

Seshasayee Paper and Boards Limited



Sixty Third Annual Report

2022-23

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 T RITTO CYRIAC, IFS, *Nominee of Govt. of Tamilnadu (DIN No.07951031)*

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

Sri GANESH BALAKRISHNA BHADTI, *Director (Operations) (DIN No. 09634741)*

CHIEF FINANCIAL OFFICER

Sri S SRINIVAS, *Senior Vice President*

STATUTORY AUDITOR

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

COST AUDITOR

M/s S MAHADEVAN AND CO., Coimbatore

SECRETARIAL AUDITOR

M/s B RAVI & ASSOCIATES, Chennai

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

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

PROJECT COMMITTEE

Sri N Gopalaratnam	Chairman of the Committee
Sri V Sridar	Member
Sri K S Kasi Viswanathan	Member
Sri Ganesh Balakrishna Bhadi	Member

AUDITORS

STATUTORY AUDITOR

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

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

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

SECRETARIAL AUDITOR

B Ravi & Associates

Practicing Company Secretaries

"Guru Nilayam" 42, Rathinam Street

Gopalapuram, Chennai - 600086

Telephone: 044-28350517, 28351055

E-mail: bravics@gmail.com

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SESHASAYEE PAPER AND BOARDS LIMITED

Financial Highlights - Ten years at a glance

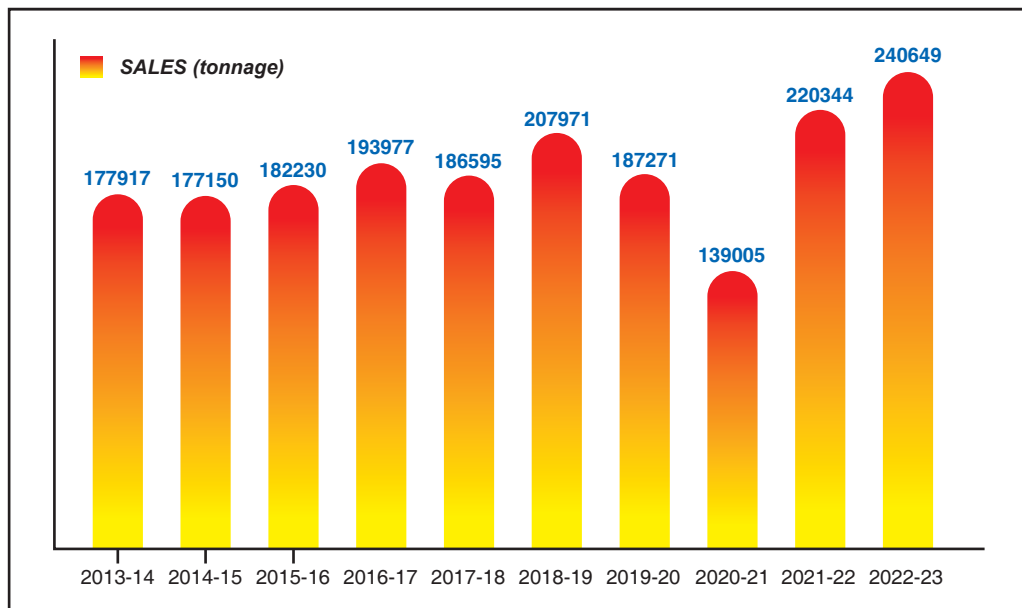
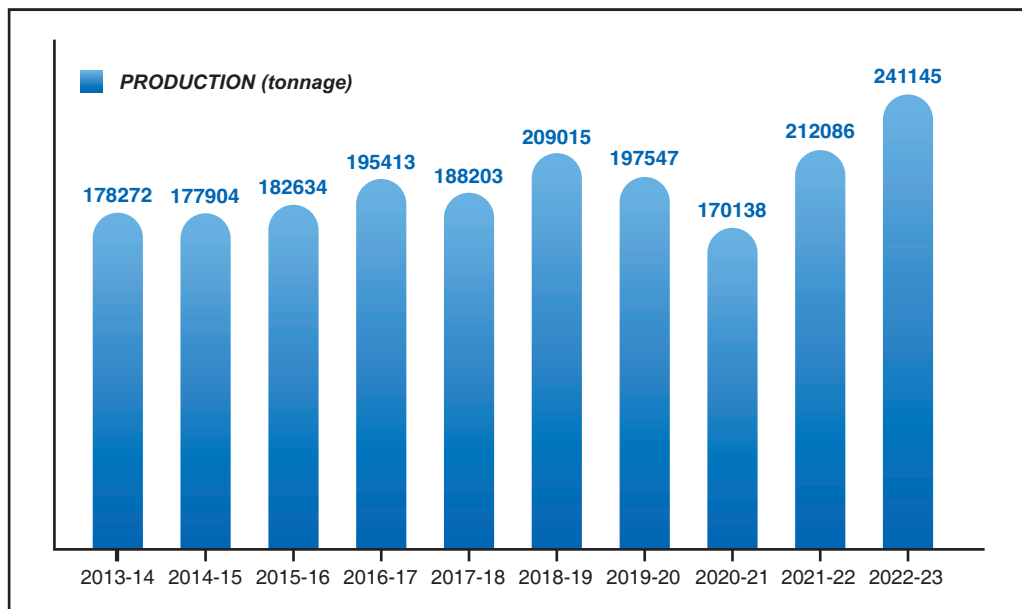
(₹ crores)

For the year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total Income (TI)	1070	1074	1087	1175	1127	1348	1207	801	1372	2113
EBIDTA	129	95	111	222	217	319	290	127	182	565
% on TI	12.1	8.9	10.2	18.9	19.2	23.7	24.0	15.8	13.3	26.7
Finance Costs	39	37	32	23	14	14	7	3	3	3
% on TI	3.6	3.5	3.0	2.0	1.3	1.0	0.6	0.4	0.2	0.2
Depreciation	49	33	29	31	32	34	35	38	41	45
Exceptional Item	-	-	-	-	4.8	-	-	-	-	-
PBT	41	25	50	168	175	271	248	86	139	516
% on TI	3.9	2.4	4.6	14.3	15.5	20.1	20.5	10.8	10.1	24.4
Tax expense	15	8	15	40	52	81	74	(-)14	35	130
PAT	27	17	36	128	123	190	173	100	103	387
% on TI	2.5	1.6	3.3	10.9	10.9	14.1	14.4	12.5	7.5	18.3
EPS - ₹ **	4.45	2.88	5.91	21.26	20.40	31.55	28.80	16.65	17.12	64.18
Dividend - %	40	40	50	100	150	200	200	125	125	300
As at the year end										
Net Block	675	662	675	637	673	672	675	734	815	796
Loan Funds	390	329	345	177	154	100	12	8	4	0
Net Worth	384	393	421	582	702	868	986	1102	1206	1576
Book Value per Share - (₹) **	64	65	70	97	116	144	164	183	200	262

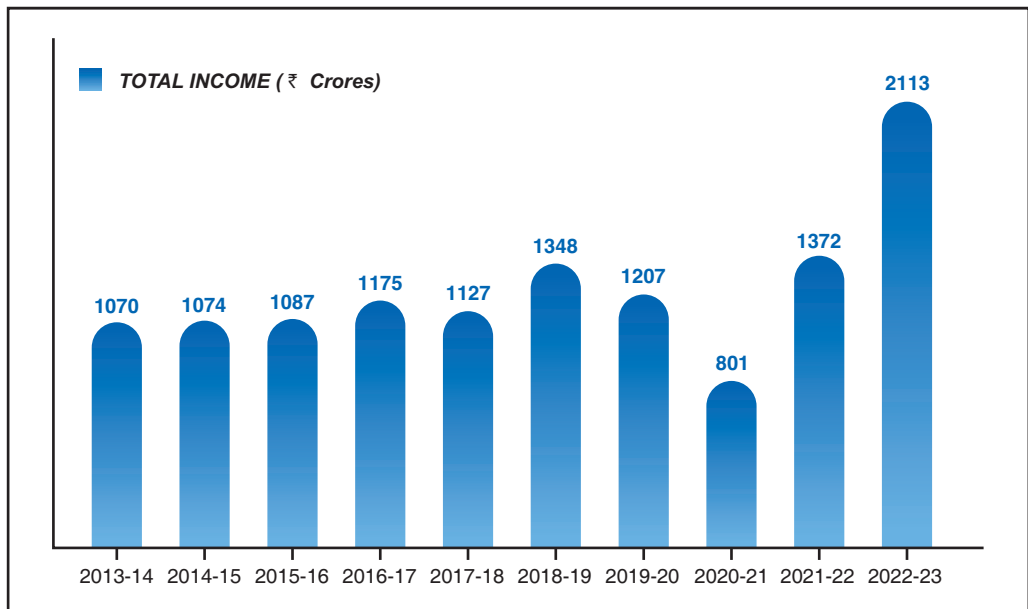
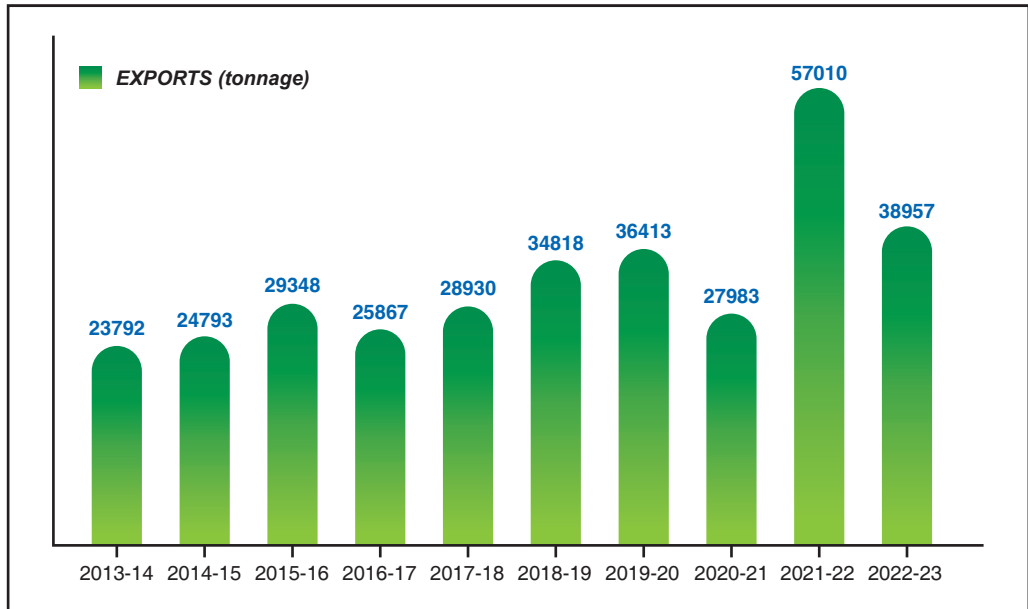
** For comparison purpose, the per share value of EPS and Book Value of the 10 years, restated for face value equivalent to ₹ 2/- (Two) per share.

SESHASAYEE PAPER AND BOARDS LIMITED

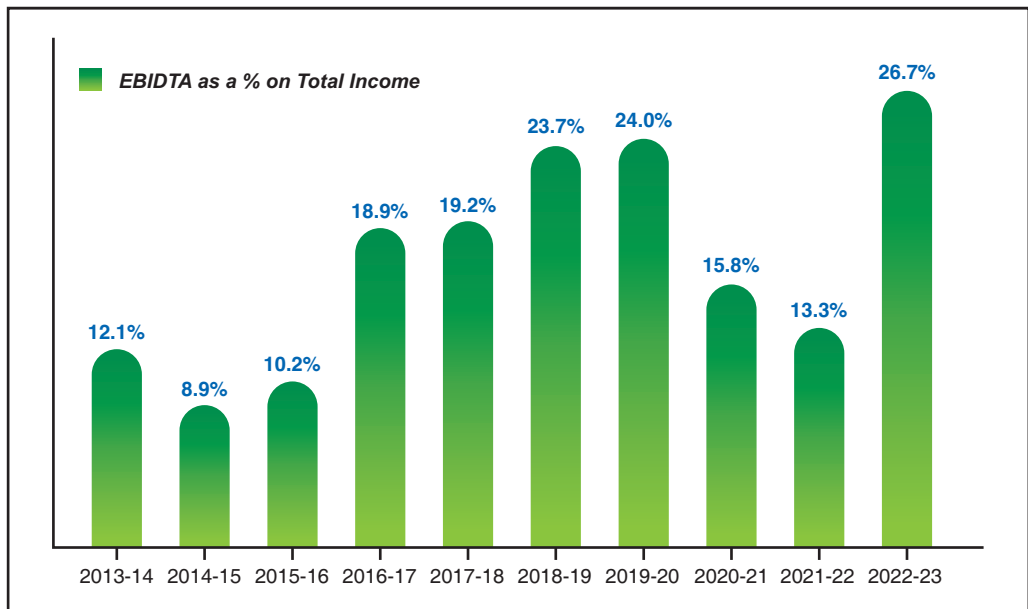
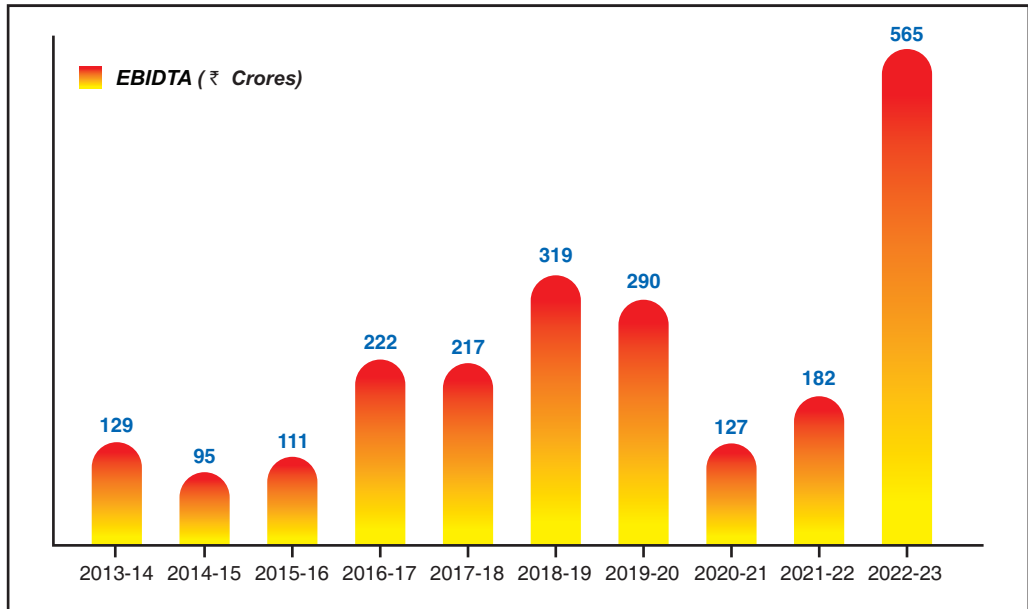
PERFORMANCE - 10 YEARS AT A GLANCE



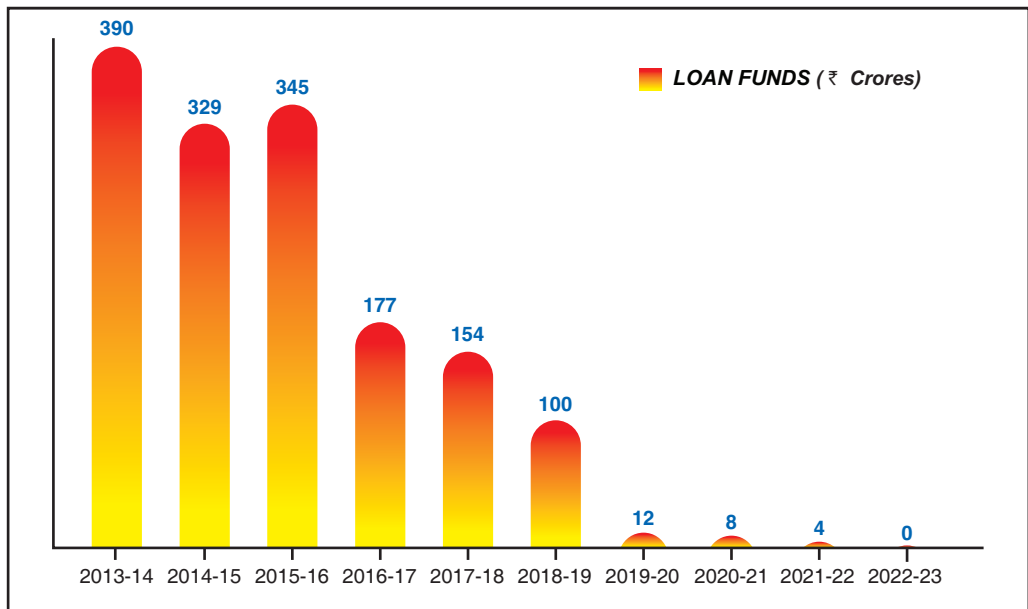
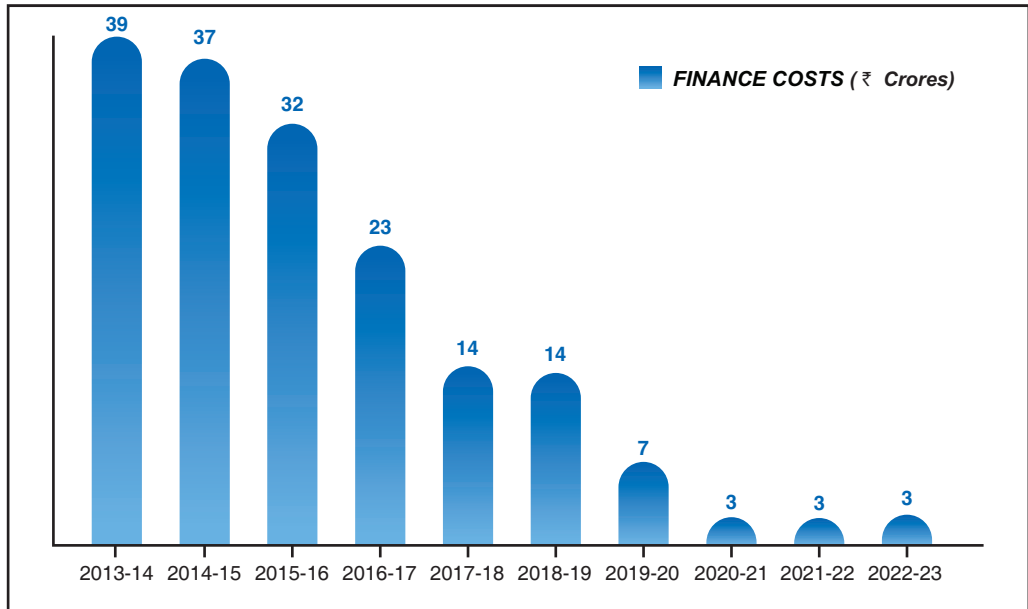
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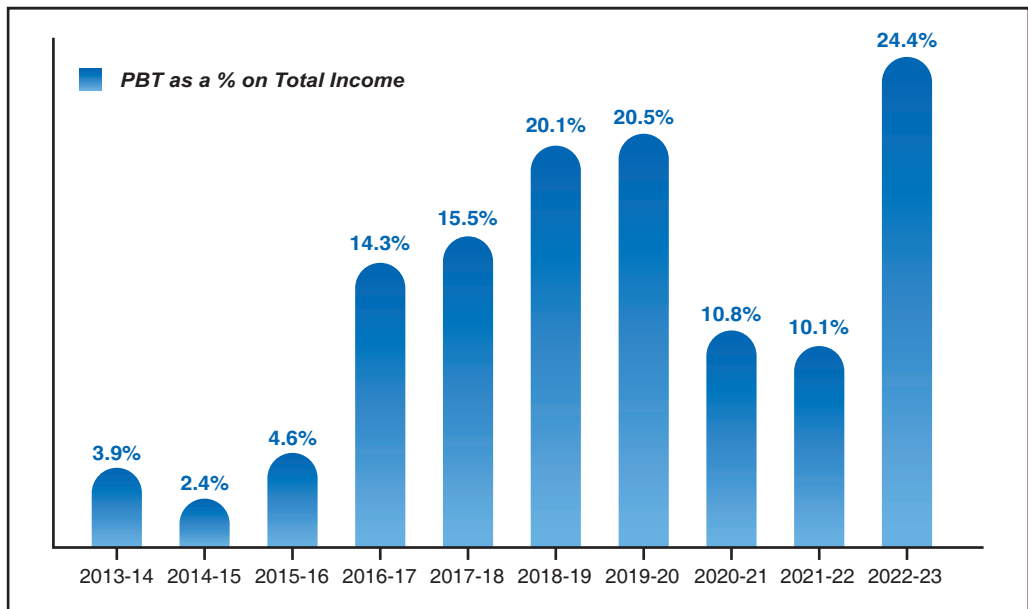
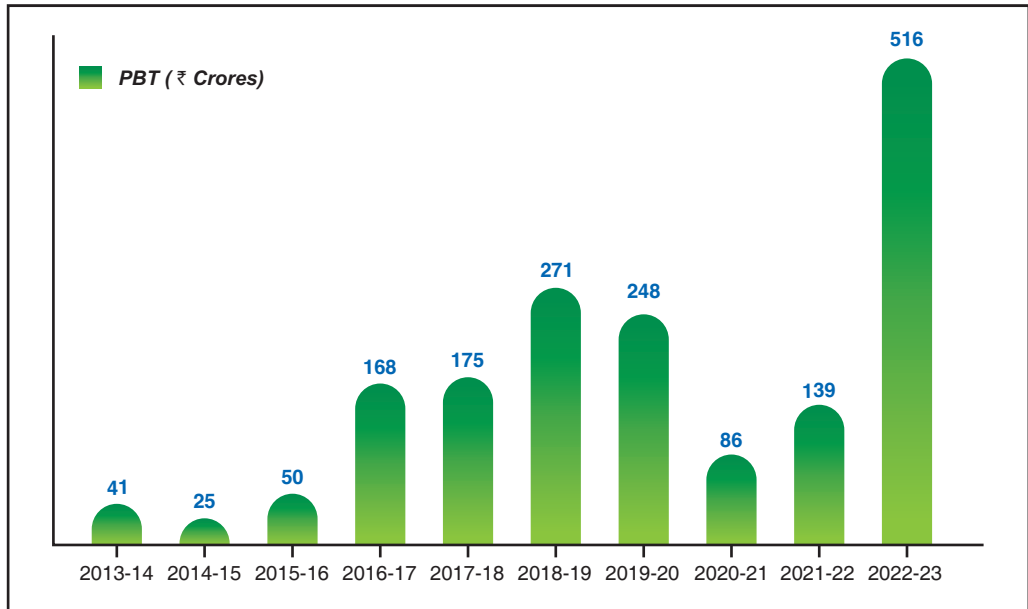
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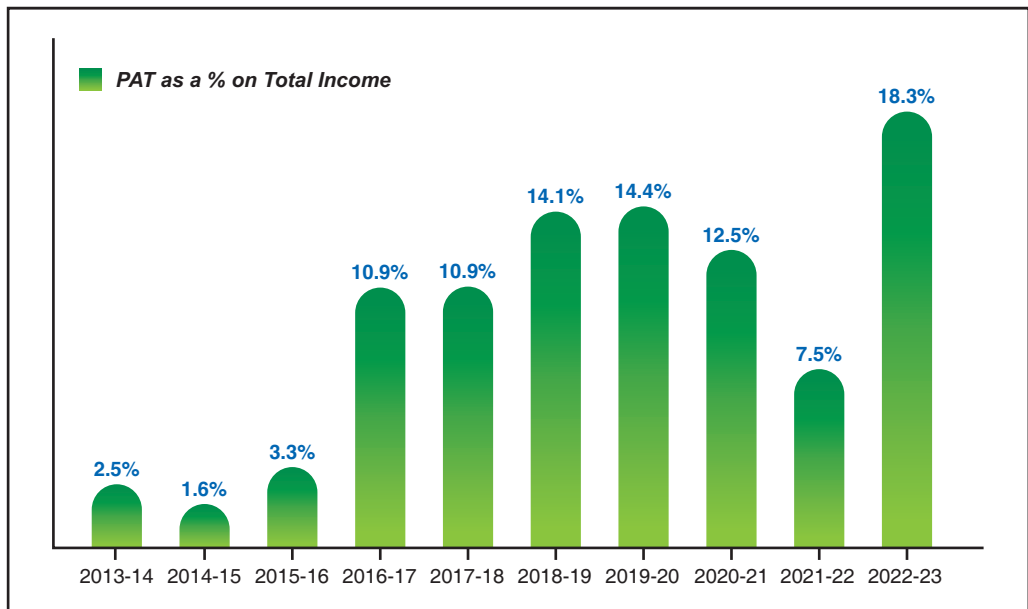
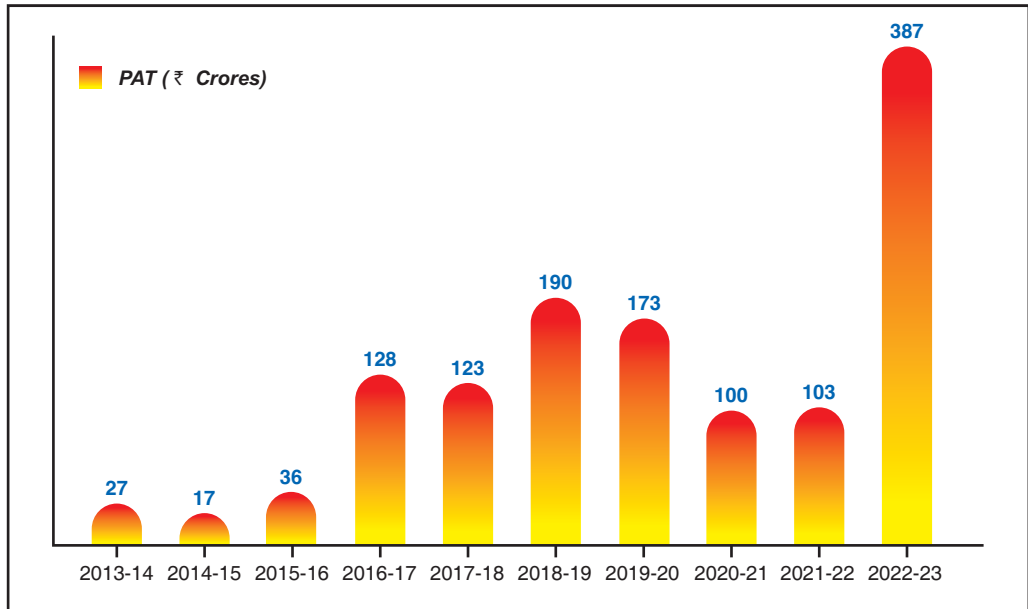
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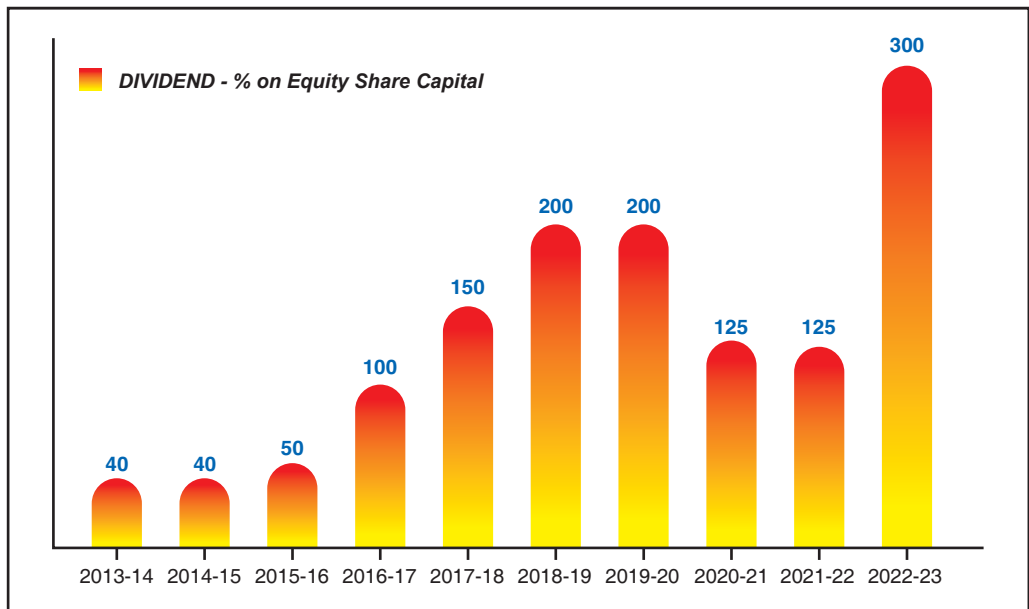
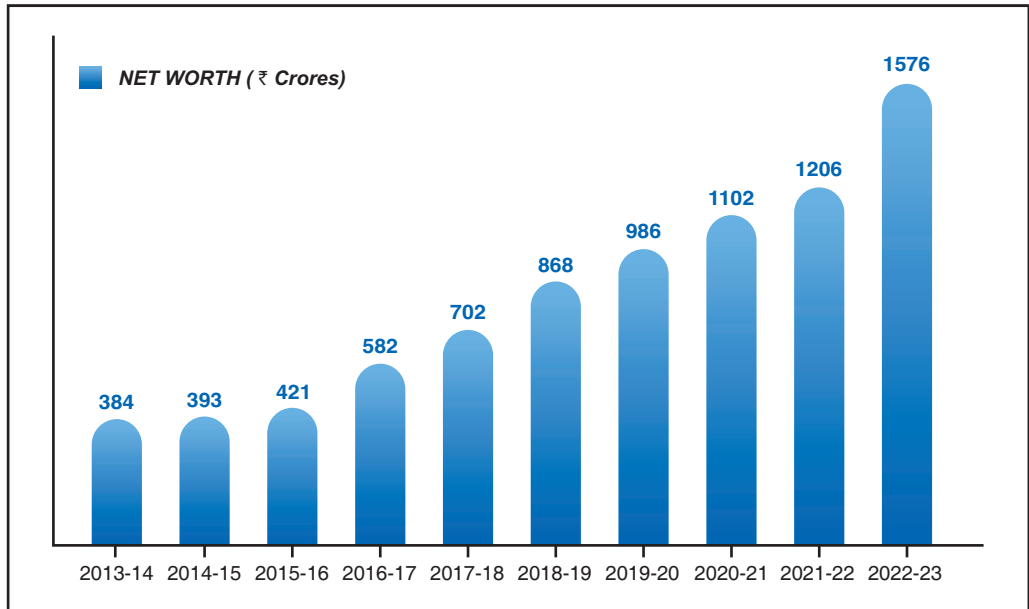
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SESHASAYEE PAPER AND BOARDS LIMITED



SESHASAYEE PAPER AND BOARDS LIMITED



NOTICE

Notice is hereby given that the 63rd Annual General Meeting (AGM) of the Company will be held on Saturday, the June 17, 2023 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, 2023 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 ₹ 6.00 (Rupees six only) per fully paid up Equity Share, be and is hereby declared for the Financial Year 2022-23 on 6,30,68,140 Equity Shares of ₹ 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 June 07, 2023”.

3 Re-appointment of retiring Director

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

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

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

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

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

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

SPECIAL BUSINESS**5 Appointment of Sri T Ritto Cyriac, IFS, Special Secretary, as a Nominee Director, liable to retire by rotation.**

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

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

6 Payment of Commission to Non Whole-time Directors

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

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

PROVIDED FURTHER THAT the aggregate commission for all the Non Whole-time Directors shall be within the ceiling prescribed from time-to-time under Section 197 and other applicable provisions, if any, of the

Companies Act, 2013 or any modification or re-enactment thereof.

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

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

7. 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 2023-24, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

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

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

Chennai
April 29, 2023

S SRINIVAS
Senior Vice President & CFO

NOTES:

1 AGM thro' Video Conference (VC)

Pursuant to the General Circular Nos. 20/2020, 14/2020, 17/2020, 02/2021, 21/2021, 02/2022, 03/2022, 10/2022, 11/2022 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 compliance with the Circulars and in view of the resurgence of Covid-19 and the consequent need to maintain social distancing norms, 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. June 17, 2023. Members, seeking to inspect such documents, can send an email to secretarial@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 June 08, 2023 to Saturday, the June 17, 2023 (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 2022-23, will be June 07, 2023.

8 Dividend

The Board of Directors, at their meeting held on April 29, 2023, has recommended payment of Dividend of ₹ 6.00 per Equity Share of face value of ₹ 2 each, for the financial year 2022-23.

On declaration of the Dividend as above, at the AGM, the same will be paid on Monday, the June 19, 2023 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 June 07, 2023. 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 2022-23 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 2022-23 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 call at 022 - 4886 7000 or 022 - 2499 7000 or Contact Ms. Sarita Mote, Assistant Manager, NSDL at the designated e-mail ID: evoting@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**

Chennai
April 29, 2023

S SRINIVAS
Senior Vice President & CFO

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. 4**Appointment of M/s Suri & Co., Chartered Accountants (Firm Registration Number 004283S) as Statutory Auditors of the Company**

Though this item is an ordinary business, the explanatory statement is provided as required under Regulation 36(5) of SEBI (LODR), 2015 as amended.

