

Seshasayee Paper and Boards Limited



Sixty Fourth Annual Report

2023-24

SESHASAYEE PAPER AND BOARDS LIMITED

DIRECTORS

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

Sri V SRIDAR *(DIN No. 02241339)*

*(Retired and Ceased to be a Director on 31.03.2024,
on completion of 2nd term of 5 years as Independent Director)*

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

*(Retired and Ceased to be a Director on 31.03.2024,
on completion of 2nd term of 5 years as Independent Director)*

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

Dr NANDITHA KRISHNA *(DIN No. 00906944)*

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

Sri S DURGASHANKAR *(DIN No.00044713)*

(Director with effect from 04.11.2023)

Smt SHEELA BALAKRISHNAN, IAS (Retd.) *(DIN No. 05180044)*

(Director with effect from 20.01.2024)

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)*

KEY MANAGERIAL PERSONNEL

Sri S SRINIVAS, Senior Vice President & CFO

Sri K NARAYANAN, Company Secretary

STATUTORY AUDITOR

M/s SURI AND CO.

INTERNAL AUDITOR

M/s MAHARAJ N R SURESH & CO. LLP

COST AUDITOR

M/s S MAHADEVAN AND CO.

SECRETARIAL AUDITOR

M/s LAKSHMMI SUBRAMANIAN & ASSOCIATES

BANKERS

STATE BANK OF INDIA

HDFC BANK LIMITED



REGISTERED OFFICE

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

CIN: L21012TZ1960PLC000364

SESHASAYEE PAPER AND BOARDS LIMITED

COMPOSITION OF COMMITTEES

(as reconstituted w.e.f 01.04.2024)

AUDIT COMMITTEE

Sri S Durgashanakar	Chairman of the Committee
Sri A L Somayaji	Member
Sri Mohan Verghese Chunkath, IAS (Retd.)	Member
Sri Hans Raj Verma, IAS	Member
Smt. Sheela Balakrishnan, IAS (Retd.)	Member

NOMINATION AND REMUNERATION COMMITTEE

Sri A L Somayaji	Chairman of the Committee
Sri Mohan Verghese Chunkath, IAS (Retd.)	Member
Smt. Sheela Balakrishnan, IAS (Retd.)	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

Sri Mohan Verghese Chunkath, IAS (Retd.)	Chairman of the Committee
Sri A L Somayaji	Member
Sri S Durgashanakar	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

Smt. Sheela Balakrishnan, IAS (Retd.)	Chairman of the Committee
Sri Mohan Verghese Chunkath, IAS (Retd.)	Member
Sri K S Kasi Viswanathan	Member
Sri Ganesh Balakrishna Bhaddi	Member

SESHASAYEE PAPER AND BOARDS LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

Sri Hans Raj Verma, IAS	Chairman of the Committee
Sri Mohan Verghese Chunkath, IAS (Retd.)	Member
Dr Nanditha Krishna	Member
Sri Ritto Cyriac, IFS	Member

AUDITORS

STATUTORY 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: sanjeev@suriandco.com

COST AUDITOR

M/s S Mahadevan & Co.

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

INTERNAL 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

SECRETARIAL AUDITOR

M/s Lakshmmi Subramanian & Associates

Practicing Company Secretaries
Murugesu Naicker Office Complex
81, Greaves Road, Chennai 600 006
Telephone: 044 - 28292272
E-mail: swetha.s@lsa-india.com

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SESHASAYEE PAPER AND BOARDS LIMITED

