Scheme of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit and through annual contributions to the funds managed by the Life Insurance Corporation of India.

The Company is exposed to various risks in providing the above gratuity benefit and Leave encashment which are as follows:

44 EMPLOYEE BENEFITS (contd.)

Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	₹ crores	₹ crores	₹ crores	₹ crores
(i) Changes in Defined Benefit Obligations				
Present Value of - opening balance	35.49	34.75	1.30	1.30
Current Service Cost	2.11	2.00	0.07	0.07
Interest Cost	2.37	2.21	0.09	0.08
Actuarial (Gain) / Loss	(-)1.08	(-)1.59	(-)0.03	(-)0.02
Benefits paid	(-)1.13	(-)1.87	(-)0.08	(-)0.13
Present value - closing balance	37.76	35.50	1.35	1.30
(ii) Changes in the Fair Value of Plan Assets				
Opening Balance	33.86	33.19	—	—
Expected Return	2.34	2.12	—	—
Actuarial (gain) / loss	(-)0.05	0.01	—	—
Contributions by employer	2.43	0.40	0.08	0.13
Benefits paid	(-)1.13	(-)1.87	(-)0.08	(-)0.13
Closing Balance	37.45	33.85	—	—
Actual return	2.29	2.13	—	—

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44 EMPLOYEE BENEFITS (contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	₹ crores	₹ crores	₹ crores	₹ crores
(iii) Amounts recognised in the Balance Sheet (as at year end)				
Present Value of Obligations	37.76	35.50	1.35	1.30
Fair Value of Plan Assets	37.45	33.85	—	—
Net Asset / (Liability) recognised	(-)0.31	(-)1.65	(-)1.35	(-)1.30
(iv) Expenses recognised in the Profit and Loss account statement.				
Current Service Cost	2.11	2.00	0.07	0.07
Interest on obligation	0.03	0.09	0.09	0.08
Total included in Employee benefit expense	2.14	2.09	0.16	0.15
(V) Expenses recognized in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial Gain and Losses arising from changes in experience adjustment	0.60	0.96	0.03	0.03
- Actuarial Gain and Losses arising from changes in financial Assumption	0.48	0.63	0.00	(-)0.01
Return on plan assets	(-)0.05	0.01	—	—
Net cost in Other Comprehensive Income	1.03	1.60	0.03	0.02
Asset information				
- Insurer managed	100%	100%	NA	NA
Principal actuarial assumptions				
Mortality	Indian assured Lives Mortality (2012-14)			
Discount rate(%)	7.03	6.78	7.03	6.78
Future Salary increase (%)	8.00	8.00	NA	NA
Expected Rate of return of plan assets (%)	7.03	6.78	NA	NA
Expected average remaining working lives of employees (years)	10.30	9.30	NA	NA
Expected contribution (₹ in crores)	4.00	4.00		

44 EMPLOYEE BENEFITS (contd.)

The Company pays contributions to the insurer as determined by them. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds and Money Market Instruments. The expected rate of return on plan assets based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation. Significant actuarial assumptions for the determination of the defined benefit obligation are as discussed above.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below :

Particulars	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
	₹ crores	₹ crores	₹ crores	₹ crores
Discount Rate				
- 0.5% Increase	36.39	34.28	1.29	1.24
- 0.5% decrease	39.24	36.78	1.41	1.37
Salary Growth Rate				
- 0.5% Increase	39.26	36.81		
- 0.5% decrease	36.35	34.25		
Attrition Rate				
- 0.5% Increase	37.71	35.42		
- 0.5% decrease	37.83	35.57		

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in

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interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 4.00 crores (Previous year Actual ₹ 2.42 crores).

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors at their meeting held on 7th May 2022

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP R SUBRAMANIAN AND COMPANY LLP
Firm Regn. No. 001931S/S000020 Firm Regn. No. 004137S/S200041

N GOPALARATNAM
Chairman

V SRIDAR
S NARAYAN
A L SOMAYAJI
DR NANDITHA KRISHNA
MOHAN VERGHESE CHUNKATH
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K S KASI VISWANATHAN
Managing Director

S SRINIVAS
CFO & Secretary

Chennai
May 07, 2022