M/s Maharaj N R Suresh & Co LLP, Chartered Accountants are the Statutory Auditors of the Company for FY 2022-23. Their 2nd five year tenure expires with the conclusion of the 63rd Annual General Meeting.

The Board of Directors in their meeting held on April 29, 2023, after consideration of the recommendations of the Audit Committee, had approved appointment of M/s. Suri & Co., as Statutory Auditors of the Company for a period of 5 years from the conclusion of 63rd Annual General Meeting until the conclusion of the 68th Annual General Meeting of the Company and recommended the same to the shareholders of the company for their consideration and approval.

Proposed fee payable for statutory audit is ₹ 25 Lakhs for the FY 2023-24 and this is not materially different from the previous auditor. This excludes fees payable for other audits & certifications, as and when required.

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

None of the directors of key managerial personnel of the company or their relatives are concerned or interested financially or otherwise, in this item of business.

Item No.5**Appointment of Sri T Ritto Cyriac, IFS as a Nominee Director, liable to retire by rotation**

Consequent to nomination received from the Environment, Climate Change and Forests Department, Government of Tamilnadu, Sri T Ritto Cyriac, IFS was appointed as an Additional Director by the Board of Directors, in the place of Sri K Rajkumar, IFS, Special Secretary, on March 24, 2023.

Notice as required under Section 160 of the Companies Act, 2013, has been received by the Company from a Member proposing the appointment of Sri T Ritto Cyriac, IFS, as a Nominee Director of the Company, liable to retire by rotation.

In line with the provisions of Companies Act, 2013 and the present Articles of Association of the Company, approval of the Shareholders is sought through Annual General Meeting, for appointment of Sri T Ritto Cyriac, IFS, Special Secretary as a Nominee Director liable to retire by rotation.

Sri T Ritto Cyriac, IFS, Special Secretary has filed with the Company his consent under Section 152 of the Companies Act, 2013, to act as a Director, if appointed. This may be treated as notice under Section 160 of the Companies Act, 2013.

A copy of the Resolution of the 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.

Sri T Ritto Cyriac, IFS, is concerned and interested in his appointment and none of the other Directors / Key Managerial Personnel of the Company and their relatives is 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 Ordinary Resolution set out in Agenda 5 of the Notice for approval of the Shareholders.

Item No. 6

Payment of Remuneration to Non Whole-time Directors.

The Shareholders in their 60th Annual General Meeting had authorised payment of commission to Non Whole-time Directors upto the permissible ceiling under Section 197 of the Companies Act, 2013 for a period of three years from April 01, 2019.

Non Whole-time Directors play a pivotal role in strengthening corporate democracy and governance process. They are called upon to devote considerable time and effort for due discharge of their role and obligation. It is but fair and equitable that they receive due compensation for this by way of permissible commission within the ceiling prescribed under the Act.

It is accordingly proposed to seek fresh authorisation of Shareholders by way of an Ordinary Resolution for the payment of commission to Non Whole-time Directors for tenure of three financial years from April 01, 2022.

Copies of relevant Resolutions of the 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

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 2023-24 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.

— SESHASAYEE PAPER AND BOARDS LIMITED —

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 7 of the Notice for approval of the Shareholders.

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

Chennai

April 29, 2023

**S SRINIVAS
Senior Vice President & CFO**

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 63rd Annual General Meeting :

SRI GANESH BALAKRISHNA BHADTI

Director Identification Number	: 09634741
Date of Birth & Age	: 21 04 1962 (61 Years)
Date of Appointment	: 23 07 2022
Qualification	: B.A.Sc, MBA
Expertise in specific functional areas	: 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.
Terms and conditions of appointment	: He is proposed to be re-appointed as a Director, liable to retire by rotation.
Remuneration last drawn	: ₹ 1.07 crores for FY 2022-23
Remuneration proposed	: Same as approved by the shareholders in the Annual General Meeting held on 23.07.2022
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	: 6
Resignation of directorships from listed entities during the past 3 years	: Not Applicable
Directorship in other Companies	: Nil
Committee / executive positions held in other companies	: Nil

SESHASAYEE PAPER AND BOARDS LIMITED

SRI RITTO CYRIAC THEKKEDATHU

Director Identification Number	:	07951031
Date of Birth & Age	:	08.05.1981 (41 Years)
Date of Appointment	:	March 24, 2023
Qualification	:	IFS
Expertise in specific functional areas	:	Special Secretary (Forest) Environment, Climate Change and Forest Department, Government of Tamilnadu.
Terms and conditions of appointment	:	He is proposed to be appointed as a Nominee Director, liable to retire by rotation.
Remuneration proposed to be paid	:	Commission as would be applicable for non-executive directors.
Remuneration last drawn	:	Not Applicable
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	:	1
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 2023-24 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 June 07, 2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. Communication on the tax determination / deduction shall be entertained post June 07, 2023.

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 June 07, 2023, 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 and Rule 22 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 63rd 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 June 10, 2023 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 June 14, 2023 (9:00 AM) and ends on June 16, 2023 (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 June 10, 2023, 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 June 10, 2023.
- (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 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"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. 2. 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. 3. 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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800225533.

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 123937 then user ID is 123937001***

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

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 123937.

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 meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join 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 secretarial@spbltd.com on or before 05.00 PM IST on Wednesday, June 14, 2023. 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 secretarial@spbltd.com, on or before 05.00 PM IST on Wednesday, June 14, 2023. 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 at 022 - 4886 7000 and 022 - 2499 7000 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 June 10, 2023. 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. June 10, 2023, 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 at 022 - 4886 7000 and 022 - 2499 7000. 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. June 10, 2023, may follow steps mentioned in the Notice of the AGM.
6. Mr. K. Sankarasubramanian, Practicing Company Secretary (Membership No. F11241 / COP:15994) 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 63rd Annual Report and the Audited Accounts for the financial year ended March 31, 2023.

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

	2022-23 (in tonnes)	2021-22 (in tonnes)
Production	2,41,145	2,12,086
Sales	2,40,649	2,20,344
	(₹ crores)	(₹ crores)
Revenue from Operations	2082.53	1354.93
Other Income	30.52	16.65
Total Income	2113.05	1371.58
Profit before interest, depreciation, exceptional item and tax	564.58	182.24
Finance Cost	3.19	2.87
Depreciation	45.25	40.83
Profit before tax	516.14	138.54
Provision for current tax	129.94	34.55
Transfer to / (from) Deferred Tax	(-) 0.34	0.89
Net Profit	386.54	103.10

DIVIDEND

The Board of Directors recommend payment of Dividend at ₹ 6.00 (Rupees six only) per Equity Share of ₹ 2 each, absorbing a sum of ₹ 37.84 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 year ended March 31, 2023. The same will be recognised in the year of payment, viz., year ending March 31, 2023.

APPROPRIATIONS

	2022-23 (₹ crores)
Net profit for the year	386.54
Add:	
Income from SPB	
Equity Shares Trust	0.71
Add:	
Surplus brought forward from the previous year	166.14
Add:	
Re-measurement of defined benefit Plans (net of tax)	(-) 8.75
	544.64
Less:	
Dividend paid during the year (For Financial Year 2021-22)	15.77
Transfer to General Reserve	100.00
Balance carried forward	428.87

OPERATIONS

Thanks to the favourable market conditions and the realisation of benefits from project MDP-III in Unit : Erode in the first full year post project completion, the Company had registered the following key landmarks during the FY 2022-23, which are the highest in the annals of the Company's history.

- ❖ Annual production at 2,41,145 tonnes.
- ❖ Annual sales at 2,40,649 tonnes.
- ❖ Total Income at ₹ 2113.05 crores.
- ❖ PAT at ₹ 386.54 crores.

PRODUCTION

(Tonnage)			
Unit	FY 2022-23	FY 2021-22	Growth (%)
Erode	1,63,909	1,41,707	15.7 %
Tirunelveli	77,236	70,379	9.7 %
Total	2,41,145	2,12,086	13.7 %

- ❖ During the FY 2022-23, the production at Unit: Erode was 1,63,909 tonnes, as compared to 1,41,707 tonnes, produced in the previous year. The production during the previous year included 11,025 tonnes of Pulp Board produced (for in-house use) during the year, whereas the pulp board production was NIL during the FY 2022-23.
- ❖ Accordingly paper production at Unit : Erode was higher by 33,227 tonnes, compared to the previous year.
- ❖ The Company had completed project Mill Development Plan - III (MDP-III) in Unit : Erode in phases with critical areas of upgradation works on Paper Machine 2, Paper Machine 4, Pulp Mill and Recovery Boiler getting completed during the Financial Year 2021-22.
- ❖ With the completion of most of the critical parts of the Project MDP-III, the annual

installed capacity of Paper for Unit : Erode for FY 2022-23 stood augmented to 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.

- ❖ Capacity Utilisation in Unit : Erode stood at 99.4 % in FY 2022-23 and the same was 85.8 % in Unit : Tirunelveli in FY 2022-23.
- ❖ Unit : Erode also produced 35,577 tonnes of Wet Lap Pulp during FY 2022-23, (Previous Year 29,551 tonnes) to augment the Pulp requirements of Unit : Tirunelveli.
- ❖ Unit : Tirunelveli produced 77,236 tonnes of Paper during the FY 2022-23, as compared to 70,379 tonnes, produced in the previous year. The production of 77,236 tonnes is the highest ever annual production in the history of the Unit : Tirunelveli.
- ❖ Overall Production for the Company was 2,41,145 tonnes of Paper and Boards for the year, as compared to 2,12,086 tonnes produced, in the previous year.

SALES

(Tonnage)			
Unit	FY 2022-23	FY 2021-22	Growth (%)
Erode	1,63,414	1,42,500	14.7 %
Tirunelveli	77,235	77,844	(-) 0.8 %
Total	2,40,649	2,20,344	9.2 %

- ❖ During the FY 2022-23, company registered an overall sales of 2,40,649 tonnes of Paper (Previous year : 2,20,344 tonnes).
- ❖ In addition, as part of its trading activity, the Company sold during FY 2022-23, petroleum products valued at ₹ 24.96 crores (Previous Year : ₹ 26.34 crores) and Note Books valued at ₹ 3.82 crores (Previous Year : ₹ 0.80 crores).

- ❖ Both Units Erode & Tirunelveli achieved Zero Stock of Finished Goods as on March 31, 2023.

PROFITABILITY

Revenue from Operations of the Company for the year was ₹ 2082.53 crores, as against ₹ 1354.93 crores, in the previous year.

Profit before interest, depreciation, exceptional item and tax (EBIDTA) was ₹ 564.58 crores, for the Company as a whole in FY 2022-23, compared to ₹ 182.24 crores, in the previous year.

After absorbing finance costs and depreciation of ₹ 3.19 crores and ₹ 45.25 crores respectively, the Profit before tax (PBT) was ₹ 516.14 crores in FY 2022-23, as compared to ₹ 138.54 crores, in the previous year.

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

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

The benefits arising from above factors were partially neutralised by exorbitant increase in the cost of most input materials viz. Wood, Chemicals, Waste Paper, Imported Pulp, Coal, etc.

For the year ended 31st March 2023, current tax liability works out to ₹ 129.94 crores, as against a liability of ₹ 34.55 crores in the previous year.

The Deferred Tax liability amounted to (-) ₹ 0.34 crores for the year ended 31st March 2022, as against ₹ 0.89 crores in the previous year.

As a result, profit after tax for the year ended March 31, 2023 was ₹ 386.54 crores, as

compared to ₹ 103.10 crores, in the previous year.

FINANCE

The Company reports NIL debt position as on March 31, 2023 (Debt Position as on March 31, 2022 was also NIL).

The Company did not have any instalments of Term Loans or interest due for payment during the year. Availment of Fund Based Working Capital limits remained NIL throughout the FY 2022-23.

INTEREST FREE SALES TAX DEFERRAL LOAN

The Company repaid ₹ 4.37 crores during the year and with this the balance outstanding had become ZERO. The Company has no outstanding liability on this account as on 31.03.2023.

MARKET CONDITIONS

- ❖ The market conditions were favourable for most varieties / grades of Writing & Printing (W&P) during the entire FY 2022-23. The buoyancy in Paper Market which commenced in Q4 of FY 2021-22 remained so during greater part of financial year under review.
- ❖ The continued buoyancy helped almost all the major players in the Indian Paper Industry to effect Price Increases during the FY 2022-23.
- ❖ The key triggers for the Price Increases implemented during the year were
 - ❑ Exorbitant increase in the prices of imported pulp and recovered paper in the International markets.
 - ❑ Continuous increase in the cost of wood
 - ❑ Significant increase in the cost of chemicals
 - ❑ Continued high levels of cost of imported coal
- ❖ The International market for Paper, which remained extremely buoyant by end of calendar year 2022, had seen severe pricing

pressures by the end of Q4, with the reduction in International Pulp Prices and Ocean Freight Charges.

- ❖ **OUTLOOK** : The market for Writing & Printing (W&P) Paper grades is expected to be stable in the first quarter of FY 2023-24. Despite increased availability of imported W&P products including Copiers at attractive prices, the higher requirements of papers for the ongoing notebook segment and major Government Tenders in various states is expected to sustain the order inflow in this segment in Q1 of FY 2023-24. Both Board segments and Kraft Paper are likely to face sluggish market conditions.

The sustainability of the higher levels of demand will however depend on the Global macro-economic trends. With fear of possible recession in some of the key developed economies, prices of Paper is expected to see pressures in the medium term.

The Export market for Uncoated Wood Free grades has been under pressure both in terms of demand and prices over the last 6 months and this trend is expected to continue.

EXPORT PERFORMANCE

(Tonnage)			
Unit	FY 2022-23	FY 2021-22	Growth (%)
Erode	16,851	28,129	(-) 40 %
Tirunelveli	22,106	28,881	(-) 23 %
Total	38,957	57,010	(-) 32 %

- ❖ The export volumes represented 16.2 % of the production during FY 2022-23 (This stood at 26.9 % during the FY 2021-22).
- ❖ Thanks to higher realisations in FY 2022-23 over FY 2021-22, the overall export sales in value terms stood at ₹ 379.8 Crs for FY 2022-23 vs ₹ 358.2 Crs in FY 2021-22, thereby registering a growth of 6.0% in value terms.

- ❖ The total export proceeds in US \$ stood at US \$ 46.65 Mn for the year 2022-23, compared to US \$ 47.96 Mn in previous year. In addition, the company had sales of EURO 0.11 Mn and AED Mn 1.82 during the FY 2022-23 (Previous year : EURO Mn 0.08 & AED NIL).

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, 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, under a Collaborative Research Project.

In accordance with the Company's vision to achieve wood positive status, over twenty 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 22,502 acres of land. (Previous Year : 20,042 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 Standard 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.

ESCCerts

Both the units of the Company have achieved the targets under the PAT Cycle, as prescribed by the Government of India and accordingly is eligible for ESCerts (Energy Saving Certificates). The Company has to its credit 21057 ESCerts as on March 31, 2023.

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 continues to be certified under four Standards of FSC, viz. FSC-STD-40-004 (Chain of Custody (COC) Certification), FSC-STD-40-005 (Requirements for Sourcing FSC Controlled Wood), FSC-STD-40-003 (COC certification of multiple sites) and FSC-STD-50-001 (Certificate Holder Trademark Requirements). 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' Claim Products in the domestic and international markets. Being FSC certified implies adherence to sustainable and responsible forestry practices, providing market access, brand reputation, compliance, supply chain integrity, and partnership opportunities.

AWARDS

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

- IPMA (Indian Paper Mills Association) Paper Mill of the Year award for FY 2019-20.

- IPMA Energy Conservation Award for FY 2021-22.
- Excellent Energy Efficient Unit for FY 2021-22 by CII.
- National Energy Leader Award for FY 2021-22 by CII.
- CII – SR EHS Excellence Bronze Award for the year 2022.

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, 2023, 18529 Shareholders are holding Shares in Demat form and 5,31,41,863 shares have been dematerialised, representing 84.26 % 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.

ACQUISITION OF M/s. SERVALAKSHMI PAPER LIMITED (IN LIQUIDATION) (CORPORATE DEBTOR), ON A GOING CONCERN BASIS

The Company participated and emerged as the successful bidder in the e-auction held on 19.09.2022, for the sale of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate Debtor), on a Going Concern basis. Applications, filed challenging the e-auction and confirmation of sale, were heard by NCLT, Chennai bench and the Hon'ble Tribunal had reserved the matters for Orders.

The company had remitted the entire bid value of ₹ 105.0 crores in the month of October 2022,

post the confirmation of the company being the sole successful bidder received from the Official Liquidator of the Corporate Debtor.

MILL DEVELOPMENT PLAN - IV

❖ The Project Mill Development Plan-III (MDP- III), commissioned in phases during the last 3 years, helped the company

a) In Upgradation and Modernisation of the Paper Machines in Erode, to increase the Capacity from 1,32,000 tonnes per annum to 1,65,000 tonnes per annum.

b) In Upgradation and Modernisation of the RDH Pulp Mill to increase the Capacity to 1,54,000 tonnes per annum.

c) Upgradation of the Recovery Island and

d) Further Diversification and enhancement of Product offerings with entry in to Premium Boards segments / multi-layer products.

❖ The entire project cost of MDP-III (Project Cost incurred as on 31.03.2023 - ₹ 244.3 Crs) was met out of internal accruals.

❖ With the successful completion of project MDP-III and with the prospect of company's paper manufacturing capacity getting expanded with the acquisition of M/s. Servalakshmi Paper Limited (Corporate Debtor under Liquidation), the company has commenced its work on identifying the next round of strategic growth projects for the company.

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

❖ Phase-I of MDP-IV will consist of activities for enhancing the pulp capacity to 2.52 lakh

tonnes p.a. in Unit : Erode with a marginal increase in paper capacity. The enhanced pulping capacity will help the company in replacing costlier purchased pulp (imported pulp / deinked pulp) and reduce the overall cost of manufacturing per tonne of Paper in Unit : Tirunelveli.

❖ The company plans to file shortly, the necessary applications with the Ministry of Environment and Forests for Climate Change for Environment Clearance and further approvals concerning the project will be sought from concerned regulatory authorities including local, state and central authorities, as may be necessary for the project.

❖ Project MDP-IV-Phase-I is expected to be completed in 30 months after final approval of the Project by the Board of Directors and on securing necessary Environmental Clearances.

❖ The project cost for Phase-I is estimated at ₹.700 crores and the company expects to fund the entire project out of its internal accruals only.

❖ The final approval for the project shall be granted by the Board, after detailed review of the techno-economic feasibility report for the project, subject to the Company obtaining the requisite approvals from concerned authorities.

CURRENT YEAR (2023-24)

FY 2023-24 has begun with good order inflow, both for printing and writing grades and packaging grades.

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.

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 Floatation Cell and Anaerobic Digester.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS REPORT

The Report on Management's Discussion and Analysis, as required under Clause 49(VIII)(D) of the Listing Agreement with Stock Exchanges covering industry structure and developments, opportunities and threats, outlook, discussion on financial performance, etc., is contained in "Management Discussion and Analysis Report" that forms an integral part of this Report and annexed as **Annexure - I**.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 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**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations], with amendments to Regulation 34 (2) (f) of LODR Regulations vide Gazette notification

no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). Top 1000 companies based on Market Capitalisation as per NSE / BSE as on March 31 of every Financial Year, are required to have "Business Responsibility & Sustainability Report" (BRSR) as part of their Directors' Report.

This Regulation is mandatorily applicable to our Company, with effect from Financial Year 2022-23.

The Company has drafted the Business Responsibility and Sustainability Report for FY 2022-23, in line with the format prescribed by SEBI, which is given in **Annexure - III** to the Directors' Report.

DISCLOSURE REQUIREMENTS UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Section 134(3) of the Companies Act, 2013 requires the Board's Report to include several additional contents and disclosures compared to the earlier law. Most of them have accordingly been made in the Corporate Governance Report at appropriate places that forms an integral part of this Report.

THE ANNUAL RETURN

A copy of the annual return for FY 2022-23 will be placed on the website of the Company (www.spbltd.com) after conclusion of the 63rd Annual General Meeting.

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, 2023 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.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the year, the Company did not extend any Loan or Guarantee or provided any security covered under Section 186 of the Companies Act, 2013.

The only investment made by the company pertains to ₹ 105.0 crores of bid amount paid by the company for acquisition of M/s. Servalakshmi Papers Limited (Corporate Debtor under Liquidation), which is treated in the nature of advance and disclosed as “Non Current Financial Assets” in the audited balance sheet of the company as at 31.03.2023, since the sale is pending for approval in NCLT, Chennai bench.

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**.

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 2023 to the date of this Report.

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**.

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, 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**.

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 expired on March 31, 2019. After prolonged discussions, a new agreement, valid until March 31, 2024, has been entered into by the Company during FY 2022-23.

DIRECTORS

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

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

Sri.N.Gopalaratnam, Chairman and Sri.K.S.Kasi Viswanathan, Managing Director were due for retirement by March 31, 2023. The Board of Directors, in their meeting held on 28.01.2023, after due considerations to the recommendations of the Nomination and

Remuneration Committee, had approved the re-appointment of Sri.N.Gopalaratnam as wholetime director designated as Chairman and Sri.K.S.Kasi Viswanathan as Managing Director for another term of 3 years.

The shareholders of the company, vide the Postal Ballot e-voting which concluded on March 13, 2023, had approved the appointment of Sri.N.Gopalaratnam as wholetime director designated as Chairman and Sri.K.S.Kasi Viswanathan as Managing Director for a further period of 3 years from 01.04.2023, with overwhelming majority.

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 24, 2023. The Board, on the basis of such performance evaluation determined to continue the term of appointment of all Independent Directors.

OTHER KEY MANAGERIAL PERSONNAL

Sri S Srinivas, Senior Vice President, had demitted the office of the Company Secretary on 28.01.2023. He continues to hold the office of the "Chief Financial Officer (CFO)" of the Company. Sri B.S.Raj Kiran has been appointed as Company Secretary w.e.f 28.01.2023.

AUDITORS

M/s Maharaj N R Suresh & Co LLP, Chartered Accountants are the Statutory Auditors of the Company for FY 2022-23. However, the 2nd five year tenure of M/s Maharaj N R Suresh & Co LLP gets over with the conclusion of this annual general meeting and the Board of Directors have approved and recommended appointment of M/s Suri & Co., as the statutory auditors of the Company for a period of 5 years from the conclusion of the 63rd AGM until the conclusion of the 68th AGM of the Company.

— SESHASAYEE PAPER AND BOARDS LIMITED —

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
April 29, 2023

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 about 480 million tonnes in 2030, or 1.1 percent 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 percent.

Market Drive

Increasing Demand for Eco-Friendly Packaging Material

There are various factors as to why the demand for green packaging materials is increasing globally in recent years. Eco-friendly packaging materials such as paper releases fewer carbon emissions during production than traditional packaging does, and it also uses fewer energy-heavy resources. Also, eco packaging may be recycled and often even repurposed or composted if it is extremely biodegradable, unlike

many other packaging types. And since paper-based packaging is recyclable, reusable, and has consistently had the highest recycling rate in recent years, it is one of the most sustainable and biodegradable materials available.

Asia-Pacific dominates the pulp & paper market, owing to the increasing demand for commercial printing and food packaging in the region. The rising population and increasing urbanization in APAC is the major factor driving the demand for commercial printing and food packaging.

Owing to increasing environmental concerns across the world along with the rising need to reduce toxic emissions; fiber crops based recycled paper packaging is being extensively used to manufacture hygienic paper. This, in turn, is expected to propel the market growth, during the forecast period.

A rise in the demand for paper packaging, owing to growing consumer awareness regarding the harmful effects of plastic on the environment along with the eco-friendly nature of fiber crops based paper packaging, is also projected to flourish the pulp & paper industry.

The rapid penetration of the worldwide e-commerce and retail sector has created an enormous demand for both wrapping and packaging paper. In addition, both customers and producers in the developing economies are embracing paper packaging goods with growing environmental consciousness. Also, packaging innovation has been critical in shaping the consumption of soft drinks, paper goods are easy to recycle paper and can minimize air pollution, clean up the atmosphere, leading to a rise in demand from the food and beverage industry for paper packaging.

Segment Analysis - By Geography

Asia-Pacific region held the largest share in the pulp & paper market in 2020 up to 36%, owing to the increasing demand for pulp & paper from the packaging industry in the region. The

rise in e-commerce, food and beverage industry, automotive, health, and cosmetic industry is contributing to the increasing packaging industry of China. The packaging industry in China is anticipated to record a compound annual growth rate (CAGR) of 13.5 percent during the forecast period, according to the Sea-Circular Organization (2020-2025).

China's food processing sector continued to expand in 2017, according to the United States Department of Agriculture (USDA). Revenue rose to \$1.47 trillion, a rise of 6.3 percent compared to 2016. According to the United States Department of Agriculture, total retail food and beverage revenues in Japan totaled \$479.29 billion (53,339 billion) in 2018, an increase of 2.3 percent. The increasing population and rapid urbanization in these countries are enhancing the demand for the packaging industry thereby, accelerating the growth of the pulp & paper market in the Asia-Pacific during the forecast period.

Pulp & Paper Market Challenges

Shifting Trend Towards Digitalization

Printing markets is changing; many publishing companies have shifted towards electronic versions and replaced previously printed volumes. Major portions of their respective markets are taken up by e-books, on line newspapers, and magazines; while directories, catalogs, and brochures have electronic alternatives; more electronic transactions are reducing demand for currency and cheques; and advertisement investment is expanding into new areas, including online. In addition to the continued growth of social networking, these variables contribute to decreasing volumes of several print items, such as magazines, catalogs, books, and more.

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

Environment Impact

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 (EPPN), Paper Industry should enable a clean, healthy, just and sustainable future for all life on Earth. EPPN'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, more than 120 million tonnes 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.

The above perceptions, however, does not reflect truly the environmental compliance and sustainability practices of the Paper Industry.

Environmental Sustainability is at the core of Indian Paper Industry, where 90% of the raw material requirements of the Indian Paper Industry is met by recycled fibres, agro-fibres and Industry sponsored farm forestry programs for raising wood for the industry.

(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 5.00 lakhs persons and indirectly 15.0 lakhs 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.

As indicated in a CRISIL study, demand for P&W paper fell by a sharp 25-30% in fiscal 2021 because of 1) most of the schools and colleges were shut and shifted to digital based education, 2) fall in demand from office space as majority of them were working from home and 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 to cut costs and promote digitalisation.

However, demand picked up and grew by 10-15% in fiscal 2022 with schools, colleges and office spaces opened up and drove 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.

Paperboard demand de-grew 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. (CRISIL study report)

- ◇ Demand for consumer durables is expected to recover and increase at 3-4% CAGR between fiscals 2020 and 2025. This will be marked by better affordability, shorter replacement cycles, etc.
- ◇ 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.

Over the next five fiscals, the specialty paper segment is expected 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, décor, thermal fine printing, cigarette, and business card paper.

Rise in urbanisation, emphasis on hygiene through increased Government thrust (via initiatives such as Swatch 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 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 appears muted, 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%.

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.

IPMA has estimated current domestic production to be 21 million tonnes per annum and the domestic market size to be close to 20 million tonnes as per 'Category-wise' estimate presented below:

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	Paper Grade	Domestic Market Size in Million Metric Tonnes	Expected Annual Growth Rate (%)
1	Newsprint	1.273	-1.00
2	Writing & Printing Paper (a-b)	4.880	2.99
	(a) Uncoated Paper (i+ii+iii)	4.174	3.09
	(i) Creamwove / Low Bright Maplitho	1.908	2.34
	(ii) Maplitho - High Bright 88+ Brightness	1.453	3.05
	(iii) Copier Paper	0.813	4.97
	(b) Coated Paper	0.706	2.38
3	Packaging Paper I Paperboard (a+b)	12.456	9.08
	(a) Kraft Paper / Board (i+ii)	7.223	10.47
	(i) Kraft Paper (Low BF <35BF)	5.773	10.33
	(ii) Kraft Paper (High BF >=35BF)	1.450	11.00
	(b) Duplex Paperboard (i+ii)	5.233	7.17
	(i) Recycled Fibre Based	4.200	6.45
	(ii) Virgin Fibre Based (excluding Cup Stock)	1.033	10.10
4	Cup Stock	0.319	13.00
5	MG Variety I Poster	0.248	1.50
6	Tissue	0.230	14.25
7	Other Paper I Paperboard	0.466	1.04
	Total (1+2+3+4+5+6+7)	19.872	6.78

IPMA has also estimated the annual growth rate to be 6.78%, which will make India, the fastest growing country in the Global Paper Industry.

Major areas and concern

IPMA has identified Raw Material scarcity, threat of raising imports, unfavourable FTAs, Diversion of excess inventory to India, export on economic viability as major areas of concern for the domestic paper industry.

(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. 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.
- + 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. 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 significantly affected in the past.

- ✦ While there has been some improvement in the availability of wood from within the State, unprecedented shortage of wood felt in the State. This has seriously affected the availability and cost of wood for the Tamil Nadu based mills.

With the mismatch of supply and demand, exorbitantly by the recent pulp mill expansion under taken by TNPL, price of casuarina and Eucalyptus wood had skyrocketed, 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 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 20 crores of Casuarina and Eucalyptus seedlings in about 25,000 acres by small and marginal farmers in Tamil Nadu.

- ✦ The Company depends on imported coal for about 30% of the energy needs of its Erode unit and for about 80% of the energy needs of its Tirunelveli unit. The price of imported coal witnessed an unprecedented increase of nearly 200%, during Covid period. Presently, Coal prices have started softening. 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.

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.

2. Higher Packaging Demand

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 / 2023 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 fluorochemicals 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 who are health conscious, are committed to finding eco-friendly options. Simply put, the development of alternative paper based products will continue into 2023 and beyond.

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 has been modified to include manufacture of multi-layer boards, which will facilitate manufacture of cup-stock, carton board and kraft liner board.

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 future as well. 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 future also. 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.

(vi) Future of Indian Paper Industry

Growth

Per Capita paper consumption in India is currently around 15-16 kgs, while the global average is 57 kgs (200+kgs for developed countries) Per Capita paper consumption in India is projected to increase over time with increasing level of literacy, higher growth of organised retail and need for packaging, and overall economic development.

The demand for paper in India is growing at 6-7% per annum, making it one of the fastest growing markets in the world.

India's Paper Industry has made substantial investments over time to increase production capacities, and as a result, in almost all paper grades, India has enough domestic capacity to meet the growing domestic demand and also for exporting to other countries.

About 1 million TPA of integrated pulp, paper and paperboard capacity is required to be created in India on an annual basis over the current capacity to meet the growing demand.

IPMA expects Indian Paper Industry will register an annual growth rate of 6-7% per annum in the coming years.

Sustainability

Sustainability is at the core of India's Paper Industry. Paper is one of the most environmentally sustainable products as it is biodegradable, recyclable and is produced from sources which are renewable and sustainable.

Paper Industry is not only conserving the environment but also regenerating natural resources. Through the agro/farm forestry initiative of India's Paper Industry, more than 1.2 million hectares of land has turned green and thousands of jobs in rural India have been created.

Of the total demand for wood by India's Paper Industry, over 90% is sourced from industry driven agro/farm forestry. The industry is wood-positive, that is, it plants more trees than it harvests. Pioneering work has been carried out by the industry over the last three decades in producing tree saplings (e.g. Eucalyptus, Subabul, Casuarina, etc.) which are disease and drought resistant and can be grown in a variety of agro climatic conditions. Substantial amounts have been spent by the industry on plantation R&D, production of high quality clonal saplings, technical extension services and hand holding of marginal farmers.

Indian Paper Industry is unique. Over 75% of India's paper production is based on recycled fibre and agro fibre, while 90% of the wood requirements of the industry is met by industry promoted agro/forestry initiatives. The Industry, thus, has strong claims for sustainability

Indian Paper Industry, is thus well positioned to meet the challenges of the market in meeting the growth in demand.

(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.
- ✦ Audit trail feature, as mandated by the Companies (Accounts) Rules, 2014 (as amended) with effect from April 01, 2023, has been enabled in the accounting software used by the Company. The Company also has set up practices for daily backup of the entire database and applications in remote locations.

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

	2022-23	2021-22
	(in tonnes)	(in tonnes)
Production	241145	212086
Sales	240649	220344
	(₹ crores)	(₹ crores)
EBIDTA	564.58	182.24
Finance Cost	3.19	2.87
Depreciation	45.25	40.83
Exceptional Item	--	--
Profit before tax	516.14	138.54

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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 2023-23 as compared to FY 2021-22 are mostly attributed to favourable market conditions, compared to previous year.