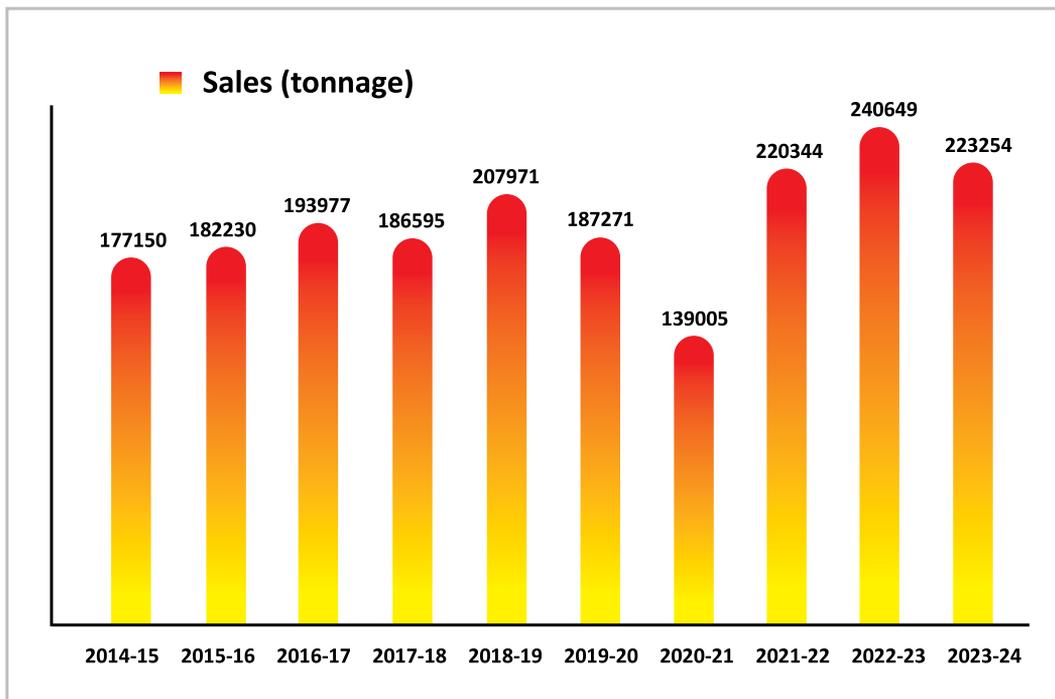
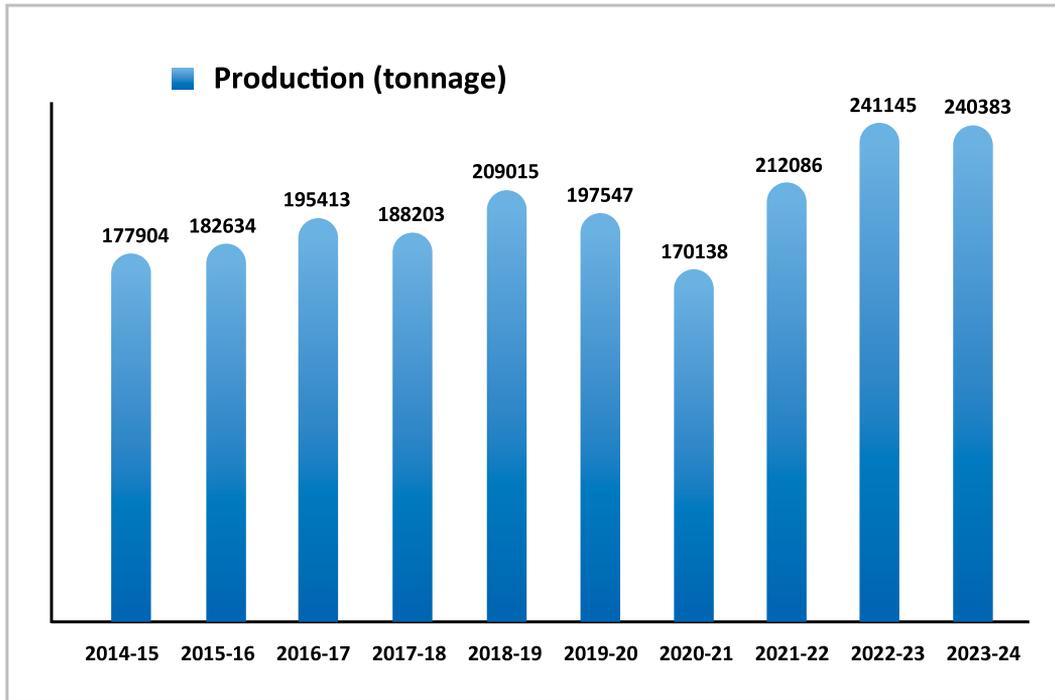
Financial Highlights - Ten years at a glance

(₹ crores)