		Financial Year		% Change	Remarks
		2022-23	2021-22	- Inc / (Dec)	
1	Revenue from Operations (RFO) - ₹ crores	2082.53	1354.93	54%	◊ Increase in volumes by 9% and balance due to increase in prices.
Ratios - % on RFO					
2	Other Income	1.47%	1.23%	19 %	◊ Increase in margins mainly due to substantial increase in Net Sales Realisations in FY 2022-23 compared to FY 2021-22 and due to increase in Pulp and Paper production volumes.
3	EBIDTA Margin	27.11%	13.45%	102 %	
4	PBIT Margin (Operating Margin)	24.94%	10.44%	139 %	
5	PAT Margin	18.56%	7.61%	144 %	
Other P&L Ratios					
6	Return on Net Worth	30.0%	9.7%	209 %	Mainly due to significant increase in profit margins.
7	Debt Service Coverage Ratio (in times)	57.39	20.47	180%	Due to significant increase in EBIDTA Margins.
Balance Sheet Ratios					
8	Debt to Equity Ratio	--	0.003	--	◊ IFST Dues which were pending as of last year, settled in full current year. ◊ Also, Company continues to have NIL Bank Borrowings.
9	Current Ratio	3.03	2.41	25 %	Mainly due to increase in overall inventory and cash / Bank balances.
10	Debtors Turnover Ratio (times)	20.27	14.47	40%	Increase is mainly due to better market conditions resulting in shorter credit period.
11	Inventory Turnover Ratio (times)	8.29	6.61	25%	Mainly due to lower proportionate increase in inventory value compared to Sales Value Increases.

(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 has been finalised and a formal agreement, valid until March 31, 2024 had been entered into by the Company during FY 2022-23.

Currently, the Company employs 1364 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, Managing Director and Director (Operations) are Non-executive Directors and they 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 nominated by TIIC (appointed 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 details of Directors seeking appointment / re-appointment is included 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.

SESHASAYEE PAPER AND BOARDS LIMITED

The details of the Board of Directors are furnished hereunder:

Sl. 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	600	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 , IFS @	09359723	Nil	Non Executive Director	Nominee of Tamilnadu Government, Non Independent Director
9	Sri K S Kasi Viswanathan	00003584	2910	Managing Director - Executive Director	Whole time Director - Promoter Director
10	Sri Ganesh Balakrishna Bhadti +	09634741	Nil	Director(Operations)- Executive Director	Whole time Director - Non Independent Director
11	Sri T Ritto Cyriac, IFS #	07951031	Nil	Non Executive Director	Nominee of Tamilnadu Government, Non Independent Director

+ Appointed as Additional Director by the Board on 13.06.2022; Later appointed by the Shareholders, as Whole time Director liable to retire by rotation, in the Annual General Meeting held on 23.07.2022.

@ Ceased to be a Director with effect from 24.03.2023.

Appointed as Additional Director by the Board on 24.03.2023. Proposal for his appointment as Nominee Director, liable to retire by rotation, included in the Notice for the 63rd AGM.

(ii) Independent Directors

- (a) The Chairman is an Executive and is classified 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 three 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 2024
Sri A L Somayaji	IDDB-DI-202002-007850	05 02 2020	04 02 2024
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 / re-appointment during the financial year ended March 31, 2023.

SESHASAYEE PAPER AND BOARDS LIMITED

(iii) Attendance of each Director, at the Board Meetings held during the financial year 2022-23 and at the last Annual General Meeting, is furnished hereunder:

Sl. No.	Names of the Directors	Board Meetings		Last Annual General Meeting	
		Held	Attended	Attended	Not attended
1	Sri N Gopalaratnam	7	7	Yes	--
2	Sri V Sridar	7	7	Yes	--
3	Dr S Narayan, IAS (Retd.)	7	7	Yes	--
4	Sri A L Somayaji	7	7	Yes	--
5	Dr Nanditha Krishna	7	7	Yes	--
6	Sri Mohan Verghese Chunkath, IAS(Retd.)	7	7	Yes	--
7	Sri Hans Raj Verma, IAS	7	2	--	Yes
8	Sri K Rajkumar, IFS @	7	2	Yes	--
9	Sri K S Kasi Viswanathan	7	7	Yes	--
10	Sri Ganesh Balakrishna Bhadti +	7	6	Yes	--
11	Sri T Ritto Cyriac, IFS #	7	1	--	Yes

+ Appointed as Additional Director by the Board on 13.06.2022; Later appointed by the shareholders, as Whole time Director liable to retire by rotation, in the Annual General Meeting held on 23.07.2022.

@ Ceased to be a Director with effect from 24.03.2023.

Appointed as Additional Director by the Board on 24.03.2023. Proposal for his appointment as Nominee Director, liable to retire by rotation, included in the Notice for 63rd AGM.

(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, 2023:

Sl. 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	4	2 - Chairman 2 - Member
3	Dr S Narayan, IAS (Retd.)	7\$	7 - Member	5	3 - Chairman 2 - Member
4	Sri A L Somayaji	2	2 - Member	1	1 - Chairman
5	Dr Nanditha Krishna	4#	4 - Member	--	--
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	1	1 - Member	1	1 - Member
7	Sri Hans Raj Verma, IAS	5@	5 - Member	--	--
8	Sri T Ritto Cyriac, IFS	--	--	--	--
9	Sri K S Kasi Viswanathan	1@	1 - Chairman	--	--
10	Sri Ganesh Balakrishna Bhadti	--	--	--	--

@ Includes 1 Private Limited Company.

\$

Includes 2 Private Limited Companies.

Includes 3 Private Limited Companies.

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(v) Directorship in other listed entities as on 31.03.2023:

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

SESHASAYEE PAPER AND BOARDS LIMITED

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 T Ritto Cyriac, 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 44 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.

Sl. No.	Names of the Directors	Core skills / Expertise / Competence
10	Sri Ganesh Balakrishna Bhadti	◊ He is an accomplished Pulp and Paper Industry professional, with over 36 years of Industry experience. He has wide experience in Pulp and Paper Industry serving top Companies.

(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. The detailed Agenda papers are circulated one week in advance. During the financial year 2022-23, seven Board Meetings were held on May 07, 2022, June 13, 2022, July 22, 2022, September 14, 2022, October 29, 2022, January 28, 2023 and March 24, 2023. The Annual General Meeting was held on July 23, 2022. Interval between any two meetings was not more than 120 days.

The meetings dated May 07, 2022, October 29, 2022 & March 24, 2023 were conducted as in-person physical 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

(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 appraised 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 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 2022-23, 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

The draft Board minutes, prepared by the Company Secretary or by any other person authorized by the Chairman, 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 Minutes Books. The signed minutes of the meetings are also circulated to the Directors by E-Mail. 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 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 Meeting of the Company. The Audit Committee meets at regular intervals not exceeding 120 days between any two meetings and subject to a minimum of 4 meetings in a financial year.

The Managing Director (CEO), Other Whole-time Directors, CFO and Company Secretary are present as invitees while Statutory Auditor and the Internal Auditor are present in most meetings. The Cost Auditor is invited during consideration of Cost Audit Report. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee conforms to Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015 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 Auditor, Cost Auditor, Secretarial Auditor and Internal Auditor are done on the recommendations of the Audit Committee.

During the FY 2022-23, the Audit Committee met four times on May 06, 2022, July 22, 2022, October 28, 2022 and January 27, 2023.

The meetings held on May 06, 2022 and October 28, 2022 were conducted as in-person physical meetings. The meetings held on July 22, 2022 and January 27, 2023 were conducted through Video Conferencing (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

The composition and attendance details of the Audit Committee during FY 2022-23 are given hereunder:

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

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 or hold 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:

The composition and attendance details of Nomination and Remuneration Committee during FY 2022-23 are given hereunder:

Sl. No.	Names of the Directors	No. of Meetings	
		Held	Attended
1	Sri V Sridar #	4	4
2	Dr S Narayan, IAS (Retd.) &	4	4
3	Sri A L Somayaji &	4	4

Chairman of the NRC - Independent Director.

& Member of the NRC - Independent Director.

The Chairman of the Nomination and Remuneration 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 Nomination and Remuneration Committee cover the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) 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 2022-23, the Nomination and Remuneration Committee met four times on April 26, 2022, June 09, 2022, January 21, 2023 and March 24, 2023.

The meetings held on January 21, 2023 and March 24, 2023 were conducted as in-person physical meetings. The meetings held on April 26, 2022 and June 09, 2022 were 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 (SRC) pursuant to Regulation 20 of SEBI (LODR) Regulations, 2015. 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 Stakeholders Relationship 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, 2023, the Stakeholders Relationship Committee comprised of 3 Directors, with an Independent Director heading the Committee. The Committee met one time through Video Conferencing (VC) during the FY 2022-23, on January 25, 2023 duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014.

The composition and attendance details of Stakeholders Relationship Committee during FY 2022-23 are given hereunder:

Sl. No.	Names of the Directors	No of Meetings	
		Held	Attended
1	Sri A L Somayaji #	1	1
2	Sri Hans Raj Verma, IAS @	1	1
3	Sri N Gopalaratnam @	1	1

Chairman - Independent Director.

@ Member - 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.

(iv) Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility Committee (CSR), as mandated by Section 135 of the Act. It is in operation from March 2014. The CSR Policy was first framed on February 06, 2015 and last reviewed on July 22, 2022.

The composition and attendance details of Corporate Social Responsibility Committee during FY 2022-23 are given hereunder:

Sl. No.	Names of the Directors	No. of Meetings	
		Held	Attended
1	Sri A L Somayaji @	2	2
2	Sri N Gopalaratnam #	2	2
3	Dr Nanditha Krishna &	2	2
4	Sri K S Kasi Viswanathan #	2	2

@ Chairman - Independent Director.

& Member - Independent Director.

Member - Non-Independent Director.

The Corporate Social Responsibility Committee met two times through Video Conferencing (VC) during the Financial Year 2022-23 on May 05, 2022 & January 25, 2023, 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 of the Board.

During the financial year 2022-23, the Risk Management Committee meetings held on October 28, 2022 and March 24, 2023 was conducted as in-person physical meetings.

The composition and attendance details of Risk Management Committee are given below:

Sl. 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 - Independent Director.

& Member - Independent Director.

Member - Non-Independent Director.

(vi) Other Committees

The Board has constituted a Project Committee to facilitate quick response to clearance of proposals for expenditure on expansion projects. It meets as and when need arises to consider any matter assigned to it. Two meetings were held during the financial 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 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 2022-23, 4 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 24, 2023 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 July 22, 2022. 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

- (a) The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.
- (b) 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 Regulations.
- (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 Director (Operations) are the only Executive Directors entitled for managerial remuneration for FY 2022-23. Their remuneration for the financial year 2022-23 is disclosed in Page 220 of this Annual Report. There is no service contract containing provisions of notice period or severance package.

Sri S Srinivas, Senior Vice President, had demitted the office of Company Secretary w.e.f January 28, 2023. Sri S Srinivas continues to be the CFO of the Company. His remuneration for the period FY 2022-23 is ₹ 47.77 Lakhs. (Remuneration drawn by Sri Srinivas as KMP during FY 2021-22 ₹ 26.66 lakhs. This relates to the period Aug'21-Mar'22). Sri B S Raj Kiran was appointed as Company Secretary w.e.f January 28, 2023 and his salary for the period from 28.01.2023 until 31.03.2023 stood at ₹ 4.65 lakhs.

No Director or his relative holds an office or place of profit in the Company. Other than direct or indirect equity holding, sitting fee 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 2022-23

SI No.	Name of the Non Whole time Director	Sitting Fee paid		Commission payable for 2022-23 ₹ lakhs
		Board Meetings ₹ lakhs	Committee Meetings ₹ lakhs	
1	Sri V Sridar	3.50	5.00	9.00
2	Dr S Narayan, IAS (Retd.)	3.50	5.00	9.00
3	Sri A L Somayaji	3.50	6.50	9.00
4	Dr Nanditha Krishna	3.50	1.50	9.00
5	Sri Mohan Verghese Chunkath IAS (Retd.)	3.50	3.00	9.00
6	Sri Hans Raj Verma, IAS [#]	1.00	0.50	9.00
7	Sri K Rajkumar / Sri T Ritto Cyriac [@]	1.50	0.50	9.00
	Total	20.00	22.00	63.00

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

[@] Payable to Government of Tamilnadu.

The above commission, as approved by the Board of Directors, is payable subject to the approval of the shareholders of the company in the 63rd AGM.

The above table doesn't include ₹ 6.56 lakhs of premium paid by the Company for FY 2022-23, for the Medclaim 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 Non-Independent Directors at its meeting held on March 24, 2023. The Committee has expressed overall satisfaction on such evaluation.

Independent Directors in their exclusive meeting held on March 24, 2023 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 24, 2023, 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 24, 2023, further evaluated the functioning of each of the six committees 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 the above mentioned Board evaluation that is material and requires further action.

(iii) Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board in July 22, 2022 reviewed and approved the following policies, which were originally formulated in March 2015 and reviewed by the Board of Directors periodically:

- (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).

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 2022-23 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 Company 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 2022-23.

Further, the Senior Management Personnel have declared to the Board that no material financial on commercial transactions were entered into by them during the Financial Year 2022-23 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 in a Policy on Related Party Transactions (RPTs). It has also fixed the materiality threshold under this policy at 10% of the Company's 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.

Pursuant to Regulation 23 of the SEBI (LODR) Regulations, 2015, the Policy is reviewed by the Board once in three years and the said policy was last reviewed and approved by the Board on July 22, 2022. All RPTs during the Financial Year 2022-23 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 39 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 2022-23.

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 37(C) to the Standalone Financial Statements.

The Company has laid down appropriate procedures to inform the Risk Management Committee of the Board about the risk assessment and minimisation procedures. The Committee 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.

(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 policy has been uploaded in the Company's website.

No complaint under this facility was received in the Financial Year 2022-23 and no personnel had requested access to the Audit Committee under this policy during 2022-23.

(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 2022-23.

(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 (un-audited - Limited Reviewed) are approved by the Board on the recommendations of the Audit Committee. These are communicated to Stock Exchanges by online 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.

(iii) Quarterly Compliance Report

The Company has submitted for each of the four quarters during 2022-23 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 (India) Limited are filed through NSE Electronic Application Processing System (NEAPS) and to BSE Limited 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 no complaint against our Company posted on the SCORES Site. Two complaints were uploaded in NSE site during this period. These complaints were closed by NSE, based on replies given by the Company. No complaints were pending as on March 31, 2023.

(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
30.06.2022	09.07.2022
30.09.2022	13.10.2022
31.12.2022	06.01.2023
31.03.2023	06.04.2023

(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 2022-23.

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 2022-23. Their remuneration was approved by the Shareholders at the 62nd 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 Board of Directors has appointed M/s B Ravi & Associates, Practicing Company Secretaries (Membership No. 1810, C P No. 3318), to undertake the Secretarial Audit of the Company for Financial Year 2022-23. The Secretarial Audit Report was placed before the Board on April 29, 2023 and the same is annexed to Board's Report.

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 has obtained the certificate from M/s B Ravi & Associates, Practicing Company Secretaries and the same is filed with Stock Exchanges on May 13, 2023.

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 2022-23. 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

Quarterly CEO / CFO certification duly signed by Sri K S Kasi Viswanathan, Managing Director and Sri S Srinivas, Senior Vice President & CFO, as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 were placed before the Board in the meetings held to consider unaudited / audited financial results.

(xi) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended March 31, 2023 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 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 Auditor of the Company, M/s Maharaj N R Suresh and Co. LLP have undergone the Peer Review process and have been issued requisite Certificate that was placed before the Audit Committee.

(xvi) Statutory Auditor's fees for the FY 2022-23

	₹ crores
Statutory Audit fees	0.27
Taxation Matters	0.15
Certification work	0.08
Reimbursement of expenses	0.03
	0.53

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 all 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 2022-23 are being filed with the Stock Exchanges along with the declaration by the Chairman confirming that the Auditor's Report on Annual Financial Results containing 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., secretarial@spbltd.com for redressal of investor grievances.

BRSR

Regulation 34(2)(f) of the SEBI (LODR) Regulations requires the listed entities, to include a Business Responsibility and Sustainability Report (BRSR) 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 1000 listed Companies, based on Market Capitalisation (calculated as on March 31 of every financial year).

SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from fiscal 2023. Our Company was in 817th position (Market Capitalization in NSE) as on March 31, 2023. Hence, this Regulation on BRSR is applicable to the Company.

SESHASAYEE PAPER AND BOARDS LIMITED

The Company has drafted the Business Responsibility and Sustainability Report (BRSR), 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 63rd Annual General Meeting

Date and time	:	Saturday, the June 17, 2023 at 11.00AM
Venue	:	The Company is conducting meeting through Video Conferencing pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM.
Financial Year	:	2022-23
Book closure dates	:	Thursday, the 8 th June 2023 to Saturday, the 17 th June 2023 (both days inclusive)
Dividend	:	₹ 6.00 per Equity Share (Proposed)
Dividend payment date	:	June 19, 2023

(ii) Particulars of Special Resolutions passed for the last three Annual General Meetings

AGM / Year	Venue	Date & Time	Special Resolutions passed
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.
62 nd 2021-22	Video Conference	23.07.2022 11:00 AM	1. Re-appointment of retiring director, Sri N Gopalaratnam, as Chairman of the Company.

No Extraordinary General Meeting was convened during the financial 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 re-appointment of Sri N Gopalaratnam as Wholetime Director, designated as Chairman, liable to retire by rotation and re-appointment of Sri K S Kasi Viswanathan as Managing Director, not liable to retire by rotation, Special Resolutions were passed by Postal Ballot, by e-voting only, during the financial year 2022-23.

Sri K Sankarasubramanian, Practising Company Secretary (Membership No. F11241 / COP: 15994) was the Scrutinizer for Postal Ballot. The resolutions were passed with overwhelming majority.

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 2023-24 (tentative)

April 2023 :

Audited results for FY 2022-23

June 2023 :

Annual General Meeting

July 2023 :

First Quarter Results for 2023-24

November 2023 :

Second Quarter Results for 2023-24

January 2024 :

Third Quarter Results for 2023-24

March 2024 :

Review of performance

(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: cmllist@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, 2023.

(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, 2023, 18,529 Shareholders are holding Shares in Demat form and 5,31,41,863 shares have been dematerialised, representing 84.26 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 May 10, 2023. 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 AA-; Stable (Double A Minus; Outlook: Stable)
Short Term Bank Facilities - Non Fund Based Working Capital limits	56.00	CARE A1+ (A One Plus)
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 periodically. To quicken the process of transfer of shares, the Sr.Vice President & CFO and Company Secretary are 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 SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

There is no pending share transfer as on 31.03.2023.

Compulsory Demat

SEBI in June 2018 amended Regulation 40 of the SEBI (LODR) Regulations, 2015 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 2022-2023.

By further amendment in January 2022, SEBI prohibited Transposition and Transmission of shares and other transactions in securities held in physical form. Hence shareholders are advised to convert their physical holdings into demat form.

(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 2014-15, pertaining to 3496 investors and aggregating ₹ 10.56 lakhs, was transferred on 06.10.2022.

(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.

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
2014-15	124	39,465	21.11.2022

(xvii) Transfer of IEPF becoming due:

The Unpaid / Unclaimed amount for the Financial Year ended 31.03.2016 will be transferred during August 2023 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.

Particulars of unclaimed dividend as on 31 03 2023:

Year	Dividend (₹ per share)	Date	Unclaimed		Due date for transfer to IEPF
			No. of warrants	₹ crores	
2015-16	5	25 07 2016	3535	0.13	21 08 2023
2016-17	10	31 07 2017	3637	0.27	26 08 2024
2017-18	15	23 07 2018	1634	0.19	20 08 2025
2018-19	20	29 07 2019	1431	0.21	24 08 2026
2019-20	4	10 08 2020	1465	0.20	06 09 2027
2020-21	2.50	26 07 2021	1575	0.14	21 08 2028
2021-22	2.50	25 07 2022	1542	0.13	20 08 2029

SESHASAYEE PAPER AND BOARDS LIMITED

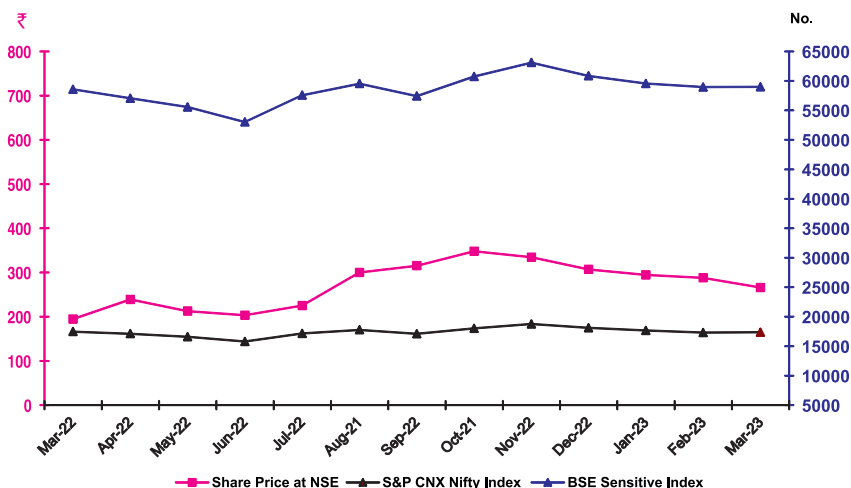
(xvii) Market Price Data

High, low and volume during each month in the financial year 2022-23 (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 (₹ Crores)	High (₹)	Low (₹)	No. of Shares	Value (₹ Crores)
2022								
April	238.95	174.00	605990	12.74	239.00	174.00	6716256	142.32
May	212.20	172.40	363156	6.98	212.55	176.45	2918183	56.86
June	203.65	160.00	72370	1.32	203.30	160.00	1044545	19.19
July	225.00	186.60	183795	3.82	225.00	188.00	2857942	59.39
August	299.70	217.95	673222	17.80	300.00	214.50	7516681	197.51
September	315.00	257.55	637791	18.51	315.30	257.50	4396385	127.82
October	349.00	267.95	352740	10.79	347.90	267.25	3465880	108.36
November	333.00	277.00	253608	7.65	334.45	276.75	2846811	86.35
December	306.70	240.55	232065	6.60	307.00	241.00	2102284	60.35
2023								
January	297.00	262.25	70947	1.99	294.50	262.00	1237859	34.80
February	288.30	240.00	42797	1.13	287.95	239.00	650630	17.24
March	266.00	220.00	69489	1.70	266.00	220.00	813177	19.75

(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, 2023 :

Distribution	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
1 - 100	11 984	57.42	4 22 697	0.67
101 - 200	2 589	12.41	3 92 308	0.62
201 - 500	3 478	16.67	12 73 910	2.02
501 - 1000	1 430	6.85	10 97 223	1.74
1001 - 5000	1 102	5.28	23 41 439	3.71
5001 - 10000	102	0.49	7 47 434	1.19
10001 and above	184	0.88	5 67 93 129	90.05
Total	20 869	100.00	6 30 68 140	100.00

(xx) Pattern of Shareholding as on March 31, 2023 :

Category	No. of Share holders	Voting strength (%)	No. of Shares held
Individuals	20 299	23.27	1 46 76 948
Companies	175	37.09	2 33 91 576
FILs, NRIs, OCBs	384	25.35	1 59 85 646
Mutual Funds, Insurance Companies and Banks	8	0.01	8 470
FIs	3	14.28	90 05 500
Total	20 869	100.00	630 68 140

(xxi) Top 10 Shareholders of the Company as on March 31, 2023:

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	6378284	10.11
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	Gothic Corporation	1143879	1.81
9	Vanderbilt University - Atyant Capital Management Limited	1133634	1.81
10	Pushpa Devi Sarao	1124995	1.78
	Total	44535507	70.61

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 /
secretarial@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 2022-23.

Chennai
April 29, 2023

K S KASI VISWANATHAN
Managing Director

B RAVI & ASSOCIATES
COMPANY SECRETARIES.

"Guru Nilayam" 42, Rathinam Street
Gopalapuram, Chennai - 600086
Telephone: 044-28350517, 28351055
E-mail: bravics@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

Based on the scrutiny of relevant records, forms, returns and information provided by SESHASAYEE PAPER AND BOARDS LIMITED (the 'Company'), CIN: L21012TZ1960PLC000364, having its registered office at PALLIPALAYAM, CAUVERY RSPO, ERODE - 638 007 and verification of disclosures and declarations given by the Director under applicable statutes and also based on the verification of facts regarding the Board of Directors of the Company, available in the public domain, we hereby certify that as on 31.03.2023, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

Name of Company Secretary in practice : **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318

MANAGING PARTNER
B RAVI & ASSOCIATES

Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN:F001810E000146185

Place: Chennai
Date :19.04.2023

M/S MAHARAJ N R SURESH AND CO 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, 2023, 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

K V Srinivasan

Membership No. 204368

Partner

UDIN : 23204368BGWWUS7435

Chennai

April 29, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations], with amendments to Regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). Top 1000 companies based on Market Capitalisation as per NSE / BSE as on March 31 of every Financial Year, are required to have “Business Responsibility & Sustainability Report” (BRSR) as part of their Directors’ Report.

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

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity:

1. Corporate identification number	L21012TZ1960PLC000364
2. Name of the Company	SESHASAYEE PAPER AND BOARDS LIMITED
3. Year of incorporation	22 nd June 1960
4. Registered Address	Pallipalayam, Namakkal District, Cauvery RS PO, Erode 638 007, Tamil Nadu
5. Corporate Address	Pallipalayam, Namakkal District, Cauvery RS PO, Erode 638 007, Tamil Nadu
6. E-Mail address	secretarial@spbltd.com
7. Telephone	04288 240322
8. Website	www.spbltd.com
9. Financial Year reported	FY 2022-23
10. Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11. Paid-up Capital	₹.12,61,36,280
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Sri. S. Srinivas Senior Vice President & CFO
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone

SESHASAYEE PAPER AND BOARDS LIMITED

II. Products / Services:

1. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of Paper and Paper Boards	97 %

2. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Paper and Paper Boards	1701	97 %

III. Operations:

1. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	8	10
International	--	--	--

2. Markets served by the entity in FY 2022-23:

a. Number of locations

Locations	Number
National (No. of States)	23
International (No. of Countries)	37

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports during the FY 2022-23 represented 18 % by value

c. A brief on types of customers :

Mostly Business-to-Business (B2B): Printers, Publishers, Notebook convertors, Packaging material convertors and to retail markets.

IV. Employees

1. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			Nos. (B)	% (B/A)	Nos. (C)	% (C/A)
Employees						
1	Permanent (D)	729	717	98.4 %	12	1.6 %
2	Other than Permanent (E)	286	275	96.2 %	11	3.8 %
3	Total employees (D+E)	1015	992	97.7 %	23	2.3 %
Workers						
4	Permanent (F)	307	307	100.0 %	--	--
5	Other than Permanent (G)	*1054	*949	90.0 %	*105	10.0 %
6	Total employees (F+G)	1361	1256	92.3 %	105	7.7 %

* Includes 1012 workmen engaged on contract basis (907 Male and 105 Female).

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			Nos. (B)	% (B/A)	Nos. (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	3	3	100 %	--	--
2	Other than Permanent (E)	--	--	--	--	--
3	Total employees (D+E)	3	3	100 %	--	--
Differently Abled Workers						
4	Permanent (F)	3	3	100 %	--	--
5	Other than Permanent (G)	--	--	--	--	--
6	Total employees (F+G)	3	3	100 %	--	--

2. Participation / Inclusion / Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		Nos. (B)	% (B/A)
Board of Directors	10	1	10%
Key Management Personnel	2	--	--

3. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.7%	9.1%	7.7%	5.6%	--	5.6%	3.8%	--	3.8%
Permanent Workers	3.9%	--	3.9%	--	--	--	2.2%	--	2.2%

V. Holding, Subsidiary and Associate Companies (including joint ventures):

(a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Esvi International (Engineers & Exporters) Limited	Subsidiary	100.00%	No
2	Ponni Sugars (Erode) Limited	Associate	27.45%	No

VI. CSR Details:

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: YES
- (ii) Turnover for FY 2022-23 : ₹ 2082.53 Crores
- (iii) Net worth as on 31.03.2023 : ₹ 1576.29 Crores
- (iv) CSR Spend during FY 2022-23 : ₹ 3.42 crores

VII. Transparency and Disclosures Compliances:

1. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No)	FY 2022-23			FY 2021-22		
		Number of complaints filed	Number of complaints pending resolution	Remarks	Number of complaints filed	Number of complaints pending resolution	Remarks
Communities	Yes ⁽¹⁾	--	--		--	--	
Investors	Not Applicable						
Shareholders	Yes ⁽²⁾	2	--		2	--	
Employees and workers	Yes	--	--		--	--	
Customers	Yes ⁽³⁾	76	2		73	1	
Value Chain Partners	Yes ⁽⁴⁾	--	--		--	--	

(1) Addressed thro' the CSR Policy of the Company [<https://www.spbltd.com/investor-info/policy/index.html>]

(2) As per SEBI Listing Regulations

(3) Covered in contracts and agreements entered into with the distributors (Indentors), dealers, agents and customers of the company

(4) Addressed under the Whistle Blower Policy of the Company [<https://www.spbltd.com/investor-info/policy/index.html>]

2. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Printing and writing paper segment which is the prime grade among company's products, is expected to be negatively impacted in the near future	Opportunity & Risk	Risk: Will affect the margins in the business that the company operates. Opportunity: (i) Provides opportunity to diversify in to other product range to cater to different segments of markets. (ii) To take advantage of restrictions on single use plastic materials, by developing alternatives.	The company has been making necessary investments to diversify its product range and has also been strengthening its marketing network, as well as the supply chain.	Adverse since margins of alternate grades are likely to be lower when compared with printing and writing segment.
2	Failure of Monsoon and absence of water flow in the River Cauvery and River Tamirabarani, from where the Company draws its water requirements	Risk	Since water shortage will directly disrupt the pulp and paper production	The Company is taking various initiatives to curtail quantum of fresh water used in the process.	Adverse

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Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
3	Wood availability	Risk	Since wood pulp constitutes the major portion in the pulp furnish of the paper manufacturing in the Company	<p>The Company has well defined tree farming strategy to enable marginal land owners in nearby districts to grow trees in about 20000 acres annually. This enables company to be wood positive.</p> <p>This risk is further addressed thro' a 4 pronged strategy :</p> <ul style="list-style-type: none"> -- Adding Newer species of wood to its raw material base -- Enhancing the sourcing of wood from regions outside Tamil Nadu -- Direct connect with Farmers thro' Contract Farming initiatives -- Enhancing usage of bagasse & deinked pulp to reduce dependency on wood pulp. 	Negative since shortage of wood will result in company resorting to use of costlier sourced pulp.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
4	Dependency on imported Coal	Opportunity & Risk	Risk since this results in increase in energy cost. Opportunity since this opens up avenues to move towards non-fossil fuel based energy sources	The company has continuously taken steps to reduce its dependency on Coal. Today, more than 70% of the energy needs of the Unit : Erode is addressed thro' renewable energy sources and bio-fuels. Further steps are being taken to increase the share by augmenting in-house pulp production.	Neutral since the company's dependency on Coal has come down.
5	Monsoon failures affecting the Sugar Industry thereby restricting the supply of Bagasse	Risk	Risk since Bagasse is a key input material for the company	The Company has its own Captive source with Bagasse sourced from Associate Company. The Bagasse production by the Associate Company is more than the material required by SPB.	Neutral since bagasse represents only about 10% of the pulp mix in Erode operations.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the MCA's (Ministry of Company Affairs) NGRBC (National Guidelines on Responsible Business Conduct) Principles and Core Elements.

- ◇ P1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- ◇ P2: Businesses should provide goods and services in a manner that is sustainable and safe.
- ◇ P3: Businesses should respect and promote the well-being of all employees, including those in their value chains.
- ◇ P4: Businesses should respect the interests of and be responsive to all its stakeholders.
- ◇ P5: Businesses should respect and promote human rights.

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- ◇ P6: Businesses should respect and make efforts to protect and restore the environment.
- ◇ P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- ◇ P8: Businesses should promote inclusive growth and equitable development.
- ◇ P9: Businesses should engage with and provide value to their consumers in a responsible manner.

Sl.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	--	--	Y	Y	--	Y	Y	--
	c. Web Link of the Policies, if available	All the policies are available @ https://www.spbltd.com/investor-info/policy/index.html								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance) (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SPB's manufacturing facilities have well defined Environment, Health and Safety (EHS) and quality management systems in place and are aligned with International Standards like : ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 / ISO 45001 (Occupational Health & Safety Management System), FSC Controlled Wood Procurement Policy, BIS Standards.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has already achieved its vision to reach "Wood Positive Status". It has also made significant progress in having more than 70% of energy needs, in Unit : Erode, addressed thro' renewable energy sources / bio-fuels								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Refer the details given under each of the Principle.								

SESHASAYEE PAPER AND BOARDS LIMITED

Sl.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Governance, leadership and oversight											
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements : “SPB is committed to be a truly sustainable and socially responsible business. The Company’s ESG roadmap and Green initiatives / targets have been integrated with the Growth Strategy of the business.” Sri.K.S.Kasi Viswanathan Managing Director										
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director of the Company									
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details.	Yes, The Managing Director of the Company is responsible for decision making on sustainability related issues.									
10	Details of Review of NGRBCs by the Company:										
	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee					Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)				
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
	Performance against above policies and follow up action	Yes					Annually				
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company complies with all applicable laws.									
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	
		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.									

Sl.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
12	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: NA									
	The entity does not consider the Principles material to its business (Yes/No)						Not applicable			
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)						Not applicable			
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
	It is planned to be done in the next financial year (Yes/No)						Not applicable			
	Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

- ◆ Commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, Senior Management and all 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
 - 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.

Essential Indicators			
1	Percentage coverage by training and awareness programmes on any of the Principles during the financial year:		
Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	The Directors of the Company are given extensive information thro' Plant Visit(s), periodical updates and detailed presentations, on the Regulatory updates including MCA updates on amendments to Companies Act, 2013, SEBI Regulations, amendments to FEMA, Related Party Transactions, etc., Industry updates, market developments, energy initiatives thro' Business Presentations etc.		
Key Managerial Personnel			
Other Employees	The Company has dedicated periodical Internal Company Newsletter (GreenCo Newsletter) covering a variety of resources, including training programs, awareness campaigns, leader talks, contests and more. The learning content addresses the BRSR topics. The Company conducts campaigns throughout the year to encourage employees leverage their learnings.		
Workers	The GreenCo Newsletters of the Company are also available @ www.spbltd.com		
2	Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):		

Monetary					
	NGRBC Principle	Name of Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred (Yes/ No)
Penalty / Fine	None				
Settlement					
Compounding fee					
Non - Monetary					
Imprisonment	None				
Punishment					

- 3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

- 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

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 [<https://www.spbltd.com/investor-info/code-of-conduct/index.html>]. All Directors and Senior Management personnel affirm compliance with Code on an annual basis.

- 5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

	FY2022-23	FY 2021-22
Directors	There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against Directors / KMP / employees / workers that have been brought to our attention.	
KMPs		
Employees		
Workers		

6 Details of complaints with regard to conflict of interest:

	FY2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors / KMPs.		None		

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest - None.

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company facilitates capacity building workshops for its key value chain partners to educate and create shared awareness on key areas like Human Rights, labour practices and sustainability.

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes / No). If Yes, provide details of the same. Policy on related party transactions.

Yes. The Company receives an annual declaration from its Board of Directors and KMP on the entities they are interested in and ensures requisite approvals as required under the statute as well as Company's policies are in place before transacting with such entities and individuals.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

- 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. Process of manufacture of paper is clean, green and energy efficient.
- Our company manufactures different grades of printing and writing paper using
 - Plantation / 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 / bare root seedlings of Eucalyptus and Casuarina at subsidized rates to farmers and also assist them with technical help to achieve higher yields and revenues.
- Our company is constantly focused on identifying new wood species.
- 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.

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- In accordance with the Company's vision to achieve wood positive status, over 19.2 crore seedlings were made available during the FY 2022-23 (FY 2021-22 : 17.3 crore seedlings), at subsidized rates, for planting in 22,502 acres of land in FY 2021-22 (FY 2021-22 : 20,042 acres).
- 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 adopted by our company is also environmentally friendly and green. Our process is energy efficient and totally "Elemental Chlorine Free". Our process uses environmentally friendly chemicals viz. Oxygen, Hydrogen Peroxide, Chlorine Di-oxide, etc. which make our process green. The process adopted by our company generates a liquor called "Black Liquor" which is a biomass rich in lignin is burnt in a boiler to produce green power.
- Nearly 70% of the energy consumed by Unit : Erode is green power generated from 'Black Liquor' in the Chemical Recovery Complex and bio-fuels used in our Power Boilers. 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 Recausticizing Plant is reburied 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 5 consecutive years

- b) National Energy Leader – 3rd 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.
- IPMA Energy Conservation Award for FY 2021-22.
- CII EHS Excellence - Bronze Award for the year 2022
- AEE award - Regional Corporate Energy award 2021 by Association of Energy Engineers, US

Essential Indicators		
1	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively	
	FY 2022-23 (₹ Crores)	FY 2021-22 (₹ Crores)
	R&D (Revenue)	0.83
	R&D (Capex)	0.80
		0.33
		0.10
Details of improvements in environmental and social impacts:		
<p>Wood being the most important and sensitive raw material, the company helps farmers to grow trees and a large part of the Company's R&D programs supports farmers. As part of the tree farming activity, the company runs nursery in large scale and 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.</p> <p>Our company is constantly focused on identifying new wood species. Recently the company has identified newer varieties of wood like Melia-Dubia and Subabul as wood suitable for pulp production.</p> <p>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.</p> <p>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.</p>		

2	<p>a. Does the entity have procedures in place for sustainable sourcing? (Yes / No)</p> <p>b. If yes, what percentage of inputs were sourced sustainably?</p> <p>Yes. The Company has been certified under four standards of FSC (Forest Stewardship Council), viz. FSC-STD-40-004 (Chain of Custody (COC) Certification), FSC-STD-40-005 (Requirements for Sourcing FSC Controlled Wood), FSC-STD-40-003 (COC certification of multiple sites) and FSC-STD-50-001 (Certificate Holder Trademark Requirements). 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' claim products in Domestic and International Markets.</p> <p>100% of wood sourced is from sustainable vendors since SPB complied with FSC Controlled wood standard which ensures the wood procure are from acceptable sources.</p> <p>The Company's FSC Policy governing sourcing of wood is available at Company's website: https://www.spbltd.com/investor-info/corporate-governance/index.html</p> <p>The Company policy on Green Procurement guidelines underlines the following :</p> <ul style="list-style-type: none"> ▪ 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. <p>Company's green procurement guidelines are available in Company's website @ https://www.spbltd.com/investor-info/policy/index.html</p>
3	<p>Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.</p> <p>The plastic waste, mainly generated from the de-inking process of waste paper, is disposed for co-processing in Cement Kiln thro' an agreement.</p> <p>The Company has entered in to formal agreement with PCB approved e-waste vendors for disposal of e-waste.</p> <p>Company has identified waste oil and ETP sludge under Hazardous waste and imported waste paper as Other wastes. The Company has obtained authorization from TNPCB for its disposal and utilization.</p> <p>Other waste generated in the process (like Chipper Dust, Pith, Screen rejects etc) are used as Biomass in the Company's Captive Power Plant. Limie Sludge / Lime Grits, generated in the process, are supplied as alternate raw material to nearby cement plants. Primary Sludge, generated in the process, is supplied as alternate material to Board making plants / egg-tray making facilities.</p>

- 4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The EPR guidelines / regulations are applicable to the company. The Company has entered in to a formal agreement with an authorized service provider for collection & Disposal Of Plastic Waste Generated by the company On a Pan India Level. The program covers the following :

- EPR Report and certificate for collection, storage, transportation, recycling and disposal of Plastic waste.
- Fulfilment of EPR requirements of the COMPANY as per PWM 2016 (and its amendments), and respective state Rules.
- Implementation of the requirements under Central Government Notification {published on 18 th March, 2016, in the Gazette of India, Part – II, Section -3, Sub-section (i)} by Ministry of Environment, Forest and Climate Change.
- Collection / Recycling data on the basis of requirement by the COMPANY/ or Central/ State Pollution Control Boards.
- Other EPR services as required.

Leadership Indicators

- 1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The Company has been undertaking Life Cycle Perspective Assessments (LCA) on its products since the year 2017 with an objective to evaluate the impacts and identify areas for improvement in the value chains. LCA has been carried out for 2 of the major product offerings of the company and these products have been assessed as environment friendly. The Company will continue with its efforts for assessing environmental impact of other products.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in Public Domain (Yes / No)
1701	Super white & Copier Grades	20 – 30 %	Gate to Gate	3 rd party and internal	No

- 2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

The Company has put in place robust guidelines and standards, that are benchmarked against international best practices, with defined Standard Operating Procedures for identifying and mitigating social and environmental risks.

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Name of Product / Service	Description of the risk / concern	Action Taken				
NIL						
Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).						
Indicate input material	Recycled or re-used input material to total material					
	FY 2022-23	FY 2021-22				
Unit : Erode – Integrated Pulp and Paper Unit	Erode unit uses Bagasse, which is a by-product in Sugar mills, to manufacture pulp and about 10% of total pulp manufactured in Erode unit is bagasse based					
Unit : Tirunelveli – Standalone Paper Unit – Usage of recycled fibre as a % of total fibre	21%	16%				
Of the products and packaging reclaimed at end of life of products, amount reused, recycled, and safely disposed, as per the following format:						
	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)			971.9 MT			516.48 MT
E-waste			1.64 MT			2.18 MT
Hazardous waste (Used Spent Oil)			9 MT (approx.)			5 MT (approx..)
Hazardous waste (Chemical Sludge)			73596 MT			60430 MT
Other waste (ESP ash)			18863 MT			13754 MT
Reclaimed products and their packaging materials (as percentage of products sold) for each product category.						
Indicate product category			Reclaimed products and their packaging materials as % of total products sold in respective category			
In Unit : Erode			About 10% of the pulp is from Bagasse, which is a by-product of the Sugar Industry.			
In Unit : Erode			About 20% of the pulp furnish is from recovered paper.			

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PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators											
1	a. Details of measures for the well-being of employees (Other than workers):										
% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Permanent Employees											
Male	717	174	24%	717	100%	NA	NA	--	--	--	--
Female	12	1	8%	12	100%	12	100%	NA	NA	--	--
Total	729	174	24%	729	100%						
Other than Permanent employees											
Male	275	275	100%	264	100%	--	--	--	--	--	--
Female	11	11	100%	11	100%	--	--	--	--	--	--
Total	286	286	100%	286	100%						
b. Details of measures for the well-being of workers:											
Permanent Workers											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Male	307	--	--	307	100%	--	--			--	--
Female	--	--	--	--				--	--	--	--
Total	307	--	--	307	100%						
Other than Permanent Workers											
Male	949	949	100%	38	4%	--	--			--	--
Female	105	105	100%	--	--	105	100%	--	--	--	--
Total	1054	1054	100%	38	4%						

2	Details of retirement benefits, for Current FY and Previous Financial Year					
	Benefits	FY 2022-23			FY 2021-22	
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers Deducted and deposited with the authority (Y/N/NA)
	PF	100%	100%	Yes	100%	100% Yes
	Gratuity	100%	100%	Yes	100%	100% Yes
	ESI	14%	15%	Yes	13%	16% Yes
	Others ^^	82%	85%	Yes	83%	84% Yes
	The above retirement benefits are applicable only for permanent employees. ^^ Related to the exclusive Superannuation Program that the company offers to its employees					
3	Accessibility of workplaces					
	Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.					
	The establishments / offices of the company are accessible to differently abled employees and the management continuously works towards improving infrastructure for eliminating barriers to accessibility.					
4	Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.					
	Yes. The policy is available @ https://www.spbltd.com/investor-info/policy/index.html					
5	Return to work and Retention rates of permanent employees and workers that took parental leave.					
		Permanent employees		Permanent workers		
	Gender	Return to work rate	Retention rate	Return to work rate	Retention rate	
	Male	NA	NA	NA	NA	
	Female	100%	100%	100%	100%	
	Total	100%	100%	100%	100%	

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes. The Company's grievance redressal procedure is available to employees and workmen. The objective of the policy is to facilitate open and structured discussion on employees' work-related grievances with the intent of ensuring that the grievance is dealt with a fair and just manner while being in compliance with the company's policies. The company's practices encourage an amicable and fair resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority and attempt to arrive at a resolution before invoking a formal grievance redressal mechanism.

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	As mentioned above
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employee / workers	Part of association or Union	%	Total employee / workers	Part of association or Union	%
Total Permanent Employees	729	578	79%	747	599	80%
- Male	717	566	79%	735	587	80%
- Female	12	12	100%	12	12	100%
Total Permanent Workers	307	307	100%	316	316	100%
- Male	307	307	100%	316	316	100%
- Female	--	--	--	--	--	--

8	Details of training given to employees and workers:										
Category		FY 2022-23				FY 2021-22					
		Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
			Nos. (B)	% (B/A)	Nos. (C)	% (C/A)		Nos. (E)	% (E/D)	Nos. (F)	% (F/D)
Employees											
Male	981	487	50%	590	60%	735	312	42%	516	70%	
Female	23	11	48%	11	48%	12	9	75%	10	83%	
Total	1004	498	50%	601	60%	747	321	42%	526	70%	
Workers											
Male	994	528	53%	550	55%	963	765	79%	602	63%	
Female	72	68	94%	72	100%	75	75	100%	75	100%	
Total	1066	596	56%	622	58%	1038	840	81%	677	65%	

9	Details of performance and career development reviews of employees and worker:						
Category		FY 2022-23			FY 2021-22		
		Total (A)	Nos. (B)	% (B/A)	Total (C)	Nos. (D)	% (D/C)
Employees							
Male	717	333	46%	747	348	46%	
Female	12	10	83%	12	6	50%	
Total	729	343	47%	759	354	47%	
Workers							
Male	307	81	26%	316	76	24%	
Female	--	--	--	--	--	--	
Total	307	81	26%	316	76	24%	

10	Health and safety management system:
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	
Yes. The Company has implemented Occupational, Health and Safety Management System. The company is certified since year 2007 under Occupational Health and Safety Assessment series 18001/45001 (OHSAS) which is an international standard that facilitates management of Occupational Health and Safety risks associated with the business of the organization	
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	
For Routine work : Hazard Identification and Risk Analysis (HIRA) is carried out for each activity, prescribed in SOPs (Standard Operating Procedures). Suitable Control measures are implemented.	

For Non-routine work : Job Safety Analysis Tool is used to identify the hazards and risks involved in the job. Suitable control measures have been placed.

Further, both the units of the company undergo periodic Environment, Health and Safety audits. Several national awards and certifications acknowledge SPB's commitment and efforts towards providing a safe and healthy workplace to all.

c Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. A system is in place in both the units of the company to spot and report work related hazards and offer suggestions for improvements. Necessary training is given to all employees in recognizing hazards and issues. Joint inspections by management representatives and employees on the shop floor are also carried out at regular intervals and respective corrective and preventive measures are undertaken to mitigate the identified risks.

Formal Safety Committee is formed and operational in both the units thro' which work representatives can address their safety related issues during committee meetings.

Tool Box meetings are conducted regularly, wherein the workers can raise their safety issues to their managers.

Company has a separate safety department, comprising of a Safety Manager and trained safety executives, which does independent audit and champions the safety related programs across the organization.

d Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).

All the employees are covered under the Group Personal Accident Policy taken by the Company with well recognized insurers. All employees, permanent and temporary and their family members, have access to company provided (thro' medical centers run by the company in around the plants) or company supported medical benefits

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	--	0.31 in Unit : Erode and Nil in Unit : Tirunelveli
	Workers	--	--
Total recordable work-related injuries	Employees	--	1
	Workers	--	--
No. of fatalities	Employees	--	1
	Workers	--	--
High consequence work-related injury or ill-health (excluding fatalities)	Employees	--	--
	Workers	--	--

The Company's Safety Department carries out detailed investigations for all accidents, for both reportable and non-reportable to identify the root causes and to understand the measures to prevent recurrence. The learnings from all accidents are disseminated across the organization. Detailed presentation on Safety incidents / inquires / investigations / programs is made by the Safety Manager in the fortnightly Technical Review / Head-Of-Department Meetings, which is chaired by the Managing Director of the Company.

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Company runs comprehensive programs to ensure safe and healthy workplace and those programs covers the following : machineries and equipment safety, walkway and access staircases, storage tanks safety, work environment, work place illumination, comprehensive safety management system under ISO 45001, safety promotional activities, fire protection systems and training programs, emergency preparedness programs, emergency response teams, etc

13 Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL					
Health& Safety						

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company periodically undergo assessment programs by independent third party assessors and follow-up actions are taken and reported to the Risk Management Committee, comprising of 3 Independent Directors and the Managing Director of the Company.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the unfortunate event of death of an employee, including workers, the company extends financial support to family members of the employee. All the permanent employees of the company are covered under the Group Personal Accident Insurance Policy taken by the Company. All the temporary employees of the company are covered under the Statutory Employees State Insurance (ESI) program.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The bills raised by the service providers are settled by the company only on submission of proof by the service providers that the statutory dues have been deducted and deposited for all the contract workmen engaged in the company. These documents are also subject to the Internal Audit done by third party independent auditors, appointed by the Board of Directors of the Company.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	--	1	--	--
Workers	--	--	--	--

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. The company continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with a diversity of experiences. These enhance the employability of the workforce and enable a smooth transition to alternate opportunities where sought. A large number of managerial employees are also retained as consultants, beyond their superannuation, to help them with continued financial support and this also enables the company and the new incumbent managers to be benefitted by the experience of the retiring personnel.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	<p>The key suppliers of the company are covered in the GreenCo Supply Chain Program and accordingly given awareness programs and undergo detailed evaluation by GreenCo auditors.</p> <p>Also, the Company continue to be certified under four Standards of FSC, viz. FSC-STD-40-004 (Chain of Custody (COC) Certification), FSC-STD-40-005 (Requirements for Sourcing FSC Controlled Wood), FSC- STD-40-003 (COC certification of multiple sites) and FSC-STD-50-001 (Certificate Holder Trademark Requirements). 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' claim Products in the domestic and international markets</p>
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Corrections actions are identified thro' periodic GreenCo and FSC audits, as mentioned above, and follow-up actions taken and reported

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

The Company engages with a broad spectrum of stakeholders to deepen its insights in to their needs and expectations and to develop sustainable strategies for the short, medium and long term. Stakeholder engagement also helps manage risks and opportunities in business operations. The key stakeholders identified are : Customers, Dealers (Indentors), Employees, shareholders, related academic institutions, supply chain partners, collaborators, industry bodies, Government, local communities, regulators and society at large.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board website), other	Frequency engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Emails, customer visits, relationship meetings and reviews	Continuous	Understanding customers' expectations and the gaps, if any, in company's product offerings.
Shareholders	No	Emails	Quarterly	Informing the shareholders about the performance indicators of the company and update them on company's strategies
Employees	No	Notices, Meetings, Newsletters	Continuous	<ul style="list-style-type: none"> • Appraisals and feedback • Career management • Building a safety culture and inculcating safe work practices. • On the Job training

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Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board website), other	Frequency engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Collaborators	No	Video Conferences, Meetings / Calls, visits	As and when needed	<ul style="list-style-type: none"> Stronger partnership. Joint development projects
Academic Institutions	No	Academic Interface / Plant visits / Class sessions	As and when needed	Knowledge sharing and improving awareness about Paper, its eco-friendly use and paper manufacturing.
Industry Bodies	No	Conferences, Seminars, Meetings	Quarterly	For discussions on macro trends impacting Paper Industry
Government bodies and regulators	No	Meetings, visits	As and when needed	To ensure 100% compliance to all rules, regulations and laws
Local communities and society at large	No	Presentations, press conferences, media interviews, social welfare events	As and when needed	Understand areas of sustainable development; communicate on company's ESG initiatives and strategy; Implementation of CSR programs
Farmers / Aggregators / Supply Chain Partners	No	Visits by Company's managers; Awareness Meetings; One-to-One meetings	As and when needed	Review of supply performance; Green initiatives and updates; Price negotiations; Joint product developments / process upgradation; Project execution.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Board of Directors of the Company, thro' the CSR committee, reviews, monitors and provides strategic direction to Company's CSR programs. The Company's fortnightly Review Meetings, chaired by the Chairman and Managing Director, reviews in greater details all the ESG initiatives of the company and the issues, if any, raised by any of the stakeholders of the organization.

2	<p>Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.</p> <p>Company has an Environment Management team, headed by a person in Senior Management level. This team actively interacts with nearby villagers / government authorities and gets their feedback on the effectiveness of the company's ESG initiatives and ascertain their needs requiring support from the company. These are then formalized thro' the CSR programs of the company, which are reviewed and approved by the CSR Committee / the Directors.</p>
3	<p>Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.</p> <p>Based on the requirement stated by nearby villagers, the Company, for may years, has been supplying treated drinking water to near-by villages free of cost, to address the water needs for domestic use by the villagers.</p> <p>Based on request received from Government schools, the company has constructed toilets, donated land, supplied new equipments free of cost for operation of Smart Class Rooms, supplied RO Water Plant to Panchayat Schools, supplied key medical equipments to Government Hospitals / Primary Health Centers etc.</p> <p>The Company responded with financial support in Water Body development work and various other social works in Sivakasi, when request was received from "Sivakasi Green Forum".</p> <p>The Company also runs 4 Community Health centers in nearby villages, providing medical treatment and free medicines.</p> <p>As explained earlier, the 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.</p> <p>The above are few of the instances of engagement with vulnerable / marginalized stakeholder groups.</p>

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators						
1	Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:					
Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees / Workmen						
Permanent	Through regular trade union meetings / ISO awareness sessions / on-the-job training sessions / GreenCo awareness meetings, all the employees have been provided training on sexual harassment, avoidance of discrimination, freedom of association, forced labour, child labour, etc.					
Other than permanent						
Total						

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2 Details of minimum wages paid to employees, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Nos. (B)	% (B/A)	Nos. (C)	% (C/A)		Nos. (E)	% (E/D)	Nos. (F)	% (F/D)
Permanent employees (other than workmen)										
Male	717			717	100%	735			735	100%
Female	12			12	100%	12			12	100%
Other than Permanent (Other than workmen)										
Male	275			275	100%	268			268	100%
Female	11			11	100%	11			11	100%
Permanent workmen										
Male	307			307	100%	316			316	100%
Female	--					--				
Other than Permanent workmen										
Male	949	907	96%	42	4%	916	861	94%	55	6%
Female	105	105	100%			108	108	100%		

3 Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Refer Annexure VIII to Board's Report for report on Managerial Remuneration.			
Key Managerial Personnel				
Employees other than BoD and KMP	943	₹ 599,697	17	₹ 153,470
Workers	346	₹ 598,667	--	

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The HR Head of the respective units is responsible for addressing the human rights issues.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

All grievances are addressed as and when received by the respective unit HR Heads thro' the Plant / department Heads. All the grievances are duly investigated and appropriate actions are taken to resolve the issue / complaint.

The Company has a structured grievance redressal mechanism, with 4 layers of managerial intervention in review / redressal of issues.

6 Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL					
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a structured grievance redressal mechanism, with 4 layers of step-by-step managerial intervention to review / redressal of issues as well as to safeguard the identity and to prevent adverse consequences of the complainant.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The contract / agreements with suppliers / service providers, which involve supply of labour, addresses the human rights requirements.

9	Assessments for the year:	
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
	Child labour	100%.
	Forced/involuntary labour	The company undertook internal assessment thro' its HR and IR function.
	Sexual harassment	
	Discrimination at workplace	
	Wages	
	Others - please specify	
10	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. No significant risks / concerns observed in internal evaluations.	
Leadership Indicators		
1.	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. No complaint has been received for human rights violation.	
2.	Details of the scope and coverage of any Human rights due-diligence conducted. Internal assessment covers all plant locations and offices.	
3.	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Our establishments / offices are accessible to the differently abled and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.	
4.	Details on assessment of value chain partners:	
		% of value chain partners (by value of business done with such partners) that were assessed
	Sexual Harassment	Currently, this is not being addressed.
	Discrimination at workplace	However, the company's suppliers Code of Conduct addresses many of these aspects.
	Child Labour	
	Forced Labour/Involuntary Labour	
	Wages	
	Others - please specify	
5.	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. Not applicable.	

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PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

1. Details of total energy consumption and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1124373 GJ	999466 GJ
Total fuel consumption (B)	7212865 GJ	6431179 GJ
Energy consumption through other sources (C)	--	--
Total energy consumption (A+B+C)	8337238 GJ	7430645 GJ
Energy intensity per rupee of turnover (<i>Total energy consumption / turnover in rupees</i>)	0.00040 GJ per Rupee of turnover	0.00055 GJ per Rupee of turnover

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Energy Audits are done periodically by external energy auditors, certified by BEE.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Both the units of the company are covered the PAT Scheme of Govt. of India. In both the units, PAT cycle targets have been achieved.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source		
(i) Surface water	113 lakh KL	108 lakh KL
(ii) Groundwater	0.005 KL	0.003 KL
(iii) Third party water	--	--
(iv) Seawater / desalinated water	--	--
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	113 lakh KL	108 lakh KL
Total volume of water consumption (in kilolitres)	113 lakh KL	108 lakh KL
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)	0.0005 litre per Rupee of turnover	0.0008 litre per Rupee of turnover

Note: : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- ♦ The Company practices ZLD in its Unit : Tirunelveli, where treated waste water, after recycled / reused in the process and discharged, is used for plantation within the mill premises.
- ♦ The Company's unit in Erode is an integrated pulp and paper mill. The practice of ZLD has not been achieved in any integrated pulp and paper mill so far (Reference : Central Pulp & Paper Research Institute (CPPRI), Saharanpur, report on the subject).
- ♦ However, the company, in its Erode unit, 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.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx – Erode unit	Mg/nm ³	26.0	29.0
SOx – Erode unit	Mg/nm ³	119.5	117.5
Particulate matter (PM) – Erode unit	Mg/nm ³	21.0	32.0
NOx – Tirunelveli unit	Mg/nm ³	38.7	66.9
SOx – Tirunelveli unit	Mg/nm ³	13.3	40.0
Particulate matter (PM) – Tirunelveli unit	Mg/nm ³	36.2	15.5
Others			

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Assessments carried out by TNPCB (Advance Environmental Laboratory) – For both units, Enviro Care Laboratory (Madurai) – For Tirunelveli unit and Excellence Care Laboratory (Madurai) – For Tirunelveli unit.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	359986	351157
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	59555	36169
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent	0.000020 per Rupee of turnover	0.000029 per Rupee of turnover

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. By Excellence Laboratory (Madurai) for Unit : Tirunelveli.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The company continuously works on reduction in usage of fossil fuel, thro' increased use of bio-fuels.

In FY 2022-23, the Company has also installed a PCC (Precipitated Calcium Carbonate) Plant capturing the CO₂ from the Stack of the Lime Kiln, reducing thereby the overall emission of GHG from the unit.

The Company is evaluating installation of a plant for gasification of bio materials for replacement of fossil fuels, in its lime kiln.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	971.9	516.48
E-waste (B)	1.64	2.18
Bio-medical waste (C)	--	--
Construction and demolition waste (D)	--	--
Battery waste (E)	--	--
Radioactive waste (F)	--	--
Other Hazardous waste. Please specify, if any.(G)	73605	60435
Other Non-hazardous waste generated (H). Please specify, if any. (ESP ash)	18863	13754
Total (A+B+C+D+E+F +G+H)	93441.54	74707.66

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For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	--	--
(ii) Re-used	--	--
(iii) Other recovery operations	--	--
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	--	--
(ii) Landfilling	--	--
(iii) Other disposal operations	93441.54	74707.66
Total	93441.54	74707.66

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is certified under ISO 14001:2015 and the scope covers its entire operations. Under the Environmental Management System, the company has guidelines for comprehensive waste management for the identification, segregation, collection, recycling and final disposal

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company doesn't have operations in above mentioned ecologically sensitive areas. Both the units of the company have obtained the requisite environmental clearances.

Sl. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Unit Erode	Industrial Facility	Yes
2	Unit Tirunelveli	Industrial Facility	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)
NIL				

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Both the units of the company follow the applicable environmental law / regulations / guidelines in India such as Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution Act), Environment Protection Act and rules thereunder. No cases of non-compliances have been observed in FY 2022-23.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	534979 GJ	393820 GJ
Total fuel consumption (B)	4716048 GJ	3522348 GJ
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C)	5251027 GJ	3916168 GJ
From non-renewable sources		
Total electricity consumption (D)	589395 GJ	605645 GJ
Total fuel consumption (E)	2496817 GJ	2908832 GJ
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F)	3086212 GJ	3514477 GJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Energy Audits are done periodically by external energy auditors, certified by BEE.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment - please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties for Lift Irrigation purposes		
- No treatment		
- With treatment - please specify level of treatment	6565175 KL	6302090 KL
(v) Others		
- No treatment		
- With treatment - please specify level of treatment	946628 KL	1143179 KL
Total water discharged (in kilolitres)	7511803 KL	7445269 KL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	* 22610	* 21469
Total Scope 3 emissions per rupee of turnover		0.000001 per rupee of turnover	0.000002 per Rupee of turnover

* This is measured in Unit : Erode, to the extent possible and reported herewith. Data to be collected for Unit : Tirunelveli.

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Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

- 5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

- 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Refer the annexure to Board's report on Conservation of Energy			

- 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link**

Yes. The Company has a Business Continuity, Emergency Preparedness and Disaster Management Plan designed to address the threat of disruptions to business activities or processes. The Business Continuity Plans validates the adequacy of the existing systems and processes to prevent and recover from potential threats.

- 8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant adverse impact reported by any value chain partners.

- 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

100% of the wood suppliers are covered under FSC audits, as mentioned earlier. Suppliers for other materials have not been formally assessed by the company, for environmental impacts.

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PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators					
1. a. Number of affiliations with trade and industry chambers / associations.					
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.					
Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)			
1	Confederation of Indian Industry	National			
2	Indian Pulp and Paper Technology Association	National			
3	Indian Paper Manufacturers Association	National			
4	Indo American Chamber of Commerce	National			
5	Indo German Chamber of Commerce	National			
6	National Safety Council	National			
7	Employers Federation of Southern India	National			
8	Indian Agro & Recycled Paper Manufacturers association	National			
9	Federation of Indian Export Organisation	National			
10	CAPEXIL	National			
2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.					
Name of authority	Brief of the case	Corrective action taken			
Competition Commission of India	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				
Leadership Indicators					
1. Details of public policy positions advocated by the entity:					
Sl.No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web link, if available
Given the Company's experience and expertise over more than 6 decades, the company proactively, thro' the associations in which it has membership, engages with various stakeholders and provide its inputs on various areas such as renewable energy space, health and safety, etc.					
Over the years, the company's Chairman and Managing Director have played key roles in leading industry associations. The Company is committed to engage in the public policy advocacy process in a responsible and ethical manner.					

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PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators						
1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.						
Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link	
None of the projects undertaken by the company in FY 2022-23 require Social Impact Assessments.						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:						
Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.		
Company has an Environment Management team, headed by a person in Senior Management level. This team actively interacts with nearby villagers / government authorities and gets their feedback on the effectiveness of the company's ESG initiatives and ascertain their needs requiring support from the company. These are then formalized thro' the CSR programs of the company, which are reviewed and approved by the CSR Committee / the Directors.		
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:		
	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	11 % approx.	17 % approx.
Sourced directly from within the district and neighbouring districts	64 % approx.	84 % approx.

Leadership Indicators	
1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):	
Details of negative social impact identified	Corrective action taken
Not applicable.	

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2	Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:			
	Sl.No.	State	Aspirational District	Amount spent (In INR)
	Refer Annexure - VI to Board's Report for details on CSR activities.			

3	(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) The Company is committed to collaborate with small farmers (growing varieties of wood for pulping), by supplying them Clones / seedlings at concessional rates and also enters contracts with them to buyback wood at Minimum Support Prices or Ruling market prices, whichever is higher.			
	(b) From which marginalized /vulnerable groups do you procure? Refer notes given above.			
	(c) What percentage of total procurement (by value) does it constitute? Our procurement from small farmers, direct and thro' aggregators, represent about 30% of our total wood procurement for the year.			

4	Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:			
	Sl. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes/No) Basis of calculating benefit share
	Not applicable			

5	Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.		
	Name of authority	Brief of the Case	Corrective action taken
	Not applicable		

6	Details of beneficiaries of CSR Projects:		
	Sl. No.	CSR Project	No. of persons benefitted from CSR Projects % of beneficiaries from vulnerable and marginalized groups
	Refer Annexure - VI to Board's Report for details on CSR activities.		

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators	
1	<p>Describe the mechanisms in place to receive and respond to consumer complaints and feedback.</p> <p>A well established system is in place for dealing with consumer feedback. Customers are provided multiple options to connect with the company through email, telephone, feedback forms, personal visit by company's branch officers / managers, etc.</p> <p>In addition, the Top management team conducts quarterly dealers' conference wherein all the dealers (Indentors as called by the company) participate and have both group discussions / one-to-one discussion with the Top Management team. This particular initiative has been extremely effective and important for the Top Management team of the company to receive direct unfiltered feedback on the company's products, quality issues, logistics issues if any and so on.</p>
2	<p>Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environmental and social parameters relevant to the product, safe and responsible usage and recycling and / or safe disposal.</p>
	As a percentage to total turnover
Environmental and social parameters relevant to the product	Products of the company contain all relevant information as required under applicable laws.
Safe and responsible usage	
Recycling and/or safe disposal	

3	Number of consumer complaints in respect of the following:					
	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during year	Pending resolution at end of year		Received during year	Pending resolution at end of year	
Data privacy	--	--		--	--	
Advertising	--	--		--	--	
Cyber-security	--	--		--	--	
Delivery of essential services	--	--		--	--	
Restrictive Trade Practices	--	--		--	--	
Unfair Trade Practices	--	--		--	--	
Others **	76	2		73	1	

** All these complaints relate to either product not meeting customer expectation on the performance or logistics gaps like wrong supply / short supply. Company has robust systems put in place to address these issues on priority basis directly and thro' the company's dealer network.