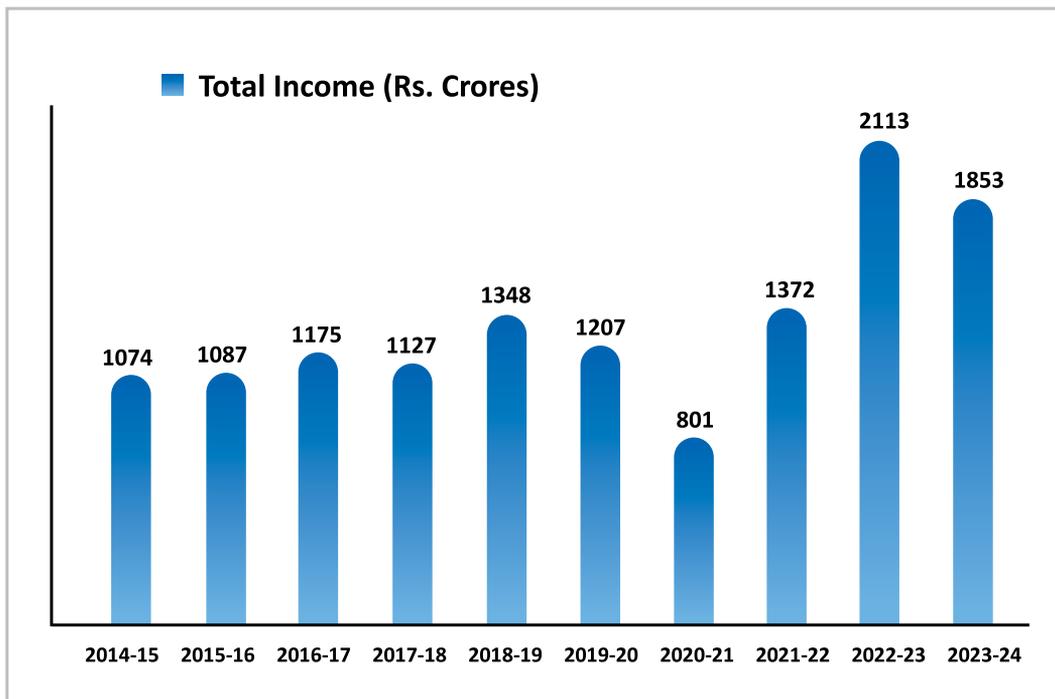
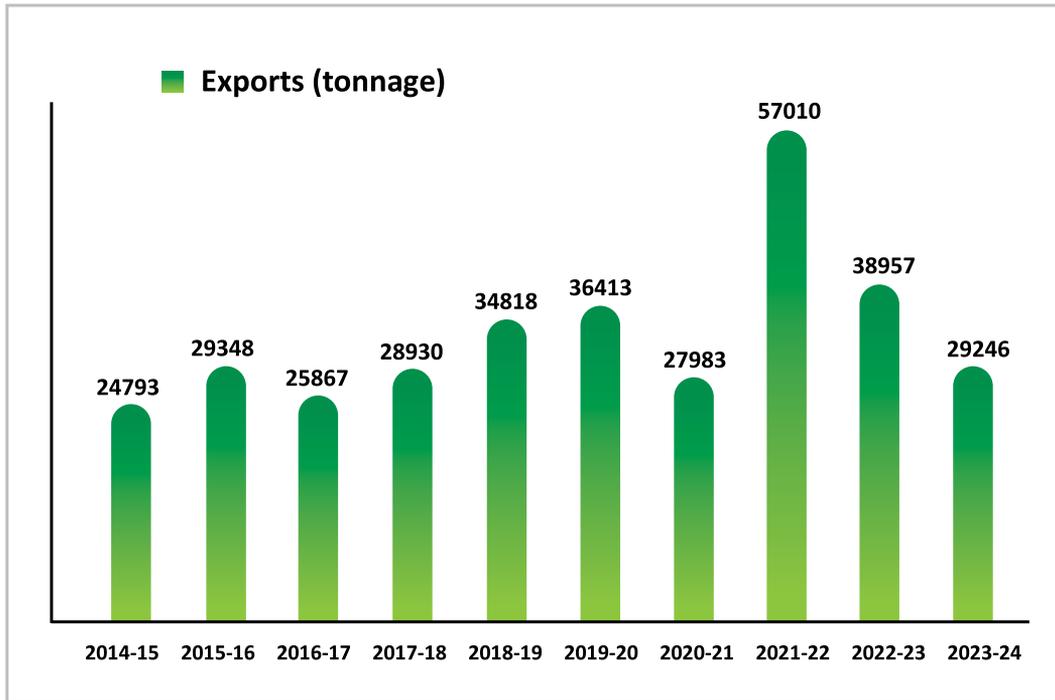
For the year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total Income (TI)	1074	1087	1175	1127	1348	1207	801	1372	2113	1853
EBIDTA	95	111	222	217	319	290	127	182	565	391
% on TI	8.9	10.2	18.9	19.2	23.7	24.0	15.8	13.3	26.7	21.1
Finance Costs	37	32	23	14	14	7	3	3	3	2
% on TI	3.5	3.0	2.0	1.3	1.0	0.6	0.4	0.2	0.2	0.1
Depreciation	33	29	31	32	34	35	38	41	45	44
Exceptional Item				5						
PBT	25	50	168	175	271	248	86	139	516	345
% on TI	2.4	4.6	14.3	15.5	20.1	20.5	10.8	10.1	24.4	18.6
Tax expense	8	15	40	52	81	74	-14	35	130	86
PAT	17	36	128	123	190	173	100	103	387	259
% on TI	1.6	3.3	10.9	10.9	14.1	14.4	12.5	7.5	18.3	14.0
EPS - ₹ **	2.88	5.91	21.26	20.40	31.55	28.80	16.65	17.12	64.18	43.06
Dividend - %	40	50	100	150	200	200	125	125	300	250
As at the year end										
Net Block	662	675	637	673	672	675	734	815	796	776
Loan Funds	329	345	177	154	100	12	8	4	0	21
Net Worth	393	421	582	702	868	986	1102	1206	1576	1838
Book Value per Share - (₹)**	65	70	97	116	144	164	183	200	262	305