4	Details of instances of product recalls on account of safety issues:		
		Number	Reasons for recall
	Voluntary recalls	NIL	
	Forced recalls		
5	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. The Company's ERP (Database and applications) is fully operational in the Cloud Network and accordingly the company doesn't have any requirement for On-Premises Cyber Security and Risk policy. The Company's ERP is fully governed by the cyber security frameworks / audit trails programs / logics provided by the Cloud Service Providers (Oracle and AWS). Also, the company has a framework / policy on cyber security and risks related to data privacy, available at www.spbltd.com .		
6	Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. None.		
Leadership Indicators			
1	Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). Details available at https://www.spbltd.com/products/index.html		
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. The company's communications are aimed at enabling consumers to make informed purchase decisions. The company also makes efforts to educate consumers on responsible usage of its products and services.		
3	Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services. The company operates dedicated web portals for the company's indentors, thro' which necessary informations are shared. The company also operates WhatsApp Group facilities to get in touch with Indentors / Customers.		
4	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) Product Information displayed on the products, as required under applicable laws. The Central Marketing Office and the Branch Offices spend a lot of time and attention on product information, labelling and customer engagement. The quarterly Indentor conferences act as a major event for discussions on all points concerning products, quality, complaints etc.		

5	Provide the following information relating to data breaches
	a. Number of instances of data breaches along-with impact NIL
	b. Percentage of data breaches involving personally identifiable information of customers NIL

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 Ganesh Balakrishna Bhadti, Director (Operations)

Sri S Srinivas, Senior Vice President & CFO

- (b) Nature of contracts / arrangements / transactions:

Details of transactions with the above related parties are provided in Note No. 39 to the Accounts for the Financial year 2022-23.

It may be seen therefrom that the total value of transactions with all Related Parties are less than 10% of the total income for the Financial Year 2022-23 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

- ◇ Installation of Indirect heat exchanger to increase white liquor temperature in Bagasse Pulp mill.
- ◇ Usage of MP steam instead of HP steam in 21 MW TG ejector.
- ◇ To minimize steam for hot water generation in causticizing plant by installation of indirect heat exchanger for process condensate.
- ◇ Installation of new Energy Efficient pump for secondary ETP under flow pump - 2 & vacuum pump No. 592 in Paper machine.
- ◇ Usage of secondary condensate from evaporation plant in BSW of Bagasse Pulp mill replacing fresh water and LP steam consumption in Bagasse Pulp mill.
- ◇ Variable Frequency Drives have been installed in many equipment mill-wide to conserve energy.
- ◇ Drawal of grid power to minimize the usage of boiler fuels.
- ◇ Pinch analysis study - Steam consumption optimization in heat exchangers by CSIR, Dehradun in chemical mill in progress.
- ◇ Usage of waste heat recovery from flue gas to bring down the moisture

in Biomass through Demonstration of Energy Efficiency Project (DEEP)/ Bureau of Energy Efficiency (BEE) Project approved.

Unit: Tirunelveli

- ◇ Major overhauling done in boiler and turbine by which the home load power consumption reduced 5% and turbine specific steam consumption also reduced.
- ◇ A detailed audit is under progress to replace the existing over rated hood area air handling units with the exact rating.

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

Unit: Erode

- ◇ Green energy from Chemical Recovery Complex has increased from 58.4 % to 60.01 %.
- ◇ Increase in usage of Biomass in captive power plant helped in increase in green energy from 3.12 % to 8.32%.
- ◇ A new "Overfeed" biomass burning system has been installed to further step up biofuel usage.
- ◇ Increase in Biomass firing from 9 % to 27.8% in CPP enabled reduction of coal usage by 70 tpd.
- ◇ Overall Green energy usage has increased from 61.49 % to 68.33%.

Unit : Tirunelveli

- ◇ A crusher installed to convert all kinds of wood waste into a suitable powder and feed with coal (mixed fuel) in the view of reducing coal consumption.
- ◇ Methane gas generated in the Anaerobic System is being flared now. A new system has been installed to take this Methane gas to Coal Fired Boiler and reduce usage of fossil fuel, Coal.

B. TECHNOLOGY ABSORPTION

(I) Efforts made towards technology absorption

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

1. Exploring alternative raw materials for Pulping

- ◇ Pulping of various wood variety, forest species, cloned varieties are being carried out on laboratory scale to assess their cooking chemicals requirement, yield and bleachability to assess for suitability for papermaking. Now we have started subabul wood for pulping.

2 New Product Development

- ◇ Continuous efforts are 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 Carton board for Food grade and SPB prime for cup making application.

3 Environment related R&D

- ◇ Pilot plant study was carried out viz Forward Osmosis and Nano Filter technology to treat Pulp mill Bleach effluents to the level of process water quality to reuse in pulp mill itself to reduce fresh water consumption. We could not succeed. We are exploring the possibility of working with other agencies.

- ◇ Bio-methanation process improvements and augmentation of the system is being carried out with bio-inoculum and additional available input materials of excess bagasse washing effluent load.

- ◇ Constant monitoring of environmental parameters, both water and air, and maintaining them within stipulated levels set by Pollution control board. Proper methods are solid waste disposal is being carried out.

- ◇ Introduction of on-site PCC filler - Onsite PCC plant installed, commissioned and the product is being used on continuous basis, which improves the surface and optical properties of paper.

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

- ◇ Process improvement studies are being carried out regularly to reduce the chemical consumptions and improve the functional properties of the end product.

- ◇ 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 De foamer in Machines.

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- ◇ Development of Alternate suppliers for ETP sludge dewatering system.
- ◇ Development of new flocculant suppliers for cost reduction.
- ◇ Introduction of low calcium SPP 75 % for Colour varieties.
- ◇ Development of Alternate suppliers for Lime stone.
- ◇ Introduction paper flexibility chemical addition in MG Machine.

5 Future plan of Action at Erode

- ◇ Development of Value-added new products as per market requirement.
- ◇ Replacement of acid dye in place of direct dyes to reduces the BOD and COD.
- ◇ Recycling of waste water in each stage without affecting the quality for water conservation.

- ◇ Elimination of Acid sizing for all of our products.
- ◇ Efficient use of Secondary sludge to address environmental issues and to convert biomass to renewable energy.
- ◇ Foul condensate stripping to eliminate odour.

6 Future plan for Unit :Tirunelveli

- ◇ To discuss with chemical suppliers and jointly develop a system to close the water circuit without increasing the odour in our Treated effluent water and paper.

7 Imported Technology:

- ◇ Nil

8 Expenditure incurred on Research and Development

₹ 1.16 crores (Previous Year - ₹ 0.80 crores)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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.

	2022-23	2021-22
	(₹ crores)	(₹ crores)
Earnings	342.06	322.20
Outgo	281.16	126.76

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 2022-23	
			Held	Attended
1.	Sri A L Somayaji	Chairman of the Committee	2	2
2.	Dr Nandhitha Krishna	Independent Director	2	2
3.	Sri N Gopalaratnam	Chairman of the Company	2	2
4.	Sri K S Kasi Viswanathan	Managing Director	2	2

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>

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- 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	2019-20	19.00	Nil
2	2020-21	19.13	Nil
3	2021-22	19.36	Nil
	Total	57.49	Nil

- 6 Average net profit of the Company as per Section 135(5): ₹15,596.50 lakhs.

- 7 (a) Two percent of average net profit of the Company as per section 135(5): ₹ 311.93 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) : ₹ 311.93 lakhs.

- 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY 2023 (₹ 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
341.83	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 : ₹ 341.83 lakhs - Refer Annexure VI(A) for details
 (d) Amount spent Administrative Overheads : NIL
 (e) Amount spent on Impact Assessment, if applicable : NIL

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(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 341.83 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)	311.93
(ii)	Total amount spent for the financial year	341.83
(iii)	Excess amount spent for the financial year [(ii) -(i)]	29.83
(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 2022-23 [(iii)-(iv)]	29.83

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/-

(K S Kasi Viswanathan)
Managing Director

Sd/-

(A L Somayaji)
Chairman of CSR Committee

Annexure - VI(A)

Details of CSR Amount spent during FY 2022-23

Schedule VII Item No.	Schedule VII - Description	Name of the Project	Spend (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	30.36	Yes		
Item no. I	Promoting health care including preventive health care	Expenses involved in running primary Health Care Centre and providing facilities to Government Hospitals and Govt Health care centres	26.84	Yes		
Item no. I	Making available safe drinking water	Supply of drinking water to nearby villages	142.20	Yes		
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	1.00	Yes		
Item no. II	Promoting Education	Contribution for infrastructure facilities in a primary School	5.75	No	CSR00000229	Amar Seva Sangam, Tirunelveli
Item no. II	Promoting Education	Expenditure on running own schools and providing infrastructure facilities to other educational institutions run by Tamil Nadu State Government bodies	69.87	Yes		

Schedule VII Item No.	Schedule VII - Description	Name of the Project	Spend (in ₹ lakhs)	Mode of Implementation - Direct (Y/N)	Mode of Implementation - Through	
					CSR Regn. No.	Name
Item no. II	Promoting education including Special Education	Maintenance of integrated child development centre in thoothukudi	5.40	No	CSR00014613	Vivekananda Kendra Rural Development Trust
Item no. X	Rural development projects	Providing infrastructure facilities in nearby villages	34.32	Yes		
Item no. IV	Environmental Sustainability	Water body Development work and various other social works in Sivakasi District in State of Tamil Nadu	10.00	No	CSR00040572	Sivakasi Green Forum, Sivakasi
Item no. XII	Disaster management, including relief, rehabilitation and reconstruction activities	Distribution of Rice bags to flood affected people in Sirkali District in State of Tamil Nadu	2.26	No		
Item no. IV	Environmental Sustainability	Donation for Environmental Protection in support of activities organised by Tamil Nadu State Government	10.00	No		Utkarsh Global Foundation, Mumbai
Item no. X	Rural development projects	Others	3.84	Yes		
	TOTAL		341.83			

**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) ** Director (Operations) ^^	45:1 40:1 5:1 18:1	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 # Director (Operations) # CFO # Company Secretary #	15 % 14 % -- -- -- --	Note - 2
3.	The percentage increase in the median remuneration of employees in the financial year		24%	Note - 3
4.	The number of employees on the rolls of Company		1364	
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	11 % 20 %	
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		

Not comparable since either the current or previous year salary are for part of the year.
Sri V Pichai, DMD & S – Office vacated due to his demise on 03.05.2022 (**)
Sri Ganesh Bhadtia, D(O) was appointed as Director w.e.f 13.06.2022 (^^)
Sri S Srinivas, CFO was appointed as KMP w.e.f 01.08.2021 (part period in previous year)
Sri B S Raj Kiran, Company Secretary was appointed as KMP w.e.f 28.01.2023

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Notes:

- Chairman, MD and Director (Operations) 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 of Sri.N.Gopalaratnam, Chairman and Sri.K.S.Kasi Viswanathan, Managing Director, as presented above, were approved by the Shareholders of the Company in the Annual General Meeting held on August 8, 2020. Chairman and Managing Director have been re-appointed for a further term of 3 years from April 1, 2023 with revised terms of remuneration and their terms of appointment and remuneration have been approved by the shareholders of the company by e-voting thro' Postal Ballot on 13.03.2023. The appointment / remuneration of Mr. Ganesh Bhadti, Director (Operations) was approved by the shareholders in the 62nd Annual General Meeting of the Company.
- During the year, the Company has entered in to 5 year wage settlement agreement with labour unions and staff associations, valid until March 31, 2024 and accordingly there is an increase in median remuneration, as per the terms of the settlement agreement.

(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 ^^	Sri Ganesh Bhadti **
2	Designation	Chairman	Managing Director	Deputy Managing Director & Secretary	Director (Operations)
3	Remuneration for FY 2022-23	₹ 2.34 crores	₹ 2.11 crores	₹ 0.29 crores	₹ 1.07 crores
4	Nature of employment	Contractual	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	B.A.Sc (Pulp and Paper Science), MBA 35 years
6	Date of commencement of employment	01 04 1988	13 03 1991	12 06 1980	03 11 2016
7	Age of employee	75	71	74	61

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Sl. No.	Description	Particulars			
1	Name of the employee	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai ^^	Sri Ganesh Bhadti **
8	Last employment	Project Specialist, SPB Projects & Consultancy Limited	Project Coordinator, SPB Projects & Consultancy Limited	Manager, Indi-an Bank	Vice President and Mill Manager, IP-APPM
9	% of Equity shares held	Negligible (78155)	Negligible (2910)	Negligible (42695)	Nil
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	Not a relative of any Director of the Company

Note:

Gross remuneration includes salary, incentive, perquisites and Company's contribution to retirement benefits.

^^ Office vacated due to his demise on 03.05.2022

** Appointed as Director on 13.06.2022

On behalf of the Board

Chennai
April 29, 2023

N GOPALARATNAM
Chairman

B RAVI & ASSOCIATES
COMPANY SECRETARIES.

"Guru Nilayam" 42, Rathinam Street
Gopalapuram, Chennai - 600086
Telephone: 044-28350517, 28351055
E-mail: bravics@gmail.com

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

[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 SESHASAYEE PAPER AND BOARDS LIMITED (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 Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided 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, 2023 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, minutes, forms and returns filed and other records maintained by the Company for the financial

year ended on 31st March, 2023 according to the provisions of :

- (i) The Companies Act 2013 ("the Act") and the rules made thereunder issued by the Ministry of Corporate Affairs from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (was not applicable to the Company during the period under review);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (was not applicable to the Company during the period under review);
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (was not applicable to the Company during the period under review);
- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (was not applicable to the Company during the period under review);
- (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (was not applicable to the Company during the period under review);
- (b) Air (Prevention and Control of Pollution) Act, 1981
- (c) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- (d) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
- (e) The Explosives Act, 1884
- (f) The Petroleum Act, 1934 and Petroleum Rules, 2002
- (g) The Poisons Act, 1919
- (h) Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 ("DC Rules")
- (i) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
- (j) Bureau of Indian Standards Act 1986
- (k) The Electricity Act 2003 and rules framed thereunder
- (l) Gas Cylinder Rules 2016
- (m) The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")
- (n) Legal Metrology Act, 2009 , the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules") and Standards of Weights and Measures Act 1976
- (o) Environment Protection Act, 1986
- (p) E-Waste Management Rules, 2016

The Company has complied with the following Industry Specific Laws and the rules, regulations framed there under :

- (a) Water (Prevention and Control of Pollution) Act, 1974

We further report that based on the information received, explanations given, process explained, records maintained and internal audit reports submitted to the Board / Committees of the Board, 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 labour laws, Goods and Service Tax laws and

other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Independent Directors, Independent Woman director and Key Managerial Personnel. The Company, based on past arrangement and practices, continues to have a nominee director from Tamilnadu Industrial Investment Corporation Ltd (TIIC), the largest shareholder of the company and a nominee director from the Ministry of Environment and Forest Department, Government of Tamil Nadu. Their appointments as Nominee Director are duly approved by the shareholders of the company. The changes in the composition of the Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever meetings are convened at shorter notice, the requirements have been complied with. A system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The company had convened its meetings of Committees and Board physically and through Video Conferencing in compliance with the requirements of the Act.

All decisions were taken unanimously at the Board and the committee meetings and with requisite majority at the Annual General Meeting and Postal Ballot. There was no Extra-ordinary General meeting held during the year under review.

We further report that during the audit period: -

1. In addition to the other Ordinary Business, the shareholders in their 62nd Annual General meeting held on 23rd July, 2022 through ordinary resolution has accorded approval for the:
 - a) Declaration of dividend of ₹ 2.50/- (Rupees Two and fifty paise only) per fully paid up Equity Share for the Financial Year 2021-22 on 6,30,68,140 Equity Shares of ₹ 2/- each fully paid-up.
 - b) Appointment of Mr Ganesh Balakrishna Bhadti (DIN: 09634741) as a whole time director of the Company, designated as Director (Operations), for a period of three years with effect from 23rd July, 2022.
 - c) Reclassification of 42,695 equity shares held by Mrs. P Suganthi (W/o Late Mr V Pichai) from Promoter shareholding category to Public shareholding category.

The Company has complied with requirements of the above mentioned businesses, in compliance with the provisions of the applicable acts and regulations.

SESHASAYEE PAPER AND BOARDS LIMITED

2. The company had participated and emerged as successful bidder in the e-auction held on 19th September, 2022 for the acquisition of the assets (Land, Building and Plant and Machinery) of M/s Servalakshmi Paper Limited (Corporate Debtor-In Liquidation) on liquidation on a Going Concern basis. The company had remitted the full sale consideration amount of ₹ 105.0 crores on 5th October, 2022. Applications filed challenging the e-auction and confirmation of sale were heard by NCLT, Chennai Bench and Hon'ble Tribunal had reserved the matters for the orders.
 3. The members through postal ballot accorded approval on 13th March, 2023 through special resolutions for the following:
 - a. Reappointment of Mr. N Gopalarathnam as Whole Time Director designated as Chairman of the company for a period of three years with effect from 1st April, 2023.
 - b. Reappointment of Mr K S Kasi Viswanathan as Managing Director of the company for a period of three years with effect from 1st April, 2023.
- The Company has complied with requirements of the above mentioned businesses, in compliance with the provisions of the applicable acts and regulations.
4. Environment, Climate Change and Forest Department, Government of Tamil Nadu vide the letter no. G.O.(D) NO.31 dated 17th February, 2023 nominated its Special Secretary (Forests), Mr. T Ritto Cyriac, IFS as its Nominee Director on the Board of the Company in the place of Mr. K Raj Kumar, IFS. The Board at its meeting held on 24th March, 2023 had inducted Mr. T Ritto Cyriac, IFS as an additional director and also approved the appointment of Mr. T Ritto Cyriac, IFS as Nominee Director subject to the approval of shareholders.

Name of Company Secretary in practice : **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318

MANAGING PARTNER
B RAVI & ASSOCIATES

Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN: F001810E000107399

Place: Chennai
Date :15.04.2023

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 2023
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	:	₹ 1.34 crores
7.	Total Assets	:	₹ 2.82 crores
8.	Total Liabilities	:	₹ 0.23 crores
9.	Investments	:	₹ 0.08 crores
10.	Turnover	:	₹ 0.27 crores
11.	Profit before taxation	:	₹ 0.10 crores
12.	Provision for taxation	:	₹ 0.05 crores
13.	Profit after taxation	:	₹ 0.05 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.

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 2023
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	:	₹ 124.32 crores
7.	Profit / Loss for the year	:	₹ 38.34 crores
	Considered in Consolidation	:	₹ 10.54 crores
	Not considered in Consolidation	:	₹ 27.80 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
Firm Regn. No. 001931S/S000020

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUT1351

N GOPALARATNAM
(DIN No. 00001945)
Chairman

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

GANESH BALAKRISHNA BHADTI
(DIN No. 9634741)
Director (Operations)

V SRIDAR (DIN No. 02241339)
DR S NARAYAN (DIN No. 00094081)
A L SOMAYAJI (DIN No. 00049772)
DR NANDITHA KRISHNA (DIN No. 00906944)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
HANS RAJ VERMA (DIN No. 00130877)
T RITTO CYRIAC (DIN: 07951031)
Directors

S SRINIVAS
Sr. Vice President & CFO

B S RAJ KIRAN
Company Secretary

Chennai
April 29, 2023

**Standalone Financial Statements
for the year ended
31st March 2023**

SESHASAYEE PAPER AND BOARDS LIMITED

MAHARAJ N R SURESH AND CO LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S 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, 2023 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, 2023, 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 31st March 2023, the company carries cash and bank balances of ₹ 558.17 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.

SESHASAYEE PAPER AND BOARDS LIMITED

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. Inventory at the reporting date ₹ 240.89 crores includes ₹ 18.44 crores pulp (raw materials) and coal ₹ 50.40 crores (chemicals Fuels and others) lying with the company's agents in Tuticorin Port. This being a significant balance to the total inventories held is considered a key audit matter	<ul style="list-style-type: none"> ◇ We have understood and verified design and operating effectiveness of the controls established by the management with respect to the receipt and issue of the said materials. ◇ We have also verified the relevant records for the receipt and issue of the materials and the confirmation received from the agents for the quantity of the inventories held at the year end. ◇ We have also cross-checked the quantities by visual and measurement checks conducted by our consultant which corroborates with the quantity confirmed by the agents
3. Other financial assets includes ₹ 105 crores deposited with Resolution Professional under E-Auction Bid in full for Purchase of M/s. Servalakshmi Paper Ltd., corporate debtor, on a Going Concern basis in liquidation. The application filed by the company for confirmation of the sale and handing over possession has been challenged before the NCLT, Chennai Bench and the Hon'ble Tribunal reserved the matter for orders.	<ul style="list-style-type: none"> ◇ We have verified the resolution passed by the Board of Directors for Investments and participation in the E-Auction for acquisition of M/s.Servalakshmi Paper Ltd., corporate debtor in liquidation. ◇ We have verified the E-Auction documents, Receipts / Confirmation for the deposit of Rs.105 crores, Petition for confirmation of the sale by NCLT and the papers relating to the further proceedings before NCLT. ◇ In our opinion the company has complied with the provision of the Sec.185 of the Companies Act, 2013 and the deposit is confirmed and subject to NCLT Orders

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, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2023 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 36 (a) to the Financial Statement

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 35E(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 35E(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 division 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) 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 37 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.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

K V Srinivasan
Membership No. 204368
Partner
Chartered Accountants
UDIN : 23204368BGWWUQ3386

Place : Chennai
Date : April 29, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2023 in conjunction with our audit of the Standalone Ind AS 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.

Place : Chennai
Date : April 29, 2023

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, 2023, 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.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

K V Srinivasan
Membership No. 204368
Partner
Chartered Accountants
UDIN : 23204368BGWWUQ3386

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SESHASAYEE PAPER AND BOARDS LIMITED.

The Annexure referred to in Paragraph 2 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 or financial are in agreement with the books of account of the Company
 - (iii) During the year the Company has paid a deposit of ₹ 105 Crores as -E-auction bid amount for Acquiring M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation and not, 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 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

SESHASAYEE PAPER AND BOARDS LIMITED

Act, 2013. We have broadly reviewed the books of account maintained by the 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 prima facie, the prescribed and such 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 2023 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 not been deposited as on 31st March 2023 on account of disputes are given below

Name of the Statute	Nature of dues	Gross Amount in ₹ crores	Paid Amount in ₹ crores	Net Amount in ₹ 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	April 2013-March 2014
Value Added Tax	Value Added Tax	0.08	0.08		TNSTAT	April 2009-March 2010
Customs Act, 1962	Customs Duty	21.64	-	21.64	CESTAT	March 2012-January 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 -	April 2012 to January 2016
- do -	Cenvat	1.39	0.10	1.29	- do -	February 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 borrowing 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, have 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 companies;
- (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 is 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 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 date;
- (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 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.
- (d) We are informed there are three core Investment Companies in the group which are exempted from registration.

- (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) (a) 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.
- (b) There are no unspent amount towards Corporate Social responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provisions of sub section (6) of section 135 of the said act.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

K V Srinivasan
Membership No. 204368
Partner
Chartered Accountants
UDIN : 23204368BGWWUQ3386

Place : Chennai
Date : April 29, 2023

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note No.	As At 31-03-2023	As At 31-03-2022
		₹ crores	₹ crores
(A) ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	793.70	813.81
(b) Capital Work-in-Progress	2(A)	19.87	13.87
(c) Other Intangible Assets	2(B)	1.93	1.24
(d) Financial Assets			
(i) Investments	3	151.97	142.52
(ii) Other Financial Assets	4	176.26	40.14
(e) Other Non-current Assets	5	19.06	5.98
Total Non-current Assets		1162.79	1017.56
2 Current Assets			
(a) Inventories	6	240.88	124.12
(b) Financial Assets			
(i) Trade Receivables	7	95.19	101.28
(ii) Cash and Cash Equivalents	8	50.47	116.12
(iii) Bank balances other than (ii) above	9	445.48	213.22
(iv) Others	10	1.39	7.20
(c) Other Current Assets	11	23.34	30.29
Total Current Assets		856.75	592.23
Total Assets		2019.54	1609.79
(B) EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	12	12.04	12.04
(b) Other Equity	13	1564.25	1193.56
Total Equity		1576.29	1205.60

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023 (Contd.)

Particulars	Note No.	As At 31-03-2023	As At 31-03-2022
		₹ crores	₹ crores
II LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	—	0.54
(ii) Other Financial Liabilities	15	16.69	15.55
(b) Provisions	16	21.88	18.60
(c) Deferred Tax Liabilities (net)	17	121.56	123.98
Total Non-current Liabilities		<u>160.13</u>	<u>158.67</u>
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	—	3.56
(ii) Lease Liabilities	19	—	0.02
(iii) Trade Payables			
A) Total outstanding dues of Micro Enterprises and Small Enterprises	20	8.00	13.24
B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	224.97	182.34
(iv) Other Financial Liabilities	21	22.75	29.68
(b) Other Current Liabilities	22	5.99	6.88
(c) Provisions	23	12.85	2.06
(d) Current Tax Liabilities	24	8.56	7.74
Total Current Liabilities		<u>283.12</u>	<u>245.52</u>
Total Equity and Liabilities		<u>2019.54</u>	<u>1609.79</u>

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

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUQ3386

N GOPALARATNAM
(DIN No. 00001945)
Chairman

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

GANESH BALAKRISHNA BHADTI
(DIN No. 9634741)
Director (Operations)

V SRIDAR (DIN No. 02241339)
DR S NARAYAN (DIN No. 00094081)
A L SOMAYAJI (DIN No. 00049772)
DR NANDITHA KRISHNA (DIN No. 00906944)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
HANS RAJ VERMA (DIN No. 00130877)
T RITTO CYRIAC (DIN: 07951031)
Directors

S SRINIVAS
Sr. Vice President & CFO

B S RAJ KIRAN
Company Secretary

Chennai
April 29, 2023

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
I Revenue from Operations	25	2082.53	1354.93
II Other Income	26	30.52	16.65
III Total Income (I+II)		2113.05	1371.58
IV Expenses			
Cost of Materials Consumed	27	955.22	612.99
Purchase of Stock-in-Trade	28	24.30	25.54
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	13.75	138.78
Employee Benefits Expense	30	97.90	84.59
Finance Cost	31	3.19	2.87
Depreciation and Amortisation Expenses	32	45.25	40.83
Other Expenses	33	457.30	327.44
Total Expenses (IV)		1596.91	1233.04
V Profit before Exceptional Items and Tax (III-IV)		516.14	138.54
VI Exceptional Items		—	—
VII Profit / (Loss) Before Tax (V+VI)		516.14	138.54
VIII Tax Expenses	34		
(1) Current Tax		129.94	34.55
(2) Deferred Tax		(-)0.34	0.89
		129.60	35.44
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)		386.54	103.10

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Note No.	Year ended 31-03-2023		Year ended 31-03-2022	
		₹ crores	₹ crores	₹ crores	₹ crores
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)			386.54		103.10
X Other Comprehensive Income (OCI)					
A Items that will not be reclassified to Profit or Loss					
(i) Remeasurement benefit of the Defined Benefit Plans		(-) 11.69		1.06	
(ii) Net Fair Value Gain on investment in Equity Instruments through OCI		9.45		17.02	
(iii) Income Tax relating to items that will not be reclassified to Profit or Loss		1.92		(-)3.04	
			(-) 0.32		15.04
B (i) Items that will be reclassified to Profit or Loss		(-) 0.63		0.68	
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		0.16		(-)0.17	
			(-) 0.47		0.51
Total Other Comprehensive Income (A + B)			(-) 0.79		15.55
XI Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the Period) (IX+X)			385.75		118.65
XII Earnings per Equity Share	40				
(face value of ₹ 2 each)					
(1) Basic			64.18		17.12
(2) Diluted			64.18		17.12
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

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUQ3386

N GOPALARATNAM
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B S RAJ KIRAN
Company Secretary

Chennai
April 29, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A) EQUITY SHARE CAPITAL

Particulars	No. of Shares		₹ crores	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
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 April 01, 2022 (A)	37.16	3.60	900.00	166.14	0.51	(-)11.93	1193.56
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—
Restated balance at the beginning of the current reporting period	37.16	3.60	900.00	166.14	0.51	(-)11.93	1193.56
Additions during the year							
Profit for the year	—	—	—	386.54	—	—	386.54
Items of OCI for the year (net of taxes)							
Remeasurement benefit of Defined Benefit Plans	—	—	—	(-)8.75	—	—	(-)8.75
Net Fair Value Gain on Investment in equity Instruments through OCI	—	—	—	—	—	—	—
Items that will be reclassified to Profit or loss	—	—	—	8.43	(-)0.47	—	8.43
Total Comprehensive Income for the year 2022-23 (B)	—	—	—	377.79	(-)0.47	—	(-)0.47
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.19) (C)	—	—	—	0.71	(-)0.47	—	385.75
Reductions during the year							
Dividends	—	—	—	—	—	—	0.71
Transfer to General reserve	—	—	(-)100.00	15.77	—	—	15.77
Total (D)	—	—	(-)100.00	115.77	—	—	15.77
Balance as at 31-03-2023 (A+B+C-D)	37.16	3.60	1000.00	428.87	0.04	(-)11.93	1564.25

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023 (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, 2021 (A)	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	37.16	3.60	800.00	176.89	83.84	-	(-)11.93	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 Profit or 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

₹ crores

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUQ3366

Chennai
April 29, 2023

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Company Secretary

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Refer Note	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		516.14	138.54
Adjustments for:			
Add:			
Property Plant and Equipment (PPE) discarded		0.06	1.08
Depreciation and Amortisation Expenses	e ^	45.25	40.83
Imputed Finance Charge on Interest Free Sales Tax Defferal Loan (IFSTD)		0.27	0.61
Finance charge on lease liability	31 {	—	0.02
Interest and financing charges		2.22	2.24
		47.80	44.78
		563.94	183.32
Less:			
Interest income from Term Deposits		23.25	7.18
Dividend Income from Investments	26 b/c	2.57	2.25
Deferred income arising from government grant	26 d	1.10	1.10
Interest income from Lease Deposit		—	0.01
Profit / (Loss) on sale of PPE		0.19	0.03
		27.11	10.57
Operating profit before working capital changes		536.83	172.75
Changes in working capital:			
(Increase) / Decrease in Inventories	6	(-)116.76	103.13
(Increase) / Decrease in Trade Receivables	f ^	6.09	(-)19.74
(Increase) / Decrease in Other Assets	g ^	(-)2.13	21.91
Increase / (Decrease) in Liabilities and Provisions	j ^	33.56	26.38
		(-)79.24	131.68
Income tax paid		(-)129.13	(-)28.86
Net cash from operating activities *		328.46	275.57
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	h ^	(-)31.96	(-)104.27
Outflow towards "Right of Use" Assets	38	(-)0.02	(-)0.27
E-auction bid amount, paid in full, for acquisition of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation	4 (c)	(-)105.00	—
Sale of Property, Plant and Equipment		0.26	0.03
Dividend Income from Investments	26 b/c	2.57	2.25
(Increase) / Decrease in Term Deposits	i ^	(-)260.86	(-)155.88
Interest income from Term Deposits		23.25	7.18
Net cash used in investing activities		(-)371.76	(-)250.96

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Refer Note	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	k [^]	(-)4.37	(-)4.03
Dividend paid	13	(-)15.76	(-)15.76
Interest and financing charges paid	31	(-)2.22	(-)2.25
Net cash used in financing activities		(-)22.35	(-)22.04
Net increase in cash and cash equivalents (I)		(-)65.65	2.57
Cash and cash equivalents as at the beginning of the Year (II)		116.12	113.55
Cash and cash equivalents as at the end of the Year (I + II) **	8	50.47	116.12
** Includes following balances held in EEFC Accounts			
-- Amount in US \$ (Mn)		0.15	6.04
-- Equivalent amount in ₹ crores		1.23	45.71

* Net of CSR Expenditure Outgo refer Note 35 (D) - ₹ 3.42 crores (Previous Year ₹ 4.21 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 Deposit 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.
 - (iii) Impact of Changes in foreign exchange rates on Borrowings.

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Refer Note	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
e Depreciation considered in Cash Flow Statement			
Depreciation as per Profit & Loss Account	32	45.25	40.83
f (Increase) / Decrease in Trade Receivables			
Changes in Trade Receivables as per Balance Sheet	7	6.09	(-)19.74
Less: Changes in Impairment Provision	7	—	—
		6.09	(-)19.74
g (Increase) / Decrease in Other Assets			
Changes as per Balance Sheet in:			
Other Non-current Financial Assets	4 (a)	(-)2.52	1.22
Other Non-current Assets	5	(-)13.08	8.80
Current Financial Assets - Others	10	5.81	(-)7.02
Other Current Assets	11	6.95	17.80
		(-)2.84	20.80
Add : Income From SPB Equity Shares Trust to be received	13	0.71	1.11
		(-)2.13	21.91
h Purchase of Property, Plant and Equipment			
Additions as per Property, Plant and Equipment	2	24.93	122.59
Additions as per Intangible Assets	2B	1.03	0.01
Changes in Capital Work in Progress	2A	6.00	(-)18.33
		31.96	104.27
i (Increase) / Decrease in Term Deposits			
Changes as per Balance Sheet in:			
Bank Deposits with more than 12 months maturity	4b	(-)28.60	(-)34.91
Bank Balance other than Cash and Cash Equivalents	9	(-)232.26	(-)120.97
		(-)260.86	(-)155.88

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Refer Note	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
j Increase / (Decrease) in Liabilities and Provisions			
Changes as per Balance Sheet in:			
Non-Current Other Financial Liabilities	15	1.14	(-)0.21
Non-Current Provisions	16	3.28	1.96
Trade Payables	20	37.39	24.29
Other Current Financial Liabilities	21	(-)6.93	6.06
Other Current Liabilities	22 a/b	0.21	(-)4.95
Current Provisions	23	10.79	(-)2.51
		45.88	24.64
Less: Remeasurement of Defined benefit plan		11.69	(-)1.06
Add : Adjustment for Items that will be reclassified to P&L		(-)0.63	0.68
		33.56	26.38
k Increase / (Decrease) in Borrowings			
Changes as per Balance Sheet in:			
Non-Current Borrowings	14	(-)0.54	(-)2.95
Current Maturities of Non Current Borrowings	18	(-)3.56	(-)0.47
Imputed Interest on IFSTD	31	(-)0.27	(-)0.61
		(-)4.37	(-)4.03
Repayment in Unsecured Loans		(-)4.37	(-)4.03
Repayment in Secured Loans		—	—

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUQ3386

Chennai
April 29, 2023

N GOPALARATNAM
(DIN No. 00001945)
Chairman

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

GANESH BALAKRISHNA BHADTI
(DIN No. 9634741)
Director (Operations)

V SRIDAR (DIN No. 02241339)
DR S NARAYAN (DIN No. 00094081)
A L SOMAYAJI (DIN No. 00049772)
DR NANDITHA KRISHNA (DIN No. 00906944)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
HANS RAJ VERMA (DIN No. 00130877)
T RITTO CYRIAC (DIN: 07951031)
Directors

S SRINIVAS
Sr. Vice President & CFO

B S RAJ KIRAN
Company Secretary

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 paper and paper boards 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 statement of cash flow.

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 Property, Plant and Equipment, 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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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 commence 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 at the transaction prices, upon transfer of control of the products to customers. Transfer of control happens, when the products are delivered to the common carrier.

The company recognises the 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. Entitlements 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 expects to 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. The Company presents the above liability / asset as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary.

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, 2023, 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, and it is probable that an outflow of resources embedded and 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. However trade receivables are initially measured at the transaction price. 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 AS 27 – 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.

The general terms of payment for the credit sales made by the Company is 30 to 60 days from the date of Invoice. Hence the trade receivable do not carry any financing component.

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, does not result in exchange fluctuation at the date of fair valuation.

1.21 Statement of Cash Flows

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.

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

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

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, and the major amendments are as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and also identify and eliminate immaterial accounting policies from the financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' which was absent hitherto, and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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, nature and consequent impact of the events of material size, occurring after the Balance Sheet date, 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.

Audit trail feature, as mandated by the Companies (Accounts) Rules, 2014 (as amended) with effect from April 01, 2023, has been enabled in the accounting software used by the Company. The Company also a set up practices for daily backup of the entire database and applications in remote locations.

1.27 Segment Reporting

The Company is engaged in the business of manufacture and sale of 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 number 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 Ind AS 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.

SESHASAYEE PAPER AND BOARDS LIMITED

2 PROPERTY, PLANT AND EQUIPMENT

₹ crores

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
LAND	4.17	0.17	—	4.34	—	—	—	—	4.34	4.17
BUILDINGS										
- FREE HOLD	111.72	5.29	0.07	116.94	25.63	5.39	0.01	31.01	85.93	86.09
- RIGHT OF USE ASSETS (Refer Note. No. 1.13)	0.88	—	0.74	0.14	0.74	0.02	0.74	0.02	0.12	0.14
PLANT AND EQUIPMENT	895.61	18.20	0.07	913.74	176.31	38.66	0.02	214.95	698.79	719.30
FURNITURE AND FIXTURES	2.17	0.08	—	2.25	0.51	0.07	—	0.58	1.67	1.66
VEHICLES	2.49	0.54	—	3.03	1.50	0.22	—	1.72	1.31	0.99
OFFICE EQUIPMENT	4.13	0.65	0.03	4.75	2.67	0.55	0.01	3.21	1.54	1.46
	1021.17	24.93	0.91	1045.19	207.36	44.91	0.78	251.49	793.70	813.81

₹ 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 36(b) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

Refer Note No 37(C) (3) (i) for charge created on Property, Plant and Equipment

SESHASAYEE PAPER AND BOARDS LIMITED

2 (A) CAPITAL WORK IN PROGRESS

₹ crores

Description	Net Carrying Amount	
	As at 31-03-2023	As at 31-03-2022
Opening Balance	13.87	32.20
Add: Additions to Capital Work In Progress during the year ^^	31.96	104.27
Less: Assets Capitalised during the year **	25.96	122.60
Closing Balance	19.87	13.87

Refer 35 (B) for Ageing of Capital Work in Progress

** 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 - Nil (Previous Year - ₹ 0.008 crores)
- (b) Employee Benefits - Nil (Previous Year - ₹ 2.67 crores)
- (c) Interest capitalised - Nil (Previous Year - Nil)
- (d) Bank Charges - Nil (Previous Year - Nil)
- (e) Cost of Materials consumed during trials - Nil (Previous Year - ₹ 4.19 crores)
- (f) Other expenses - Nil (Previous Year - ₹ 1.78 crores)

2(B) OTHER INTANGIBLE ASSETS

₹ crores

Description	Gross carrying Amount				Amortisation				Net Carrying Amount	
	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
COMPUTER SOFTWARE	1.77	1.03	—	2.80	0.93	0.28	—	1.21	1.59	0.84
TECHNICAL KNOW-HOW	1.41	—	—	1.41	1.01	0.06	—	1.07	0.34	0.40
	3.18	1.03	—	4.21	1.94	0.34	—	2.28	1.93	1.24

₹ crores

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

SESHASAYEE PAPER AND BOARDS LIMITED

	No of shares	Face Value ₹	As at 31-03-2023 ₹ crores	As at 31-03-2022 ₹ 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	69.79	63.54
HDFC Bank Limited	5000	1	0.81	0.74
High Energy Batteries (India) Limited (Previous Year - 282911 Shares of face value ₹ 10 each)	1414555	2	45.51	42.88
Tamilnadu Newsprint and Papers Limited	100000	10	2.18	1.68
Total Quoted Equity Shares			137.89	128.44
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			151.97	142.52
Aggregate amount of :				
Quoted Investments - At Cost			24.61	24.61
Quoted Investments - At Market value			211.71	163.16
Unquoted Investments - At Cost			14.08	14.08
Impairment in value of Investments			—	—

Refer Note No. 1.2 on determination of fair value.

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
4 OTHER FINANCIAL ASSETS		
(Non current)		
(a) Security Deposit	7.75	5.23
(b) Bank Deposits with more than 12 months Maturity **	63.51	34.91
(c) E-auction bid amount, paid in full, for acquisition of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation #	105.00	—
	<u>176.26</u>	<u>40.14</u>
** Includes ₹ 15.39 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 23.15 crores)		
# Applications filed challenging the e-auction and confirmation of sale were heard by NCLT, Chennai Bench and the Hon'ble Tribunal had reserved the matters for Orders.		
5 OTHER NON CURRENT ASSETS		
Capital Advances	14.06	0.90
Prepaid expenses	0.56	0.79
Charges paid under Protest @	4.44	4.29
	<u>19.06</u>	<u>5.98</u>
@ Includes		
- Energy Charges paid under protest to TNERC (Refer Note No. 36(a)(iv))	2.00	2.00
- Duties & Taxes paid under protest (Refer Note No. 36(a)(i))	0.52	0.55
- 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)	0.81	0.63
6 INVENTORIES		
Raw Materials *	123.25	52.70
Work- in- Progress	6.02	5.44
Finished Goods	—	11.07
Stock-in-Trade	0.46	3.72
Stores and Spares (Note 1)	18.43	16.00
Chemicals, Fuels and others ^ (Note 2)	92.72	35.19
	<u>240.88</u>	<u>124.12</u>
* Includes Material In Transit	1.62	8.10
^ Includes Material In Transit	2.78	1.99
* Includes Material with Agent appointed by the Company	18.44	6.49
^ Includes Material with Agent appointed by the Company	50.40	2.28

(For method of valuation, please refer to Note No.1.9)

(Please refer Note No.37(C)(3)(i) for security created on Inventories)

Note 1: The Inventory is net of provisions for non-moving inventory of ₹ 0.50 crores (Previous Year ₹ 0.11 crores)

Note 2: The Inventory is net of provisions for non-moving inventory of ₹ 0.55 crores (Previous Year ₹ 0.34 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
7 TRADE RECEIVABLES		
a) Considered Good - Secured	30.53	34.37
b) Considered Good - Unsecured	64.66	66.91
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
	95.19	101.28

(Please refer Note No.37(C)(3)(i) for security created on Receivables)

Ageing Schedule : As at 31-03-2023

₹ 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	90.78	3.99	0.25	0.06	0.08	0.03	95.19
(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
	90.78	3.99	0.25	0.06	0.08	1.96	97.12
Less : Allowance for bad and doubtful debts							1.93
							95.19

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
	93.57	5.93	0.13	0.96	0.29	2.33	103.21
Less : Allowance for bad and doubtful debts							1.93
							101.28

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
8 CASH AND CASH EQUIVALENTS		
Balances with banks	25.21	58.89
Term deposits with original maturity of less than 3 months	25.03	57.04
Cash on hand	0.23	0.19
	<u>50.47</u>	<u>116.12</u>
9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	1.28	1.27
Term deposits with original maturity for more than 3 months but less than 12 months *	444.20	211.95
	<u>445.48</u>	<u>213.22</u>
* Includes ₹ 205.51 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 115.75 crores)		
10 OTHER CURRENT FINANCIAL ASSETS		
a) Export Incentive Receivable *	1.33	6.51
b) Fair Value of Derivatives (Net)	0.06	0.69
	<u>1.39</u>	<u>7.20</u>
* Includes scrips / scrolls received and pending utilisation		
11 OTHER CURRENT ASSETS		
A. Advances other than Capital Advances:		
a) Advances for purchase of goods and services	10.71	8.13
b) Advance to Employees	5.81	0.33
B. Others		
a) Prepaid expenses	2.55	2.91
b) Balance with Government Authorities		
- GST Receivable	1.27	16.34
c) Other receivable #	3.00	2.58
	<u>23.34</u>	<u>30.29</u>
# includes refund receivable under the erstwhile VAT Act	0.76	0.76
# includes dues from SPB Equity Shares Trust	1.59	0.95

12 EQUITY SHARE CAPITAL

	₹ crores
As at 31-03-2023	As at 31-03-2022
Authorised	
20 00 00 000 - Equity Shares of ₹ 2 each	40.00
3 00 00 000 - Cumulative Redeemable Preference Shares of ₹ 10 each	30.00
	<u>70.00</u>
Issued, Subscribed and Fully paid up:	
6 30 68 140 Equity Shares of ₹ 2 each	12.61
Less : Adjustment for shares held by SPB Equity Shares Trust (Refer Note No.1.19)	0.57
	<u>12.04</u>
	12.61
	0.57
	<u>12.04</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31-03-2023	As at 31-03-2022
	No of Shares	₹ crores
At the beginning of the year	6 30 68 140	12.61
Change During the Year	—	—
At the end of the year	<u>6 30 68 140</u>	<u>12.61</u>

b) Terms / rights attached to Equity Shares

The Equity Shares of the Company having face 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 31-03-2023		As at 31-03-2022	
	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 78 284	10.11	63 48 105	10.07
(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 31-03-2023			As at 31-03-2022		
		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 78 284	10.11	0.05	63 48 105	10.07	0.10
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	-	78 155	0.12	0.05
9	K S Kasi Viswanathan	2 910	0.005	-	2 910	0.005	-
10	V Pichai	-	-	(-0.07)	42,695	0.07	-
		2 69 79 504	42.78	(-0.02)	2 69 92 020	42.80	0.15

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, 2022 (A)	37.16	3.60	900.00	166.14	98.08	0.51	(-)11.93	1193.56
Additions during the year:								
Profit for the year	—	—	—	386.54	—	—	—	386.54
Items of OCI for the year (net of taxes)								
Remeasurement of Defined Benefit Plans	—	—	—	(-)8.75	—	—	—	(-)8.75
Net Fair Value Gain on Investment in Equity Instruments through OCI	—	—	—	—	8.43	—	—	8.43
Items that will be reclassified to Profit or Loss	—	—	—	—	—	(-)0.47	—	(-)0.47
Total Comprehensive Income for the Year 2022-23 (B)	—	—	—	377.79	8.43	(-)0.47	—	385.75
Income from SPB Equity Shares Trust (C) (Refer Note No.1.19)	—	—	—	0.71	—	—	—	0.71
Reductions during the Year								
Dividend	—	—	—	15.77	—	—	—	15.77
Transfer to General reserve	—	—	(-)100.00	100.00	—	—	—	—
Total (D)	—	—	(-)100.00	115.77	—	—	—	15.77
Balance as at March 31, 2023 (A+B+C-D)	37.16	3.60	1000.00	428.87	106.51	0.04	(-)11.93	1564.25

Particulars	₹ Crores						
	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 Profit or 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 (Refer Note No.1.19)	(C)	-	-	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	(-)11.93	1193.56

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

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 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
14 BORROWINGS		
(Non-Current Financial Liabilities)		
Unsecured		
From others - Interest Free Sales Tax Loan	—	0.54
	<u>—</u>	<u>0.54</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 had fully repaid the entire ₹ 47.64 crores as at March 31, 2023.

The Company had adopted previous GAAP for the carrying amount of the loan at the date of transition and had 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 was recognised as deferred income. Interest on the loan was 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 OTHER FINANCIAL LIABILITIES

(Non-Current Financial Liabilities)

Security Deposits	16.69	15.55
	<u>16.69</u>	<u>15.55</u>

16 PROVISIONS

(Non-Current Liabilities)

a) Provision for Employee Benefits:		
Provision for Leave Encashment and Retirement Benefits	13.77	10.49
b) Others:		
Provision for Generation tax *	8.11	8.11
	<u>21.88</u>	<u>18.60</u>

* Provisions made during the Year ₹ 1.31 crores (Previous Year ₹ 2.07 crores)

* Settled during the Year ₹ 1.31 crores (Previous Year ₹ 2.06 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

17 DEFERRED TAX LIABILITY (NET)

₹ crores

Particulars	As at 01-04-2022	Recognised in		As at 31-03-2023
		Statement of P&L during 2022-23	OCI 2022-23	
Deferred Tax Liabilities				
Difference between WDV of PPE as per the books of accounts and Income Tax Act, 1961.	126.82	0.21	–	127.03
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-)6.22	(-)0.76	–	(-)6.98
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	(-)0.21	0.21	–	–
Taxes on Items of Other Comprehensive Income	3.42	–	(-)1.92	1.50
Income Tax relating to items that will be reclassified to Profit or Loss	0.17	–	(-)0.16	0.01
Deferred Tax Liability	123.98	(-)0.34	(-)2.08	121.56

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 PPE 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 Profit or Loss	–	–	0.17	0.17
Deferred Tax Liability	119.88	0.89	3.21	123.98

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
18 BORROWINGS		
Current maturities of Interest Free Sales Tax Loan (Refer Note No.14 (i))	—	3.56
	—	3.56
19 LEASE LIABILITIES		
Lease Liabilities (Current) (Refer Note No.1.13)	—	0.02
	—	0.02
20 TRADE PAYABLES		
a) Total outstanding dues of Micro and Small Enterprises	8.00	13.24
b) Total Outstanding dues of creditors other than Micro and Small Enterprises*	224.97	182.34
	232.97	195.58
* Includes Payables to Related Parties - (refer note 39)	1.72	2.83
20 (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.		
20 (ii) Disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows		
	FY 2022-23	FY 2021-22
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	8.00	13.24
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

20 (iii) - Trade Payables - Ageing Schedule as on 31-03-2023

₹ 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) Micro and Small Enterprises (MSE)	8.00	—	—	—	—	8.00
(ii) Others	213.47	10.84	0.49	0.16	0.01	224.97
(iii) Disputed dues - MSE	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	221.47	10.84	0.49	0.16	0.01	232.97

Trade Payables Ageing Schedule as on 31-03-2022

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) Micro and Small Enterprises (MSE)	13.24	—	—	—	—	13.24
(ii) Others	102.81	64.20	10.41	1.33	3.59	182.34
(iii) Disputed dues - MSE	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	116.05	64.20	10.41	1.33	3.59	195.58

**As at
31-03-2023**

**As at
31-03-2022**

₹ crores

₹ crores

21 OTHER FINANCIAL LIABILITIES

(Current Financial Liabilities)

Unpaid Dividends * 1.28 1.27

Others:

- Payable for capital expenditure	0.99	1.31
- Security Deposit	1.84	1.57
- Retention Monies	8.62	12.50
- Employees dues	10.02	13.03
	22.75	29.68

* Due for transfer to IEPF as at the end of the year - Nil (Previous Year - Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
22 OTHER CURRENT LIABILITIES		
Other liabilities:		
(a) Advances received from Customers #	1.60	1.19
(b) Statutory Liabilities	4.39	4.59
(c) Deferred Income arising from Government grants (Refer Note 1.11)	—	1.10
	<u>5.99</u>	<u>6.88</u>

Revenue recognised during the year from the Opening Advances ₹ 1.19 crores (Previous Year ₹ 6.82 crores)

23 CURRENT PROVISIONS

Provision for Employee Benefits:

Provision for Gratuity, Leave Encashment and Retirement Benefit

12.85	2.06
<u>12.85</u>	<u>2.06</u>

24 CURRENT TAX LIABILITIES

Income Tax **

8.56	7.74
<u>8.56</u>	<u>7.74</u>

** Current tax includes ₹ 5.76 crores, provision for uncertainty expected in allowance of incomes claimed as not taxable. (Previous Year ₹ 5.76 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
25 REVENUE FROM OPERATIONS		
A) REVENUE FROM SALE OF PRODUCTS		
Paper and Paper Boards		
India	1642.90	944.09
Rest of the World	379.84	358.16
	<u>2022.74</u>	<u>1302.25</u>
Stock in Trade		
India	28.78	27.14
	<u>2051.52</u>	<u>1329.39</u>
Break-up of Revenue from Sale of Products - Transacted Price and adjustments		
Sales Value at Transacted price	2161.75	1393.38
Less : Adjustments:		
Cash Discount	47.97	24.40
Other Discounts / Incentives	62.26	39.59
	<u>110.23</u>	<u>63.99</u>
	<u>2051.52</u>	<u>1329.39</u>
B) OTHER OPERATING INCOME		
Export Benifits / Incentives	8.22	10.66
Others	22.79	14.88
	<u>31.01</u>	<u>25.54</u>
	<u>2082.53</u>	<u>1354.93</u>
26 OTHER INCOME		
(a) Interest Income		
- On financial assets carried at Amortised Cost	23.98	9.44
(b) Dividend Income from Equity Investments measured at fair value through OCI	1.27	1.07
(c) Dividend Income from Equity Investments in Associate	1.30	1.18
(d) Government Grant (Refer Note No. 1.11)	1.10	1.10
(e) Net Exchange Gain	—	3.03
(f) Others	2.87	0.83
	<u>30.52</u>	<u>16.65</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
27 COST OF MATERIALS CONSUMED		
Raw material		
i) Wood	344.02	236.14
ii) Bagasse	26.55	11.19
iii) Purchased Pulp	114.99	51.65
iv) Waste Paper	102.29	50.28
	587.85	349.26
Feeding and other Charges	9.28	7.09
	597.13	356.35
Chemicals & Consumables @	322.47	232.08
Packing Materials	35.62	24.56
	955.22	612.99
@ Includes provision for non-moving inventory - ₹ 0.60 Crores (Previous Year ₹ 0.25 crores)		
@ Reversal of Write down of inventory - Nil (Previous Year ₹ Nil)		
28 PURCHASE OF STOCK-IN-TRADE		
Notebook & Paper	0.25	0.10
Petroleum Products	24.05	25.44
	24.30	25.54
29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening stock		
- Finished goods	11.07	148.94
- Work in progress	5.44	5.65
- Stock-in-Trade	3.72	4.42
	20.23	159.01
Closing stock		
- Finished goods	—	11.07
- Work in progress	6.02	5.44
- Stock-in-Trade	0.46	3.72
	6.48	20.23
	13.75	138.78
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	78.62	70.32
Contribution to Provident & other Funds (Refer Note No.1.12)	10.86	7.62
Staff welfare Expenses	8.42	6.65
	97.90	84.59

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
31 FINANCE COSTS		
Interest on financial liabilities carried at amortised cost (Effective interest rate method)		
- Interest on borrowings	—	0.25
- Interest on interest free Sales tax loan (Refer Note No. 1.11)	0.27	0.61
Interest on Security Deposits measured at Amortised Cost	1.85	1.90
Interest - Income Tax	0.70	—
Other borrowing costs	0.37	0.11
	<u>3.19</u>	<u>2.87</u>
32 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	44.91	40.52
Amortisation of Intangible assets (Refer Note No. 2(B))	0.34	0.31
	<u>45.25</u>	<u>40.83</u>
33 OTHER EXPENSES		
Power and Fuel		
(i) Purchased Power	64.27	32.99
(ii) Consumption of Fuel	216.91	151.78
(iii) Generation Tax	1.31	2.07
	282.49	186.84
Repairs and Maintenance		
- Buildings	8.55	4.45
- Plant & Machinery	44.05	32.59
- Others	3.64	2.02
	56.24	39.06
Insurance	5.09	2.99
Rent, Rates and Taxes	1.95	3.49
Selling and Distribution Expenses	80.46	68.45
Net foreign exchange loss	1.52	—
Auditors' remuneration (Refer Note No. 35 (A))	0.53	0.61
Corporate Social Responsibility expenses (Refer Note No. 35 (D))	3.42	4.21
Miscellaneous	25.60	21.79
	<u>457.30</u>	<u>327.44</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
34 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	129.94	34.55
	129.94	34.55
Deferred Tax comprises:		
Deferred Tax Liability on account of depreciation	0.21	(-)0.49
Disallowance of expenses Under Section 43B and other Temporary difference	(-)0.76	1.12
Deferred Tax Asset on account of Interest Free Sales Tax Loan	0.21	0.26
	(-)0.34	0.89
Total Tax Expense	129.60	35.44
(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%	25.17%
Profit Before Tax	516.14	138.54
Current tax expenses on Profit Before Tax at the enacted income tax rate in India	129.90	34.87
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Tax on CSR activities	0.86	1.06
Tax On Dividend deducted u/s 80 M	(-)0.65	(-)0.57
Tax on difference in Depreciation	(-)1.80	(-)1.83
Other Differences	1.63	1.02
	0.04	(-)0.32
Current Tax for the Year	129.94	34.55
Effective rate of tax	25.18%	24.94%

* Rate as per Section 115 BAA of the Income Tax Act, 1961

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores

34 TAX EXPENSE (Contd.)

(C) Taxes on items of OCI:

A Items that will not be reclassified to Profit or Loss:

Income Tax on Remeasurement of Defined Benefit Plans 2.94 (-)0.26

Income Tax on Net Fair Value Gain/ (Loss) on Investment in Equity Instruments (-)1.02 (-)2.78

B Items that will be reclassified to Profit or Loss 0.16 (-)0.17

2.08 (-)3.21

35 (A) PAYMENT TO AUDITORS

Statutory Audit fees 0.27 0.33

Taxation Matters 0.15 0.15

Certification work 0.08 0.13

Reimbursement of expenses 0.03 —

0.53 0.61

35 (B) CWIP AGEING SCHEDULE

CWIP ageing Schedule as on 31-03-2023

₹ 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	14.82	5.04	0.01	—	19.87
2	Projects temporarily suspended	—	—	—	—	—
		<u>14.82</u>	<u>5.04</u>	<u>0.01</u>	<u>—</u>	<u>19.87</u>

CWIP ageing Schedule as on 31-03-2022

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>

Project with cost/time overrun - Nil (Previous year Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
35 (C) Analytical Ratios		
(a) Current ratio (times)	3.03	2.41
<u>Current Assets</u>	<u>856.75</u>	<u>592.23</u>
<u>Current Liabilities</u>	<u>283.12</u>	<u>245.52</u>
-- Improvement in Current Ratio by 25% mainly due to increase in overall inventory and Cash and Bank Balance		
(b) Debt-equity ratio (times)	—	0.003
<u>Total Debt</u>	<u>—</u>	<u>4.10</u>
<u>Shareholder's Equity</u>	<u>1576.29</u>	<u>1205.6</u>
(Note : Debt includes current and non-current borrowings)		
-- Nil in Current year due to Nil Debt.		
(c) Debt service coverage ratio (times)	57.39	20.47
<u>Earnings available for debt service</u>	<u>434.98</u>	<u>146.80</u>
<u>Debt Service</u>	<u>7.58</u>	<u>7.17</u>
-- Increase in ratio by 180% due to significant increase in EBIDTA margins.		
(d) Return on equity ratio	30.00%	9.70%
<u>Net Profits after taxes – Preference Dividend</u>	<u>386.54</u>	<u>103.10</u>
<u>Average Shareholder's Equity</u>	<u>1288.65</u>	<u>1062.64</u>
-- Change in ratio by 20.30% due to significant increase in Profit Margins.		
(e) Inventory turnover ratio (times)	8.29	6.61
<u>Cost of goods sold</u>	<u>1513.26</u>	<u>1161.72</u>
<u>Average Inventory</u>	<u>182.50</u>	<u>175.69</u>
-- Increase in ratio by 25% mainly due to lower proportionate increase in inventory compared to production change.		
(f) Trade receivables turnover ratio (times)	20.27	14.47
<u>Net Credit Sales</u>	<u>1991.48</u>	<u>1322.57</u>
<u>Avg. Accounts Receivable</u>	<u>98.24</u>	<u>91.41</u>
-- Increase in ratio by 40% mainly due to lower proportionate increase in receivables compared to sales value growth.		
(g) Trade payables turnover ratio (times)	7.61	5.77
<u>Net Credit Purchases</u>	<u>1630.02</u>	<u>1058.59</u>
<u>Average Trade Payables</u>	<u>214.28</u>	<u>183.44</u>
-- Increase in ratio by 32% mainly due to lower proportionate increase in payables compared to increase in overall purchase value.		
(h) Net working capital turnover ratio (times)	3.58	3.83
<u>Net Sales</u>	<u>2051.52</u>	<u>1329.39</u>
<u>Working Capital</u>	<u>573.63</u>	<u>346.71</u>
-- No Material Change		

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
35 (C) Analytical Ratios (Contd.)		
(i) Net profit ratio	18.84%	7.76%
	<u>Net Profit</u> <u>Net Sales</u>	<u>103.10</u> <u>1329.39</u>
	386.54 2051.52	
-- Improvement in Net Profit ratio by 1.43 times mainly due to increase in sales volumes and significant increase in net sales realisations.		
(j) Return on capital employed	32.63%	11.44%
	<u>Earning before interest and taxes</u> <u>Capital Employed</u>	<u>141.41</u> <u>1235.60</u>
	519.33 1591.34	
-- Improvement in ROCE ratio by 1.85 times mainly due to increase in sales volumes and significant increase in net sales realisations.		
(k) Return on investment		
-- Core activity represented by ROCE		
-- Investment in Fixed Deposits		
	6%	5%
	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores

35 (D) CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Disclosure with regard to CSR activities

(i) Gross amount required to be spent by the Company during the year	3.12	4.01
(ii) amount of expenditure incurred	3.42	4.21
(a) Construction/acquisition of any asset	0.57	0.58
(b) On purposes other than (ii) (a) above	2.85	3.62
(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	0.50	0.63
b) Providing infrastructure facilities in nearby villages	0.47	0.34
c) Supply of drinking water to nearby villages	1.42	0.93
d) Covid-19 relief activities	0.30	1.53
e) Others	0.73	0.78
(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

35. (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 Schedule 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 is Nil and hence Not Applicable
3	Revaluation of Property, Plant and Equipment and Right of use Assets	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	The Company has not done any trade on / investment in Crypto Currency or Virtual Currency.

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
36 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 (Refer Note -1 given below)	7.44	7.35
(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.	27.29	25.09
(iv) Demand towards energy charges(Start-up Power) 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 w.r. to Arm's Length Price and consequent disallowance under Section 80IA of the Income Tax Act, 1961 - contested / estimated	15.01	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	3.19	5.06
Note - 1 - Includes the following :		
a) Alleged Irregular Availment of CENVAT Credit of CVD on Import Coal; matter pending before CESTAT, Chennai	5.11	5.11
b) Disputed Service Tax Credit b/fd into GST Tran -1 Credit; Fresh demand raised by GST Authorities post settlement under Sabkha Viswas Scheme; matter pending before Hon'ble High Court of Madras.	1.29	1.29
c) DEPB licences purchased and utilised were disallowed; matter pending before CESTAT, Chennai	0.37	0.37
d) Others	0.67	0.58

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37 (A) CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ crores

	Refer Note	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
		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)	118.29	108.84	—	—
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	—	—	95.19	101.28
Cash and Cash Equivalents	8	—	—	50.47	116.12
Bank balances other than Cash And Cash Equivalents	9	—	—	445.48	213.22
Other Financial Asset	4 / 10	176.25	40.14	1.39	7.20
Financial Liabilities measured at Fair Value through Profit and Loss		—	—	—	—
Financial Liabilities measured at amortised cost					
Term Loan from Banks	14 / 18	—	—	—	—
Interest free sales tax Loan	14 / 18	—	0.54	—	3.56
Other Financial Liabilities	15	16.69	15.55	—	—
Trade Payables	20	—	—	232.97	195.58
Other Financial Liabilities	21				
Unpaid / Unclaimed Dividend		—	—	1.28	1.27
Payable towards capital expenditure		—	—	0.99	1.31
Security Deposit		—	—	1.84	1.57
Retention Monies		—	—	8.62	12.50
Employees Dues		—	—	10.02	13.03

* 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 Profit or Loss may not be indicative of the performance of the Company.

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37 (B) FAIR VALUE MEASUREMENTS

₹ crores

	Fair value hierarchy			
	Fair value	Quoted price in active Markets	Significant observable	Significant unobservable
As at 31st March 2023		(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	118.29	118.29		
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 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

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.

37 (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, 2023 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 Risk Management Committee of 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 is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company did not have any Term Loan (both working Capital or Project Term Loans) outstanding during the FY 2022-23. The Company, throughout the FY 2022-23, has not availed the Fund Based Working Capital Limits, sanctioned by the Bankers. 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, 2023.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31-03-2023 ₹ crores	31-03-2022 ₹ crores
Variable Rate Borrowings	—	—
Fixed Rate Borrowings	—	—

As at the end of the reporting period, the company had the following variable rate borrowings outstanding

	31-03-2023 ₹ crores	31-03-2022 ₹ crores
i. Weighted average interest rate (%)	—	—
ii. Balance (₹ crores)	—	—
iii. % of Total Loan	—	—

The Company is however exposed to the risk of interest rate fluctuations on the rate of return on fixed deposits of ₹ 519.90 crores as on 31.03.2023 (excluding accrued interest), maintained by the company with State Bank of India (SBI) and HDFC Bank Limited (Fixed Deposit balance as at 31.03.2022 – ₹ 300.46 crores).

Interest Rate Sensitivity analysis

As explained above, the Company has NIL Interest Rate risk, as of March 31, 2023. Sensitivity analysis of the same is not applicable, at the end of the reporting period.

	Impact on Profit before tax 31-03-2023 ₹ crores	31-03-2022 ₹ crores
Interest rates - increase by 50 basis points	—	—
Interest rates - decrease by 50 basis points	—	—

The Company's investment in fixed deposit with banks is only on Fixed Interest Rate Terms and hence, there is no exposure to future interest rate movement.

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 Foreign Exchange liability for US \$ 11.87 Mn as on 31st March 2023 of which US \$ 1.85 Mn is hedged with forward contracts, leaving US \$ 10.02 Mn as unhedged.

The Company is also exposed to foreign currency risk on its Exports. As on March 31, 2023, the Company had Export Receivables in Foreign Currency amounting to US \$ 2.91 Mn. (Previous Year –US \$ 1.90 Mn), of which US \$ 1.95 Mn is hedged with forward contracts on cash flow basis.

Forward Contract Obligations pending as at the end of the reporting period:

	As at 31-03-2023 Mn US \$	As at 31-03-2022 Mn US \$
Payment Obligations, towards Imports, hedged with Forward Contracts under		
- Fair Value Approach	1.85	—
- Cash Flow Approach	—	—
Export Realizations hedged with Forward Contract under		
- Cash Flow Approach	1.95	8.00

c) Commodity price risk

The Company is exposed to the movement in price of key input 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 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 the wide spread of product offerings, good quality products and continuous upgrading its expertise 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, 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. Over 32% of the receivables as on 31.03.2023 is covered by the credits available with the Company, against indentors account. The balance receivables are insured with Trade Credit Insurance programs offered by a premier Indian Insurance Company. Thus, the credit risk is mitigated in full.

Exports are, in general, made against advances received or terms with payment against documents. 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:

	31-03-2023	31-03-2022
	₹ crores	₹ crores
Expiring within one year	61.00	61.00
Expiring beyond one year	—	—
	61.00	61.00

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The Company makes an annual / long term financial plan so as to ensure there are no maturity mismatches in settlement of liabilities.

Undrawn Working Capital borrowing facilities (₹ 25 crores and ₹ 36 crores of Fund Based Limits sanctioned by HDFC and State Bank of India respectively; ₹ 25 crores and ₹ 31 crores of Non-Fund Based Limits sanctioned by HDFC and State Bank of India respectively) 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 hypothecation of movable fixed assets of the Company, consisting of plant and machinery, fixtures and fittings.

Period and amount of continuing default in respect of above said borrowing facilities: NIL

37 (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 31-03-2023 ₹ crores	As at 31-03-2022 ₹ crores
Equity		1576.29	1205.60
Debt		—	4.10
Cash and cash equivalents **		558.18	362.98
Net Debt		(-)558.18	(-)358.88
Total Capital (Equity + Net Debt)		1018.11	846.72
Net Debt to Capital Ratio		(-)55%	(-)42%
** Cash and cash equivalents break up :			
(i) Cash and Cash Equivalents	8	50.47	116.12
(ii) Bank Balances	9	445.48	213.22
(iii) Bank Deposits with more than 12 months Maturity	4	63.51	34.91
		559.46	364.25
Less : Unpaid Dividend account balance	9	1.28	1.27
		558.18	362.98

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37 (E) DIVIDEND

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
Dividend on equity shares paid during the year	15.76	15.76
Total	15.76	15.76

Proposed Dividend

The Board of directors at its meeting held on 29th April 2023 have recommended a payment of dividend of ₹ 6.00 per equity share of face value of ₹ 2 each for the financial Year ended 31st March 2023. The same amounts to ₹ 37.84 crores.

38 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 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
Gross Block	0.14	0.88
Cumulative Depreciation	0.02	0.74
Liability at the end of the year :		
Current	—	0.02
Non-Current	—	—
Payment during the year	0.02	0.27

39 Information on Related party Transactions as Required by Ind AS 24-Related Party Disclosure for the year ended 31st March 2023

Name of the Company	% of Holding as at 31-03-2023	% of Holding as at 31-03-2022
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) Key Managerial Personnel- Whole Time Directors:		
- Sri N Gopalaratnam, Chairman		
- Sri K S Kasi Viswanathan, Managing Director		
- Sri Ganesh Balakrishna Bhadti, Director (Operations)		
Non Executive Directors:		
- Sri A L Somayaji		
- Sri V Sridar		
- Dr S Narayan, I A S (Retd.)		
- Sri Mohan Verghese Chunkath, I A S (Retd.)		
- Dr (Tmt.) Nanditha Krishna		
- Sri Hans Raj Verma, IAS		
- Sri Ritto Cyriac, IFS		
Key Managerial Personnel - Other Employees:		
- Sri S Srinivas, Senior Vice President & CFO		

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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)
- SPB Equity Shares Trust

E) Transaction details (net of Taxes) :

	Transaction amount		Amount outstanding
	2022-23	2021-22	on 31-03-2023
	₹ crores	₹ 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	26.55	11.96	Investments in: 0.24 crores Equity Shares (27.45%)
- Purchase of Sugar	0.08	0.07	
- Sale of fuel	9.12	5.72	Liabilities :
- Sale of paper, water and other material	0.13	0.24	0.884 crores Equity Shares (14.02%)
- Dividend paid	2.21	2.21	Payable :
- Dividend received	1.30	1.18	₹ 1.72 crores
- Other transactions (Net Debit)	0.16	0.21	
(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	0.74	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	0.23	
(e) Time Square Investments Private Limited			Liabilities :
- Dividend paid	1.59	1.57	0.638 crores Equity Shares (10.11%)
(f) SPB Projects and Consultancy Limited			Assets :
- Reimbursement of expenses	0.01	0.02	Investments in: 0.01 crores Equity Shares (16.67%)
- Engineering and Technical Consultancy paid	0.49	0.68	
- Dividend paid	0.01	0.01	Liabilities :
			0.0011 crores Equity Shares (0.02%)

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E) Transaction details (Contd.)

(g) SPB Equity Shares Trust			Liabilities :
- Dividend paid	0.71	0.71	0.284 crores Equity
- Transfer of Income	0.71	1.11	Shares (4.50%)

Receivables :
₹ 1.59 crores

(h) Remuneration to Whole-time Directors :

	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai *	Sri Ganesh Balakrishna Bhadti #
	Chairman	Managing Director	Deputy Managing Director and Secretary	Director (Operations)
	₹ crores	₹ crores	₹ crores	₹ crores
Current Year 2022-23				
Short term employee benefits	2.40	2.17	0.28	0.97
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.20	0.17	—	0.05
Contribution to Provident Fund	0.10	0.08	0.01	0.05
	<u>2.70</u>	<u>2.42</u>	<u>0.29</u>	<u>1.07</u>
Payable as on 31-03-2023	0.90	0.76	—	0.26
* Office vacated due to his demise on 03.05.2022.				
# Inducted into the Board on 13.06.2022				
Previous 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	—
	<u>2.34</u>	<u>2.11</u>	<u>1.03</u>	<u>—</u>
Payable as on 31-03-2022	0.71	0.60	0.01	—

(i) Sitting fees and Commission to Non-Wholetime :

	2022-23	2021-22
	₹ crores	₹ crores
Sitting fees	0.42	0.23
Commission *	0.70	0.57
	<u>1.12</u>	<u>0.80</u>
Payable at the end of the year	0.58	0.48

* Includes ₹0.07 crores of premium paid for FY 2022-23 for Mediclaim insurance policy taken by the Company for the benefit of Non-Executive Directors (Previous year ₹ 0.05 crores)

E) Transaction details (Contd.)

(j) Key Managerial Personnel - Other Employees :

	Sri S Srinivas @ Senior Vice President & CFO	
	2022-23	2021-22
	₹ crores	₹ crores
Short term employee benefits	0.44	0.25
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.02	0.01
Contribution to Provident Fund	0.02	0.01
	0.48	0.27
Payable at the end of the year	0.07	0.05

@ Acting as KMP w.e. from 01.08.2021.

40 EARNINGS PER SHARE

	Year ended 31-03-2023	Year ended 31-03-2022
Profit after Tax (₹ crores)	386.54	103.10
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 (₹)	64.18	17.12
Diluted earnings per Share (₹)	64.18	17.12

41 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 recognised ₹ 5.91 crores (Year ended March 31, 2022 ₹ 4.66 crores) for Provident Fund contributions and ₹ 0.22 crores (Year ended March 31, 2022 ₹ 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.

41 EMPLOYEE BENEFITS (Contd.)

(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.

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	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
(i) Changes in Defined Benefit Obligations				
Present Value of - opening balance	37.77	35.49	1.35	1.30
Current Service Cost	2.20	2.11	0.07	0.07
Past Service Cost	2.15	—	0.35	—
Interest Cost	2.52	2.37	0.09	0.09
Actuarial (Gain) / Loss	11.68	(-)1.08	0.08	(-)0.03
Benefits paid	(-)3.76	(-)1.13	(-)0.18	(-)0.08
Present value - closing balance	52.56	37.76	1.76	1.35

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41 EMPLOYEE BENEFITS (contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
(ii) Changes in the Fair Value of Plan Assets				
Opening Balance	37.45	33.86	—	—
Expected Return	2.71	2.34	—	—
Actuarial (gain) / loss	0.07	(-)0.05	—	—
Contributions by employer	6.01	2.42	0.18	0.08
Benefits paid	(-)3.76	(-)1.13	(-)0.18	(-)0.08
Closing Balance	42.48	37.44	—	—
Actual return	2.79	2.29	—	—
(iii) Amounts recognised in the Balance Sheet (as at year end)				
Present Value of Obligations	52.56	37.76	1.76	1.35
Fair Value of Plan Assets	42.48	37.44	—	—
Net Asset / (Liability) recognised	(-)10.08	(-)0.32	(-)1.76	(-)1.35
(iv) Expenses recognised in the Profit and Loss account statement.				
Current Service Cost	2.20	2.11	0.07	0.07
Past Service Cost	2.15	0.00	0.35	0.00
Interest on obligation	(-)0.19	0.03	0.09	0.09
Total included in Employee benefit expense	4.16	2.14	0.51	0.16
(v) Expenses recognized in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial Gain and Losses arising from changes in experience adjustment	(-)1.79	0.60	0.03	0.03
- Actuarial Gain and Losses arising from changes in financial Assumption	(-)9.89	0.48	(-)0.11	—
Return on plan assets	0.07	(-)0.05	—	—
Net cost in Other Comprehensive Income	(-)11.61	1.03	(-)0.08	0.03
Asset information				
- Insurer managed	100%	100%	NA	NA

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41 EMPLOYEE BENEFITS (contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
Principal actuarial assumptions				
Mortality	Indian assured Lives Mortality (2012-14)			
Discount rate(%)	7.19	7.03	7.19	7.03
Future Salary increase (%)	10.00	8.00	NA	NA
Expected Rate of return of plan assets (%)	7.19	7.03	NA	NA
Expected average remaining working lives of employees (years)	11.30	10.30	NA	NA
Expected contribution (₹ in crores)	7.00			

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	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
Discount Rate				
- 0.5% Increase	50.25	36.39	1.68	1.29
- 0.5% decrease	55.05	39.24	1.83	1.41
Salary Growth Rate				
- 0.5% Increase	55.03	39.26		
- 0.5% decrease	50.25	36.35		
Attrition Rate				
- 0.5% Increase	52.20	37.71		
- 0.5% decrease	52.95	37.83		

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 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 ₹ 7.00 crores (Previous year Actual ₹ 6.01 crores).

42 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors at their meeting held on 29th April 2023.

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUQ3386

Chennai
April 29, 2023

N GOPALARATNAM
(DIN No. 00001945)
Chairman

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

GANESH BALAKRISHNA BHADTI
(DIN No. 9634741)
Director (Operations)

V SRIDAR (DIN No. 02241339)
DR S NARAYAN (DIN No. 00094081)
A L SOMAYAJI (DIN No. 00049772)
DR NANDITHA KRISHNA (DIN No. 00906944)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
HANS RAJ VERMA (DIN No. 00130877)
T RITTO CYRIAC (DIN: 07951031)
Directors

S SRINIVAS
Sr. Vice President & CFO

B S RAJ KIRAN
Company Secretary

**Consolidated Financial Statements
for the year ended
31st March 2023**

MAHARAJ N R SURESH AND CO LLP
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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 Parent Company") and its Subsidiary (the Parent Company and its Subsidiary together referred to as 'the Group') and its Associate which comprise the Consolidated Balance Sheet as at March 31, 2023 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 Associates at March 31, 2023, 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.

SESHASAYEE PAPER AND BOARDS LIMITED

Key Audit Matters	Response to Key Audit Matters & Conclusion
1. As on 31st March 2022, the company carries cash and bank balances of ₹ 558.17 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. Inventory at the reporting date ₹ 240.89 crores includes ₹ 18.44 crores pulp (raw materials) and coal ₹ 50.40 crores (chemicals Fuels and others) lying with the company's agents in Tuticorin Port. This being a significant balance to the total inventories held is considered a key audit matter.	<ul style="list-style-type: none"> ◇ We have understood and verified design and operating effectiveness of the controls established by the management with respect to the receipt and issue of the said materials. ◇ We have also verified the relevant records for the receipt and issue of the materials and the confirmation received from the agents for the quantity of the inventories held at the year end. ◇ We have also cross-checked the quantities by visual and measurement checks conducted by our consultant which corroborates with the quantity confirmed by the agents.
3. Other financial assets includes ₹ 105 crores deposited with Resolution Professional under E-Auction Bid in full for purchase of M/s. Servalakshmi Paper Ltd., corporate debtor, on a Going Concern basis in liquidation. The application filed by the company for confirmation of the sale and handing over possession has been challenged before the NCLT, Chennai Bench and the Hon'ble Tribunal reserved the matter for orders.	<ul style="list-style-type: none"> ◇ We have verified the resolution passed by the Board of Directors for Investments and participation in the E-Auction for acquisition of M/s.Servalakshmi Paper Ltd., corporate debtor in liquidation. ◇ We have verified the E-Auction documents, Receipts / Confirmation for the deposit of ₹ 105 crores, Petition for confirmation of the sale by NCLT and the papers relating to the further proceedings before NCLT. ◇ In our opinion the company has complied with the provision of the Sec.185 of the Companies Act, 2013 and the deposit is confirmed and subject to NCLT orders.

Information Other Than the Financial Statements and Auditor's Report Thereon

The parent 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 parent 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 Parent 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 parent 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 ₹ 2.82 crores as at March 31, 2023, total revenues of ₹ 0.33 crores and net cash inflows amounting to ₹ 0.04 crores for the year ended on that date, as considered in the Consolidated Financial Statements., have been audited by us.
- (b) The Consolidated Financial Statements also include the Company's share of Net Profit of ₹ 10.54 crores for the year ended March 31, 2023 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.

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 Parent Company as on 31st March, 2023 taken on record by the Board of Directors of the parent 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 2023 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 36 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 Parent Company and its subsidiary and associate and here were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its Subsidiary Company and Associate incorporated in India.
- iv. i) 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 35 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

- ii) The respective Managements of the parent 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 35 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.

- iii) 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 my/our or other auditors' notice that has caused me/us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- v. (a) The final dividend paid by the parent 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 37E 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.

- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies

— SESHASAYEE PAPER AND BOARDS LIMITED —

(Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 subsidiaries 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.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

K V Srinivasan
Membership No. 204368
Partner
Chartered Accountants
UDIN : 23204368BGWWUR8553

Place : Chennai
Date : April 29, 2023

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 Group as of and for the year ended March 31, 2023, we have audited Internal Financial controls with reference to the financial statements of SESHASAYEE PAPER AND BOARDS LIMITED (‘the Parent 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 Parent 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 parent 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 Parent 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, 2023, 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.

Maharaj N R Suresh and Co LLP
Firm Regn. No. 001931S/S000020

K V Srinivasan
Membership No. 204368
Partner
Chartered Accountants
UDIN : 23204368BGWWUR8553

Place : Chennai
Date : April 29, 2023

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note No.	As At 31-03-2023	As At 31-03-2022
		₹ crores	₹ crores
(A) ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	793.70	813.81
(b) Capital Work-in-Progress	2(A)	19.87	13.87
(c) Other Intangible Assets	2(B)	1.93	1.24
(d) Investment Property	2(C)	1.22	1.24
(e) Financial Assets			
(i) Investments	3	196.74	177.95
(ii) Other Financial Assets	4	176.30	40.19
(f) Goodwill on Consolidation		11.78	11.78
(g) Other Non-current Assets	5	19.06	5.98
Total Non-current Assets		1220.60	1066.06
2 Current Assets			
(a) Inventories	6	240.88	124.12
(b) Financial Assets			
(i) Trade Receivables	7	95.36	101.45
(ii) Cash and Cash Equivalents	8	50.56	116.17
(iii) Bank balances other than (ii) above	9	446.70	214.38
(iv) Others	10	1.39	7.20
(c) Other Current Assets	11	23.34	30.29
Total Current Assets		858.23	593.61
Total Assets		2078.83	1659.67
(B) EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	12	12.04	12.04
(b) Other Equity	13	1623.32	1243.22
Total Equity		1635.36	1255.26

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023 (Contd.)

Particulars	Note No.	As At 31-03-2023	As At 31-03-2022
		₹ crores	₹ crores
II LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	—	0.54
(ii) Other Financial Liabilities	15	16.69	15.55
(b) Provisions	16	21.88	18.60
(c) Deferred Tax Liabilities (net)	17	121.56	123.98
Total Non-current Liabilities		160.13	158.67
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	—	3.56
(ii) Lease Liabilities	19	—	0.02
(iii) Trade Payables			
A) Total outstanding dues of Micro Enterprises and Small Enterprises	20	8.00	13.24
B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	224.98	182.35
(iv) Other Financial Liabilities	21	22.96	29.90
(b) Other Current Liabilities	22	5.99	6.88
(c) Provisions	23	12.85	2.06
(d) Current Tax Liabilities	24	8.56	7.73
Total Current Liabilities		283.34	245.74
Total Equity and Liabilities		2078.83	1659.67

See accompanying Notes to the Consolidated Financial Statements.

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUR8553

N GOPALARATNAM
(DIN No. 00001945)
Chairman

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

GANESH BALAKRISHNA BHADTI
(DIN No. 9634741)
Director (Operations)

V SRIDAR (DIN No. 02241339)
DR S NARAYAN (DIN No. 00094081)
A L SOMAYAJI (DIN No. 00049772)
DR NANDITHA KRISHNA (DIN No. 00906944)
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Directors

S SRINIVAS
Sr. Vice President & CFO

B S RAJ KIRAN
Company Secretary

Chennai
April 29, 2023

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
I Revenue from Operations	25	2082.80	1355.20
II Other Income	26	29.29	15.53
III Total Income (I+II)		2112.09	1370.73
IV Expenses			
Cost of Materials Consumed	27	955.22	612.99
Purchase of Stock-in-Trade	28	24.30	25.54
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	13.75	138.78
Employee Benefits Expense	30	97.90	84.59
Finance Cost	31	3.19	2.87
Depreciation and Amortisation Expenses	32	45.29	40.87
Other Expenses	33	457.50	327.59
Total Expenses (IV)		1597.15	1233.23
V Profit before Exceptional Items and Tax (III-IV)		514.94	137.50
VI Exceptional Items		—	—
VII Profit / (Loss) Before Tax (V+VI)		514.94	137.50
VIII Share of Profits / (Loss) of Associate		10.54	8.02
IX Tax Expenses	34		
(1) Current Tax		129.99	34.61
(2) Deferred Tax		(-)0.34	0.89
		129.65	35.50
X Profit / (Loss) for the period from Continuing Operations (VII+VIII-IX)		395.83	110.02

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Note No.	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
X Profit / (Loss) for the period from Continuing Operations (VII+VIII-IX)		395.83	110.02
XI Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Profit or Loss			
(i) Remeasurement benefit of the Defined Benefit Plans		(-)11.69	1.06
(ii) Net Fair Value Gain on investment in Equity Instruments through OCI		9.45	17.02
(iii) Income Tax relating to items that will not be reclassified to Profit or Loss		1.92	(-)3.04
		(-)0.32	15.04
(iv) Share of OCI in Associate		0.10	1.61
B (i) Items that will be reclassified to Profit or Loss		(-)0.63	0.68
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		0.16	(-)0.17
		(-)0.47	0.51
Total Other Comprehensive Income (A + B)		(-)0.69	17.16
XII Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the Period) (X+XI)		395.14	127.18
XIII Earnings per Equity Share	40		
(face value of ₹ 2 each)			
(1) Basic		65.72	18.27
(2) Diluted		65.72	18.27
See accompanying notes to the Consolidated Financial Statements.			

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A) EQUITY SHARE CAPITAL

Particulars	No. of Shares		₹ crores	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
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 April 01, 2022 (A)	37.16	3.60	900.04	215.76	98.08	0.51	(-)11.93	1243.22
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—	—
Restated balance at the beginning of the current reporting period	37.16	3.60	900.04	215.76	98.08	0.51	(-)11.93	1243.22
Additions during the year	—	—	—	395.84	—	—	—	395.84
Profit for the year	—	—	—	(-)8.75	—	—	—	(-)8.75
Items of OCI for the year (net of taxes)	—	—	—	—	8.43	—	—	8.43
Remeasurement benefit of Defined Benefit Plans	—	—	—	0.10	—	—	—	0.10
Net Fair Value Gain on Investment in equity Instruments through OCI	—	—	—	—	—	(-)0.47	—	(-)0.47
Share in OCI of Associate	—	—	—	387.19	8.43	(-)0.47	—	395.15
Items that will be reclassified to Profit or loss	—	—	—	0.71	—	—	—	0.71
Total Comprehensive Income for the Year 2022-23 (B)	—	—	—	15.77	—	—	—	15.77
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.19) (C)	—	—	(-)100.00	100.00	—	—	—	—
Reductions during the Year	—	—	(-)100.00	115.77	—	—	—	15.77
Dividends	—	—	—	—	—	—	—	—
Transfer to General reserve	—	—	—	—	—	—	—	—
Total (D)	37.16	3.60	1000.04	487.90	106.51	0.04	(-)11.93	1623.32
Balance as at March 31, 2023 (A+B+C-D)	37.16	3.60	1000.04	487.90	106.51	0.04	(-)11.93	1623.32

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023 (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, 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)							
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 Profit or loss	-	-	-	-	0.51	-	0.51
Total Comprehensive Income for the Year 2021-22 (B)	-	-	-	112.43	14.24	-	127.18
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	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	15.76	-	-	15.76
Total (D)	-	-	(-)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

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SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		514.94	137.50
Adjustments for:			
Add:			
Property Plant and Equipment (PPE) discarded		0.06	1.08
Depreciation and Amortisation Expenses	e ^	45.29	40.87
Imputed Finance Charge on Interest Free Sales Tax Defferal Loan (IFSTD)	31 {	0.27	0.61
Finance charge on lease liability		—	0.02
Interest and financing charges		2.22	2.24
		47.84	44.82
		562.78	182.32
Less:			
Interest income from Term Deposits	26	23.28	7.24
Dividend Income from Investments	26 (b)	1.27	1.07
Deferred income arising from government grant	26 (c)	1.10	1.10
Interest income from Lease Deposit		—	0.01
Profit / (Loss) on sale of assets		0.19	0.03
		25.84	9.45
Operating profit before working capital changes		536.94	172.87
Changes in working capital:			
(Increase) / Decrease in Inventories	6	(-)116.76	103.13
(Increase) / Decrease in Trade Receivables	f ^	6.09	(-)19.78
(Increase) / Decrease in Other Assets	g ^	(-)2.12	21.90
Increase / (Decrease) in Liabilities and Provisions	j ^	33.55	26.38
		(-)79.24	131.63
Income tax paid		(-)129.15	(-)28.93
Net cash from operating activities *		328.55	275.57
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	h ^	(-)31.98	(-)104.28
Outflow towards "Right to Use" Assets	38	(-)0.02	(-)0.27
E-auction bid amount, paid in full, for acquisition of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation	4(c)	(-)105.00	—
Sale of Property, Plant and Equipment		0.26	0.03
Dividend Income from Investments	26(b)	2.57	2.25
(Increase) / Decrease in Term Deposits	i ^	(-)260.92	(-)155.93
Interest income from Term Deposits	26	23.28	7.24
Net cash used in investing activities		(-)371.81	(-)250.96

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Note No.	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	k^	(-)4.37	(-)4.03
Dividend paid	13	(-)15.76	(-)15.76
Interest and financing charges paid	31	(-)2.22	(-)2.25
Net cash used in financing activities		<u>(-)22.35</u>	<u>(-)22.04</u>
Net increase / (Decrease) in cash and cash equivalents (I)		(-)65.61	2.57
Cash and cash equivalents as at the beginning of the Year (II)		116.17	113.60
Cash and cash equivalents as at the end of the Year (I + II) **	8	50.56	116.17
** Includes following balances held in EEFC Accounts			
-- Amount in US \$ (Mn)		0.15	6.04
-- Equivalent amount in ₹ crores		1.23	45.71

* Net of CSR Expenditure Outgo refer Note 35 (D) - ₹ 3.42 crores (Previous Year ₹ 4.21 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
 - (iii) Impact of Changes in foreign exchange rates on Borrowings

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Refer Note	Year ended 31-03-2023 ₹ crores	Year ended 31-03-2022 ₹ crores
e Depreciation considered in Cash Flow Statement			
Depreciation as per Profit & Loss Account	32	45.29	40.87
f (Increase) / Decrease in Trade Receivables			
Changes in Trade Receivables as per Balance Sheet	7	6.09	(-)19.78
Less: Changes in Impairment Provision	7	—	—
		6.09	(-)19.78
g (Increase) / Decrease in Other Assets			
Changes as per Balance Sheet in:			
Other Non-current Financial Assets	4	(-)2.56	1.17
Other Non-current Assets	5	(-)13.08	8.80
Current Financial Assets - Others	10	5.86	(-)6.97
Other Current Assets	11	6.95	17.79
		(-)2.83	20.79
Add : Income From SPB Equity Shares Trust to be received		0.71	1.11
		(-)2.12	21.90
h Purchase of Property, Plant and Equipment			
Additions as per Property, Plant and Equipment	2	24.93	122.59
Additions as per Intangible Assets	2B	1.03	0.01
Changes in Capital Work in Progress	2A	6.00	(-)18.33
Additions as per Investment Property	2C	0.02	0.01
		31.98	104.28
Less : Lease Asset Addition Considered Separately		—	—
		31.98	104.28
i (Increase) / Decrease in Term Deposits			
Changes as per Balance Sheet in:			
Bank Deposits with more than 12 months maturity	4b	(-)28.60	(-)34.91
Bank Balance other than Cash and Cash Equivalents	9	(-)232.32	(-)121.02
		(-)260.92	(-)155.93

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Particulars	Refer Note	Year ended 31-03-2023	Year ended 31-03-2022
		₹ crores	₹ crores
j Increase / (Decrease) in Liabilities and Provisions			
Changes as per Balance Sheet in:			
Non-Current Other Financial Liabilities	15	1.14	(-)0.21
Non-Current Provisions	16	3.28	1.96
Trade Payables	20	37.39	24.29
Other Current Financial Liabilities	21	(-)6.94	6.07
Other Current Liabilities	22 a/b	0.21	(-)4.96
Current Provisions	23	10.79	(-)2.51
		45.87	24.64
Less: Remeasurement of Defined benefit plan		11.69	(-)1.06
Add : Adjustment for Items that will be reclassified to P&L		(-)0.63	0.68
		33.55	26.38
k Increase / (Decrease) in Borrowings			
Changes as per Balance Sheet in:			
Non-Current Borrowings	14	(-)0.54	(-)2.95
Current Maturities of Non Current Borrowings	18	(-)3.56	(-)0.47
Imputed Interest on IFSTD	31	(-)0.27	(-)0.61
		(-)4.37	(-)4.03
Repayment in Unsecured Loans		(-)4.37	(-)4.03
Repayment in Secured Loans		—	—

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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 Property, Plant and Equipment, 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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on

SESHASAYEE PAPER AND BOARDS LIMITED

which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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 commence 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 at the transaction prices, upon transfer of control of the products to customers. Transfer of control happens, when the products are delivered to the common carrier.

The company recognises the 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. Entitlements 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 expects to 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. The Company presents the above liability / asset as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary.

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, 2023, 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, and it is probable that an outflow of resources embedded and 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. However trade receivables are initially measured at the transaction price. 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 AS 27 – 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.

The general terms of payment for the credit sales made by the Company is 30 to 60 days from the date of Invoice. Hence the trade receivable do not carry any financing component.

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, does not result in exchange fluctuation at the date of fair valuation.

1.21. Statement of Cash Flows

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.

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

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

Recent accounting pronouncements Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, and the major amendments are as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and also identify and eliminate immaterial accounting policies from the financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ which was absent hitherto, and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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, nature and consequent impact of the events of material size, occurring after the Balance Sheet date, 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.

Audit trail feature, as mandated by the Companies (Accounts) Rules, 2014 (as amended) with effect from April 01, 2023, has been enabled in the accounting software used by the Company. The Company also a set up practices for daily backup of the entire database and applications in remote locations.

1.27 Segment Reporting

The Company is engaged in the business of manufacture and sale of 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 number 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 Ind AS 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.

SESHASAYEE PAPER AND BOARDS LIMITED

2 PROPERTY, PLANT AND EQUIPMENT

₹ crores

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
LAND	4.17	0.17	—	4.34	—	—	—	—	4.34	4.17
BUILDINGS										
- FREE HOLD	111.72	5.29	0.07	116.94	25.63	5.39	0.01	31.01	85.93	86.09
- RIGHT OF USE ASSETS (Refer Note. No. 1.13)	0.88	—	0.74	0.14	0.74	0.02	0.74	0.02	0.12	0.14
PLANT AND EQUIPMENT	895.61	18.20	0.07	913.74	176.31	38.66	0.02	214.95	698.79	719.30
FURNITURE AND FIXTURES	2.17	0.08	—	2.25	0.51	0.07	—	0.58	1.67	1.66
VEHICLES	2.49	0.54	—	3.03	1.50	0.22	—	1.72	1.31	0.99
OFFICE EQUIPMENT	4.13	0.65	0.03	4.75	2.67	0.55	0.01	3.21	1.54	1.46
	1021.17	24.93	0.91	1045.19	207.36	44.91	0.78	251.49	793.70	813.81

₹ 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 36(A)(b) (i) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

Refer Note No 37(C) (3) (i) for charge created on Property, Plant and Equipment

SESHASAYEE PAPER AND BOARDS LIMITED

2 (A) CAPITAL WORK IN PROGRESS

₹ crores

Description	Net Carrying Amount	
	As at 31-03-2023	As at 31-03-2022
Opening Balance	13.87	32.20
Add: Additions to Capital Work In Progress during the year ^^	31.96	104.27
Less: Assets Capitalised during the year **	25.96	122.60
Closing Balance	19.87	13.87

Refer 35 (B) for Ageing of Capital Work in Progress

** 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 - Nil (Previous Year - ₹ 0.008 crores)
- (b) Employee Benefits - Nil (Previous Year - ₹ 2.67 crores)
- (c) Interest capitalised - Nil (Previous Year - Nil)
- (d) Bank Charges - Nil (Previous Year - Nil)
- (e) Cost of Materials consumed during trials - Nil (Previous Year - ₹ 4.19 crores)
- (f) Other expenses - Nil (Previous Year - ₹ 1.78 crores)

2 (B) OTHER INTANGIBLE ASSETS

₹ crores

Description	Gross carrying Amount				Amortisation				Net Carrying Amount	
	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deductions/ Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
COMPUTER SOFTWARE	1.77	1.03	—	2.80	0.93	0.28	—	1.21	1.59	0.84
TECHNICAL KNOW-HOW	1.41	—	—	1.41	1.01	0.06	—	1.07	0.34	0.40
	3.18	1.03	—	4.21	1.94	0.34	—	2.28	1.93	1.24

₹ crores

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

SESHASAYEE PAPER AND BOARDS LIMITED

2(C) INVESTMENT PROPERTY

₹ crores

Description	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount	
	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	As at 01-04-2022	For the year	Withdrawn	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
LAND	0.05	—	—	0.05	—	—	—	—	0.05	0.05
BUILDINGS	1.26	—	—	1.26	0.12	0.02	—	0.14	1.12	1.14
PLANT AND EQUIPMENT	0.14	0.02	—	0.16	0.09	0.02	—	0.11	0.05	0.05
FURNITURE AND FIXTURES	0.03	—	—	0.03	0.03	—	—	0.03	—	—
	1.48	0.02	—	1.50	0.24	0.04	—	0.28	1.22	1.24

₹ crores

Description	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount	
	As at 01-04-2021	Additions	Deductions	As at 31-03-2022	As at 01-04-2021	For the year	Withdrawn	As at 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

Fair value as on 31-03-2023 is ₹ 37.43 Crores (Previous Year ₹ 37.30 Crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	No of shares	Face Value	As at 31-03-2023	As at 31-03-2022
		₹	₹ crores	₹ crores
3 INVESTMENTS				
Non Current Investments				
A. Investments in Equity Instruments				
a. Quoted Equity Shares				
(i) Associate				
(Ponni Sugars (Erode) Limited Measured using Equity Method)				
Carrying amount of Investment #	2365062	10	78.34	69.00
(ii) Others				
Investments Measured at Fair Value through Other Comprehensive Income				
Housing Development Finance Corporation Limited	265830	2	69.79	63.54
HDFC Bank Limited	5000	1	0.81	0.74
High Energy Batteries (India) Limited (Previous Year - 282911 Shares of face value ₹ 10 each)	1414555	2	45.51	42.88
Tamilnadu Newsprint and Papers Limited	100000	10	2.18	1.68
Total Quoted Equity Shares			196.63	177.84
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			196.74	177.95
# Carrying amount includes the following:				
Goodwill			4.49	4.49
Share of Profit for the year			10.64	9.63
Aggregate amount of :				
Quoted Investments - At Cost			24.62	24.62
Quoted Investments - At Market value			211.90	163.28
Unquoted Investments - At Cost			0.11	0.11
Impairment in value of Investments			-	-
Refer Note No. 1.2 on determination of fair value.				

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
4 OTHER FINANCIAL ASSETS		
(Non current)		
(a) Security Deposit	7.79	5.28
(b) Bank Deposits with more than 12 months Maturity **	63.51	34.91
(c) E-auction bid amount, paid in full, for acquisition of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation #	105.00	—
	176.30	40.19
# Applications filed challenging the e-auction and confirmation of sale were heard by NCLT, Chennai Bench and the Hon'ble Tribunal had reserved the matters for Orders.		
** Includes ₹ 15.39 crores bank deposits designated as Margin Money against the Letters of Credit / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 23.15 Crores)		
5 OTHER NON CURRENT ASSETS		
Capital Advances	14.06	0.90
Prepaid expenses	0.56	0.79
Charges paid under Protest **	4.44	4.29
	19.06	5.98
** Includes		
- Energy Charges paid under protest to TNERC (Refer Note No. 36(A)(a)(iv))	2.00	2.00
- Duties & Taxes paid under protest (Refer Note No. 36(A)(a)(i))	0.52	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)	0.81	0.90
6 INVENTORIES		
Raw Materials *	123.25	52.70
Work- in- Progress	6.02	5.44
Finished Goods	—	11.07
Stock-in-Trade	0.46	3.72
Stores and Spares (Note 1)	18.43	16.00
Chemicals, Fuels and others ^ (Note 2)	92.72	35.19
	240.88	124.12
* Includes Material In Transit	1.62	8.10
^ Includes Material In Transit	2.78	1.99
* Includes Material with Agent appointed by the Company	18.44	6.49
^ Includes Material with Agent appointed by the Company	50.40	2.28

(For method of valuation, please refer to Note No.1.9)

(Please refer Note No.37(C)(3)(i) for security created on Inventories)

Note 1: The Inventory is net of provisions for non-moving inventory of ₹ 0.50 crores (Previous Year ₹ 0.11 crores)

Note 2: The Inventory is net of provisions for non-moving inventory of ₹ 0.55 crores (Previous Year ₹ 0.34 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
7 TRADE RECEIVABLES		
a) Considered Good - Secured	30.53	34.37
b) Considered Good - Unsecured	64.83	67.08
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>95.36</u>	<u>101.45</u>

(Please refer Note No.37(C)(3)(i) for security created on Receivables)

Trade Receivables ageing schedule : As at 31-03-2023

₹ 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	90.78	4.08	0.33	0.06	0.08	0.03	95.36
(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>90.78</u>	<u>4.08</u>	<u>0.33</u>	<u>0.06</u>	<u>0.08</u>	<u>1.96</u>	<u>97.29</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>95.36</u>

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>

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
8 CASH AND CASH EQUIVALENTS		
Balances with banks	25.30	58.94
Term deposits with original maturity of less than 3 months	25.03	57.04
Cash on hand	0.23	0.19
	<u>50.56</u>	<u>116.17</u>
9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	1.28	1.27
Term deposits with original maturity for more than 3 months but less than 12 months *	445.42	213.11
	<u>446.70</u>	<u>214.38</u>
* Includes ₹ 205.51 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 115.75 crores)		
10 OTHER CURRENT FINANCIAL ASSETS		
a) Export Incentive Receivable *	1.33	6.51
b) Fair Value of Derivatives (Net)	0.06	0.69
	<u>1.39</u>	<u>7.20</u>
* Includes scrip / scrolls received and pending utilisation		
11 OTHER CURRENT ASSETS		
A. Advances other than Capital Advances:		
a) Advances / Claims Recoverable	10.71	8.13
b) Advance to Employees	5.81	0.33
B. Others		
a) Prepaid expenses	2.55	2.91
b) Balance with Government Authorities - GST Receivable	1.27	16.34
c) Other receivable #	3.00	2.58
	<u>23.34</u>	<u>30.29</u>
# includes refund receivable under the erstwhile VAT Act	0.76	0.76
# includes dues from SPB Equity Shares Trust	1.59	0.95

12 EQUITY SHARE CAPITAL

	As at 31-03-2023	As at 31-03-2022
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 31-03-2023		As at 31-03-2022	
	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 face 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 31-03-2023		As at 31-03-2022	
	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 78 284	10.11	63 48 105	10.07
(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 31-03-2023			As at 31-03-2022		
		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 78 284	10.11	0.05	63 48 105	10.07	0.10
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	-	92 6 480	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	-	78 155	0.12	0.05
9	K S Kasi Viswanathan	2 910	0.005	-	2 910	0.005	-
10	V Pichai	-	-	(-0.07)	42 695	0.07	-
		2 69 79 504	42.78	(-0.02)	2 69 92 020	42.80	0.15

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, 2022	(A)	37.16	3.60	900.04	215.76	98.08	(-)11.93	1,243.22
Additions during the year:								
Profit for the year	—	—	—	—	395.84	—	—	395.84
Items of OCI for the year (net of taxes)								
Remeasurement of Defined Benefit Plans	—	—	—	(-)8.75	—	—	—	(-)8.75
Net Fair Value Gain on Investment in Equity Instruments through OCI	—	—	—	—	8.43	—	—	8.43
Share in OCI of Associate	—	—	—	0.10	—	—	—	0.10
Items that will be reclassified to Profit or Loss	—	—	—	—	—	(-)0.47	—	(-)0.47
Total Comprehensive Income for the Year 2022-23	(B)	—	—	387.19	8.43	(-)0.47	0.00	395.15
Income from SPB Equity Shares Trust (C) (Refer Note No.1.19)	—	—	—	0.71	—	—	—	0.71
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, 2023 (A+B+C-D)	37.16	3.60	1000.04	487.90	106.51	0.04	(-)11.93	1623.32

₹ Crores

13 OTHER EQUITY (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, 2021	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 Profit or Loss	-	-	-	-	-	0.51	-	0.51
Total Comprehensive Income for the Year 2021-22	-	-	-	112.43	14.24	0.51	-	127.18
Income from SPB Equity Shares Trust (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	-	-	(-)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

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 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
14 BORROWINGS		
(Non-Current Financial Liabilities)		
Unsecured		
From others - Interest Free Sales Tax Loan	—	0.54
	—	0.54

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 had fully repaid the entire loan on 31.03.2023.

The Company had adopted previous GAAP for the carrying amount of the loan at the date of transition and had 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 was recognised as deferred income. Interest on the loan was 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 OTHER FINANCIAL LIABILITIES

(Non-Current Financial Liabilities)

Security Deposits	16.69	15.55
	16.69	15.55

16 PROVISIONS

(Non-Current Liabilities)

a) Provision for Employee Benefits:		
Provision for Leave Encashment and Retirement Fund	13.77	10.49
b) Others:		
Provision for Generation tax *	8.11	8.11
	21.88	18.60

* Provisions made during the Year ₹ 1.31 crores (Previous Year ₹ 2.07 crores)

* Settled during the Year ₹ 1.31 crores (Previous Year ₹ 2.06 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

17 DEFERRED TAX LIABILITY (NET)

₹ crores

Particulars	As at 01-04-2022	Recognised in		As at 31-03-2023
		Statement of P&L during 2022-23	OCI 2022-23	
Deferred Tax Liabilities				
Difference between WDV of PPE as per the books of accounts and Income Tax Act, 1961.	126.82	0.21	–	127.03
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-)6.22	(-)0.76	–	(-)6.98
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	(-)0.21	0.21	–	–
Taxes on Items of Other Comprehensive Income	3.42	–	(-)1.92	1.50
Income Tax relating to items that will be reclassified to Profit or Loss	0.17	–	(-)0.16	0.01
Deferred Tax Liability	123.98	(-)0.34	(-)2.08	121.56

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 PPE 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 Profit or Loss	–	–	0.17	0.17
Deferred Tax Liability	119.88	0.89	3.21	123.98

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
18 BORROWINGS		
Current maturities of Interest Free Sales Tax Loan (Refer Note No.14 (i))	—	3.56
	—	3.56
19 LEASE LIABILITIES		
Lease Liabilities (Current) (Refer Note No.1.13)	—	0.02
	—	0.02
20 TRADE PAYABLES		
a) Total outstanding dues of Micro and Small Enterprises	8.00	13.24
b) Total Outstanding dues of creditors other than Micro and Small Enterprises	224.98	182.35
	232.98	195.59
20 (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.		
20 (ii) Disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows		
	FY 2022-23	FY 2021-22
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	8.00	13.24
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

20 (iii) - Trade Payables - Ageing Schedule as on 31-03-2023

₹ 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) Micro and Small Enterprises (MSE)	8.00	—	—	—	—	8.00
(ii) Others	213.48	10.84	0.49	0.16	0.01	224.98
(iii) Disputed dues - MSE	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	221.48	10.84	0.49	0.16	0.01	232.98

Trade Payables Ageing Schedule as on 31-03-2022

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) Micro and Small Enterprises (MSE)	13.24	—	—	—	—	13.24
(ii) Others	102.82	64.20	10.41	1.33	3.59	182.35
(iii) Disputed dues - MSE	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total	116.06	64.20	10.41	1.33	3.59	195.59

**As at
31-03-2023**

**As at
31-03-2022**

₹ crores

₹ crores

21 OTHER FINANCIAL LIABILITIES

(Current Financial Liabilities)

Unpaid Dividends * 1.28 1.27

Others:

- Payable for capital expenditure	0.99	1.31
- Security Deposit	2.05	1.79
- Retention Monies	8.62	12.50
- Employees dues	10.02	13.03
	22.96	29.90

* Due for transfer to IEPF as at the end of the year - Nil (Previous Year - Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
22 OTHER CURRENT LIABILITIES		
Other liabilities:		
(a) Advances received from Customers #	1.60	1.19
(b) Statutory Liabilities	4.39	4.59
(c) Deferred Income arising from Government grants (Refer Note 1.11)	—	1.10
	<u>5.99</u>	<u>6.88</u>
# Revenue recognised during the year from the Opening Advances ₹ 1.19 crores (Previous Year ₹ 6.82 crores)		
23 CURRENT PROVISIONS		
Provision for Employee Benefits:		
Provision for Gratuity, Leave Encashment and Retirement Benefit	12.85	2.06
	<u>12.85</u>	<u>2.06</u>
24 CURRENT TAX LIABILITIES		
Income Tax **	8.56	7.73
	<u>8.56</u>	<u>7.73</u>
** Current tax includes ₹ 5.76 crores, provision for uncertainty expected in allowance of incomes claimed as not taxable. (Previous Year ₹ 5.76 crores))		

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023		Year ended 31-03-2022	
	₹ crores	₹ crores	₹ crores	₹ crores
25 REVENUE FROM OPERATIONS				
A) REVENUE FROM SALE OF PRODUCTS AND SERVICES				
Paper and Paper Boards				
India	1642.90		944.09	
Rest of the World	379.84		358.16	
		2022.74		1302.25
Stock in Trade				
India	28.78		27.14	
Services - Rent				
India	0.27		0.27	
	2051.79		1329.66	
Break-up of Revenue from Sale of Products and Services - Transacted Price and adjustments				
Sales Value at Transacted price	2162.02		1382.99	
Less : Adjustments:				
Cash Discount	47.97		24.40	
Other Discounts / Incentives	62.26		39.59	
		110.23		63.99
	2051.79		1319.00	
B) OTHER OPERATING INCOME				
Export Benefits / Incentives	8.22		10.66	
Others	22.79		14.88	
	31.01		25.54	
	2082.80		1355.20	
26 OTHER INCOME				
(a) Interest Income				
- On financial assets carried at Amortised Cost	24.05		9.50	
(b) Dividend Income from Equity Investments measured at fair value through OCI	1.27		1.07	
(c) Government Grant (Refer Note No. 1.11)	1.10		1.10	
(d) Net Exchange Gain	-		3.03	
(e) Others	2.87		0.83	
	29.29		15.53	

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
27 COST OF MATERIALS CONSUMED		
Raw material		
i) Wood	344.02	236.14
ii) Bagasse	26.55	11.19
iii) Purchased Pulp	114.99	51.65
iv) Waste Paper	102.29	50.28
	<u>587.85</u>	<u>349.26</u>
Feeding and other Charges	9.28	7.09
	<u>597.13</u>	356.35
Chemicals & Consumables @	322.47	232.08
Packing Materials	35.62	24.56
	<u>955.22</u>	<u>612.99</u>
@ Includes provision for non-moving inventory - ₹ 0.60 Crores (Previous Year ₹ 0.25 crores)		
@ Reversal of Write down of inventory - Nil (Previous Year Nil)		
28 PURCHASE OF STOCK-IN-TRADE		
Notebook & Paper	0.25	0.10
Petroleum Products	24.05	25.44
	<u>24.30</u>	<u>25.54</u>
29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening 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
Closing stock		
- Finished goods	—	11.07
- Work in progress	6.02	5.44
- Stock-in-Trade	0.46	3.72
	<u>6.48</u>	20.23
	<u>13.75</u>	<u>138.78</u>
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	78.62	70.32
Contribution to Provident & other Funds (Refer Note No.1.12)	10.86	7.62
Staff welfare Expenses	8.42	6.65
	<u>97.90</u>	<u>84.59</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
31 FINANCE COSTS		
Interest on financial liabilities carried at amortised cost (Effective interest rate method)		
- Interest on borrowings	—	0.25
- Interest on interest free Sales tax loan (Refer Note No. 1.11)	0.27	0.61
Interest on Security Deposits measured at Amortised Cost	1.85	1.90
Interest - Income Tax	0.70	—
Other borrowing costs	0.37	0.11
	<u>3.19</u>	<u>2.87</u>
32 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	44.91	40.52
Amortisation of Intangible assets (Refer Note No. 2(B))	0.34	0.31
Depreciation on investment property (Refer Note No. 2(C))	0.04	0.04
	<u>45.29</u>	<u>40.87</u>
33 OTHER EXPENSES		
Power and Fuel		
(i) Purchased Power	64.27	32.99
(ii) Consumption of Fuel	216.91	151.78
(iii) Generation Tax	1.31	2.07
	<u>282.49</u>	<u>186.84</u>
Repairs and Maintenance		
- Buildings	8.65	4.53
- Plant & Machinery	44.06	32.60
- Others	3.64	2.02
	<u>56.35</u>	<u>39.15</u>
Insurance	5.09	2.99
Rent, Rates and Taxes	2.03	3.53
Selling and Distribution Expenses	80.46	68.45
Net foreign exchange loss	1.52	—
Auditors' remuneration (Refer Note No. 35 (A))	0.53	0.62
Corporate Social Responsibility expenses (Refer Note No. 35 (C))	3.42	4.21
Miscellaneous	25.61	21.80
	<u>457.50</u>	<u>327.59</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
34 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	<u>129.99</u>	<u>34.61</u>
	<u>129.99</u>	<u>34.61</u>
Deferred Tax comprises:		
Deferred Tax Liability on account of depreciation	0.21	(-)0.49
Disallowance of expenses Under Section 43B and other Temporary difference	(-)0.76	1.12
Deferred Tax Asset on account of Interest Free Sales Tax Loan	0.21	0.26
Restatement of Deferred Tax liability(net) at probable tax rate at the time of settlement in future	—	—
MAT Credit Set off	—	—
Total	<u>(-)0.34</u>	<u>0.89</u>
Total Tax Expense	<u>129.65</u>	<u>35.50</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%	25.17%
Profit Before Tax	514.94	137.50
Current tax expenses on Profit Before Tax at the enacted income tax rate in India	129.60	34.61
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Tax on CSR activities	0.86	1.06
Tax On Dividend deducted u/s 80 M	(-)0.32	(-)0.27
Tax on difference in Depreciation	(-)1.80	(-)1.83
Other Differences	1.65	1.04
	<u>0.39</u>	<u>(-)0.00</u>
Current Tax for the Year	<u>129.99</u>	<u>34.61</u>
Effective rate of tax	25.24%	25.17%

* Rate as per Section 115 BAA of the Income Tax Act, 1961

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
34 TAX EXPENSE (Contd.)		
(C) Taxes on items of OCI:		
A Items that will not be reclassified to Profit or Loss:		
Income Tax on Remeasurement of Defined Benefit Plans	2.94	(-)0.26
Income Tax on Net Fair Value Gain/ (Loss) on Investment in Equity Instruments	(-)1.02	(-)2.78
B Items that will be reclassified to Profit or Loss	0.16	(-)0.17
	<u>2.08</u>	<u>(-)3.21</u>

35 (A) PAYMENT TO AUDITORS

Statutory Audit fees	0.27	0.34
Taxation Matters	0.15	0.15
Certification work	0.08	0.13
Reimbursement of expenses	0.03	–
Total payment to Auditors	<u>0.53</u>	<u>0.62</u>

35 (B) CWIP AGEING SCHEDULE

CWIP ageing Schedule as on 31-03-2023

₹ 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	14.82	5.04	0.01	–	19.87
2	Projects temporarily suspended	–	–	–	–	–
		<u>14.82</u>	<u>5.04</u>	<u>0.01</u>	<u>–</u>	<u>19.87</u>

CWIP ageing Schedule as on 31-03-2022

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>

Project with cost/time overrun - Nil (Previous year Nil)

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
35 (C) CORPORATE SOCIAL RESPONSIBILITY EXPENSES		
Disclosure with regard to CSR activities		
(i) Gross amount required to be spent by the Company during the year	3.12	4.01
(ii) amount of expenditure incurred	3.42	4.21
(a) Construction/acquisition of any asset	0.57	0.58
(b) On purposes other than (ii) (a) above	2.85	3.62
(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	0.50	0.63
b) Providing infrastructure facilities in nearby villages	0.47	0.34
c) Supply of drinking water to nearby villages	1.42	0.93
d) Covid-19 relief activities	0.30	1.53
e) Others	0.73	0.78
(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

35 (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 31-03-2023 is ₹ 37.43 Crores (Previous Year ₹ 37.30 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	The Company has not done any trade on / investment in Crypto Currency or Virtual Currency.

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2023	Year ended 31-03-2022
	₹ crores	₹ crores
36 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 (Refer Note -1 given below)	7.44	7.35
(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.	27.29	25.08
(iv) Demand towards energy charges(Start-up Power) 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 w.r. to Arm's Length Price and consequent disallowance under Section 80IA of the Income Tax Act, 1961 - contested / estimated	15.01	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	3.19	5.06
Note - 1 - Includes the following :		
a) Alleged Irregular Availment of CENVAT Credit of CVD on Import Coal; matter pending before CESTAT, Chennai	5.11	5.11
b) Disputed Service Tax Credit b/fd into GST Tran -1 Credit; Fresh demand raised by GST Authorities post settlement under Sabkha Viswas Scheme; matter pending before Hon'ble High Court of Madras..	1.29	1.29
c) DEPB licences purchased and utilised were disallowed; matter pending before CESTAT, Chennai	0.37	0.37
d) Others	0.67	0.58
(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	—	—
(iii) Others	0.03	0.03
b. Commitments		
(i) Contracts for purchase of Sugarcane	50.65	48.83
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for	0.75	0.12

SESHASAYEE PAPER AND BOARDS LIMITED

37 (A) CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ crores

	Refer Note	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
		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)	118.29	108.84	—	—
Investments in Unquoted equity shares	3(A)(b)	0.11	0.11	—	—
Financial Assets measured at amortised cost					
Trade Receivables	7	—	—	95.36	101.45
Cash and Cash Equivalents	8	—	—	50.56	116.17
Bank balances other than Cash And Cash Equivalents	9	—	—	446.70	214.38
Other Financial Asset	4 / 10	176.25	40.14	1.39	7.19
Financial Liabilities measured at Fair Value through Profit and Loss		—	—	—	—
Financial Liabilities measured at amortised cost					
Term Loan from Banks	14 / 18	—	—	—	—
Interest free sales tax Loan	14 / 18	—	0.54	—	3.56
Other Financial Liabilities	15	16.69	15.55	—	—
Trade Payables	20	—	—	232.98	195.59
Other Financial Liabilities	21				
Unpaid / Unclaimed Dividend		—	—	1.28	1.27
Payable towards capital expenditure		—	—	0.99	1.31
Security Deposit		—	—	1.84	1.57
Retention Monies		—	—	8.62	12.50
Employees Dues		—	—	10.02	13.03

* 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 Profit or Loss may not be indicative of the performance of the Company.

37 (B) FAIR VALUE MEASUREMENTS

₹ crores

	Fair value	Fair value hierarchy		
		Quoted price in active Markets	Significant observable	Significant unobservable
As at 31st March 2023		(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	118.29	118.29		
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 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

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.

37 (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, 2023 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 Risk Management Committee of 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 is that, the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company did not have any Term Loan (both working Capital or Project Term Loans) outstanding during the FY 2022-23. The Company, throughout the FY 2022-23, has not availed the Fund Based Working Capital Limits, sanctioned by the Bankers. 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, 2023.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31-03-2023 ₹ crores	31-03-2022 ₹ crores
Variable Rate Borrowings	—	—
Fixed Rate Borrowings	—	—

As at the end of the reporting period, the company had the following variable rate borrowings outstanding

	31-03-2023 ₹ crores	31-03-2022 ₹ crores
i. Weighted average interest rate (%)	—	—
ii. Balance (₹ crores)	—	—
iii. % of Total Loan	—	—

The Company is however exposed to the risk of interest rate fluctuations on the rate of return on fixed deposits of ₹ 519.90 crores as on 31.03.2023 (excluding accrued interest), maintained by the company with State Bank of India (SBI) and HDFC Bank Limited (Fixed Deposit balance as at 31.03.2022 – ₹ 300.46 crores).

Interest Rate Sensitivity analysis

As explained above, the Company has NIL Interest Rate risk, as of March 31, 2023. Sensitivity analysis of the same is not applicable, at the end of the reporting period.

	Impact on Profit before tax 31-03-2023 ₹ crores	31-03-2022 ₹ crores
Interest rates - increase by 50 basis points	—	—
Interest rates - decrease by 50 basis points	—	—

The Company's investment in fixed deposit with banks is only on Fixed Interest Rate Terms and hence, there is no exposure to future interest rate movement.

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 Foreign Exchange liability for US \$ 11.87 Mn as on 31st March 2023 of which US \$ 1.85 Mn is hedged with forward contracts, leaving US \$ 10.02 Mn as unhedged.

The Company is also exposed to foreign currency risk on its Exports. As on March 31, 2023, the Company had Export Receivables in Foreign Currency amounting to US \$ 2.91 Mn. (Previous Year –US \$ 1.90 Mn), of which US \$ 1.95 Mn is hedged with forward contracts on cash flow basis.

Forward Contract Obligations pending as at the end of the reporting period:

	As at 31-03-2023 Mn US \$	As at 31-03-2022 Mn US \$
Payment Obligations, towards Imports, hedged with Forward Contracts under		
- Fair Value Approach	1.85	—
- Cash Flow Approach	—	—
Export Realizations hedged with Forward Contract under		
- Cash Flow Approach	1.95	8.00

c) Commodity price risk

The Company is exposed to the movement in price of key input 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 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 the wide spread of product offerings, good quality products and continuous upgrading its expertise 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, 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. Over 32% of the receivables as on 31.03.2023 is covered by the credits available with the Company, against indentors account. The balance receivables are insured with Trade Credit Insurance programs offered by a premier Indian Insurance Company. Thus, the credit risk is mitigated in full.

Exports are, in general, made against advances received or terms with payment against documents. 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:

	31-03-2023 ₹ crores	31-03-2022 ₹ crores
Expiring within one year	61.00	61.00
Expiring beyond one year	—	—
	<u>61.00</u>	<u>61.00</u>

SESHASAYEE PAPER AND BOARDS LIMITED

The Company makes an annual / long term financial plan so as to ensure there are no maturity mismatches in settlement of liabilities.

Undrawn Working Capital borrowing facilities (₹ 25 crores and ₹ 36 crores of Fund Based Limits sanctioned by HDFC and State Bank of India respectively; ₹ 25 crores and ₹ 31 crores of Non-Fund Based Limits sanctioned by HDFC and State Bank of India respectively) 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 hypothecation of movable fixed assets of the Company, consisting of plant and machinery, fixtures and fittings.

Period and amount of continuing default in respect of above said borrowing facilities: NIL

37 (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 31-03-2023 ₹ crores	As at 31-03-2022 ₹ crores
Equity		1635.34	1255.26
Debt		—	4.10
Cash and cash equivalents **		559.48	329.28
Net Debt		(-)559.48	(-)325.18
Total Capital (Equity + Net Debt)		1075.87	930.09
Net Debt to Capital Ratio		(-)52%	(-)35%
** Cash and cash equivalents break up :			
(i) Cash and Cash Equivalents	8	50.56	116.17
(ii) Bank balances other than (ii) above	9	446.70	214.38
(iii) Bank Deposits with more than 12 months Maturity	4	63.51	34.91
		560.77	365.46
Less : Unpaid Dividend account balance	9	1.28	1.27
		559.49	364.19

37 (E) DIVIDEND

	As at 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
Dividend on equity shares paid during the year	15.76	15.76
Total	15.76	15.76

Proposed Dividend

The Board of directors at its meeting held on 29th April 2023 have recommended a payment of dividend of ₹ 6.00 per equity share of face value of ₹ 2 each for the financial Year ended 31st March 2023. The same amounts to ₹ 37.84 crores.

38 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 31-03-2023	As at 31-03-2022
	₹ crores	₹ crores
Gross Block	0.14	0.88
Cumulative Depreciation	0.02	0.74
Liability at the end of the year :		
Current	—	0.02
Non-Current	—	—
Payment during the year	0.02	0.27

39 Information on Related party Transactions as Required by Ind AS 24-Related Party Disclosure for Year ended 31st March 2023

A) Key Managerial Personnel- Whole Time Directors:

- Sri N Gopalaratnam, Chairman
- Sri K S Kasi Viswanathan, Managing Director
- Sri Ganesh Balakrishna Bhadti, Director (Operations)

Non Executive Directors:

- Sri A L Somayaji
- Sri V Sridar
- Dr S Narayan, I A S (Retd.)
- Sri Mohan Verghese Chunkath, I A S (Retd.)
- Dr (Tmt.) Nanditha Krishna
- Sri Hans Raj Verma, IAS
- Sri Ritto Cyriac, IFS

Key Managerial Personnel - Other Employees:

- Sri S Srinivas, Senior Vice President & CFO

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)
- SPB Equity Shares Trust

C) Transaction details (net of Taxes) :

	Transaction amount		Amount
	2022-23	2021-22	outstanding
	₹ crores	₹ crores	on 31-03-2023
(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	0.74	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	0.23	
(c) Time Square Investments Private Limited			Liabilities :
- Dividend paid	1.59	1.57	0.638 crores Equity Shares (10.11%)
(d) SPB Projects and Consultancy Limited			Assets :
- Reimbursement of expenses	0.01	0.02	Investments in: 0.01 crores Equity Shares (16.67%)
- Engineering and Technical Consultancy paid	0.49	0.68	Liabilities :
- Dividend paid	0.01	0.01	0.0011 crores Equity Shares (0.02%)
(e) SPB Equity Shares Trust			Liabilities :
- Dividend paid	0.71	0.71	0.284 crores Equity Shares (4.50%)
- Transfer of Income	0.71	1.11	Receivables : ₹ 1.59 crores

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E) Transaction details (Contd.)

(f) Remuneration to Whole-time Directors :

	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri V Pichai *	Sri Ganesh Balakrishna Bhadti #
	Chairman	Managing Director	Deputy Managing Director and Secretary	Director (Operations)
	₹ crores	₹ crores	₹ crores	₹ crores
Current Year 2022-23				
Short term employee benefits	2.40	2.17	0.28	0.97
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.20	0.17	—	0.05
Contribution to Provident Fund	0.10	0.08	0.01	0.05
	<u>2.70</u>	<u>2.42</u>	<u>0.29</u>	<u>1.07</u>
Payable as on 31-03-2023	0.90	0.76	—	0.26

* Office vacated due to his demise on 03.05.2022.

Inducted into the Board on 13.06.2022

Previous 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	—
	<u>2.34</u>	<u>2.11</u>	<u>1.03</u>	<u>—</u>
Payable as on 31-03-2022	0.71	0.60	0.01	—

(g) Sitting fees and Commission to Non-Wholetime :

	2022-23	2021-22
	₹ crores	₹ crores
Sitting fees	0.42	0.23
Commission *	0.70	0.57
	<u>1.12</u>	<u>0.80</u>
Payable at the end of the year	0.58	0.48

* Includes ₹0.07 crores of premium paid for FY 2022-23 for Mediclaim insurance policy taken by the Company for the benefit of Non-Executive Directors (Previous year ₹ 0.05 crores)

E) Transaction details (Contd.)

(h) Key Managerial Personnel - Other Employees :

	Sri S Srinivas @ Senior Vice President & CFO	
	2022-23	2021-22
	₹ crores	₹ crores
Short term employee benefits	0.44	0.25
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.02	0.01
Contribution to Provident Fund	0.02	0.01
	0.48	0.27
Payable at the end of the year	0.07	0.05

@ Acting as KMP w.e. from 01.08.2021.

40 EARNINGS PER SHARE

	Year ended 31-03-2023	Year ended 31-03-2022
Profit after Tax (₹ crores)	395.84	110.03
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 (₹)	65.72	18.27
Diluted earnings per Share (₹)	65.72	18.27

41 Additional information on Net Assets and share of profits and other comprehensive income for year ended 31-03-2023

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	0.18	2.95	0.01	0.05	—	—	0.01	0.05
Associate								
- Ponni Sugars (Erode) Limited	4.79	78.34	2.66	10.54	(-)14.49	0.10	2.69	10.64

42 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 recognised ₹ 5.91 crores (Year ended March 31, 2022 ₹ 4.66 crores) for Provident Fund contributions and ₹ 0.22 crores (Year ended March 31, 2022 ₹ 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::

42 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	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
(i) Changes in Defined Benefit Obligations				
Present Value of - opening balance	37.77	35.49	1.35	1.30
Current Service Cost	2.20	2.11	0.07	0.07
Past Service Cost	2.15	—	0.35	—
Interest Cost	2.52	2.37	0.09	0.09
Actuarial (Gain) / Loss	11.68	(-)1.08	0.08	(-)0.03
Benefits paid	(-)3.76	(-)1.13	(-)0.18	(-)0.08
Present value - closing balance	52.56	37.76	1.76	1.35
(ii) Changes in the Fair Value of Plan Assets				
Opening Balance	37.45	33.86	—	—
Expected Return	2.71	2.34	—	—
Actuarial (gain) / loss	0.07	(-)0.05	—	—
Contributions by employer	6.01	2.42	0.18	0.08
Benefits paid	(-)3.76	(-)1.13	(-)0.18	(-)0.08
Closing Balance	42.48	37.44	—	—
Actual return	2.79	2.29	—	—

SESHASAYEE PAPER AND BOARDS LIMITED

42 EMPLOYEE BENEFITS (Contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
(iii) Amounts recognised in the Balance Sheet (as at year end)				
Present Value of Obligations	52.56	37.76	1.76	1.35
Fair Value of Plan Assets	42.48	37.44	—	—
Net Asset / (Liability) recognised	(-)10.08	(-)0.32	(-)1.76	(-)1.35
(iv) Expenses recognised in the Profit and Loss account statement.				
Current Service Cost	2.20	2.11	0.07	0.07
Past Service Cost	2.15	0.00	0.35	0.00
Interest on obligation	(-)0.19	0.03	0.09	0.09
Total included in Employee benefit expense	4.16	2.14	0.51	0.16
(v) Expenses recognized in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial Gain and Losses arising from changes in experience adjustment	(-)1.79	0.60	0.03	0.03
- Actuarial Gain and Losses arising from changes in financial Assumption	(-)9.89	0.48	(-)0.11	—
Return on plan assets	0.07	(-)0.05	—	—
Net cost in Other Comprehensive Income	(-)11.61	1.03	(-)0.08	0.03
Asset information				
- Insurer managed	100%	100%	NA	NA
Principal actuarial assumptions				
Mortality	Indian assured Lives Mortality (2012-14)			
Discount rate(%)	7.19	7.03	7.19	7.03
Future Salary increase (%)	10.00	8.00	NA	NA
Expected Rate of return of plan assets (%)	7.19	7.03	NA	NA
Expected average remaining working lives of employees (years)	11.30	10.30	NA	NA
Expected contribution (₹ in crores)	4.00	4.00		

42 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	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	₹ crores	₹ crores	₹ crores	₹ crores
Discount Rate				
- 0.5% Increase	50.25	36.39	1.68	1.29
- 0.5% decrease	55.05	39.24	1.83	1.41
Salary Growth Rate				
- 0.5% Increase	55.03	39.26		
- 0.5% decrease	50.25	36.35		
Attrition Rate				
- 0.5% Increase	52.20	37.71		
- 0.5% decrease	52.95	37.83		

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

42 EMPLOYEE BENEFITS (Contd.)

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 ₹ 7.00 crores (Previous year Actual ₹ 6.01 crores).

43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors at their meeting held on 29th April 2023.

Vide our report of date attached

MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

K V SRINIVASAN
Membership No.204368
Partner
UDIN: 23204368BGWWUR8553

Chennai
April 29, 2023

N GOPALARATNAM
(DIN No. 00001945)
Chairman

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

GANESH BALAKRISHNA BHADTI
(DIN No. 9634741)
Director (Operations)

V SRIDAR (DIN No. 02241339)
DR S NARAYAN (DIN No. 00094081)
A L SOMAYAJI (DIN No. 00049772)
DR NANDITHA KRISHNA (DIN No. 00906944)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
HANS RAJ VERMA (DIN No. 00130877)
T RITTO CYRIAC (DIN: 07951031)
Directors

S SRINIVAS
Sr. Vice President & CFO

B S RAJ KIRAN
Company Secretary