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

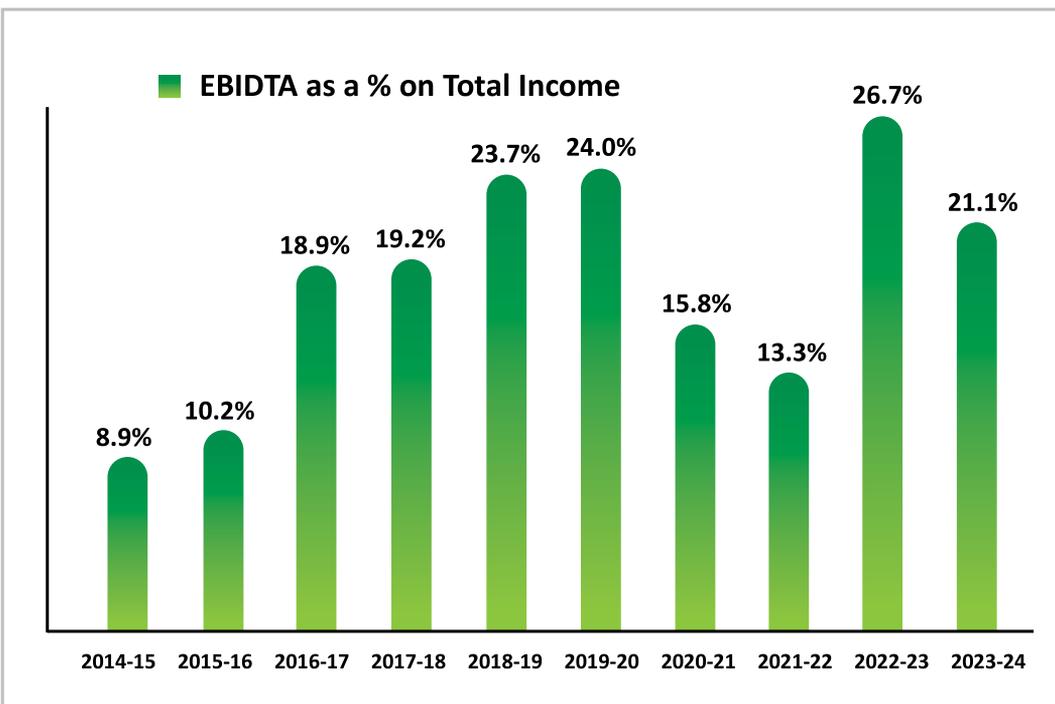
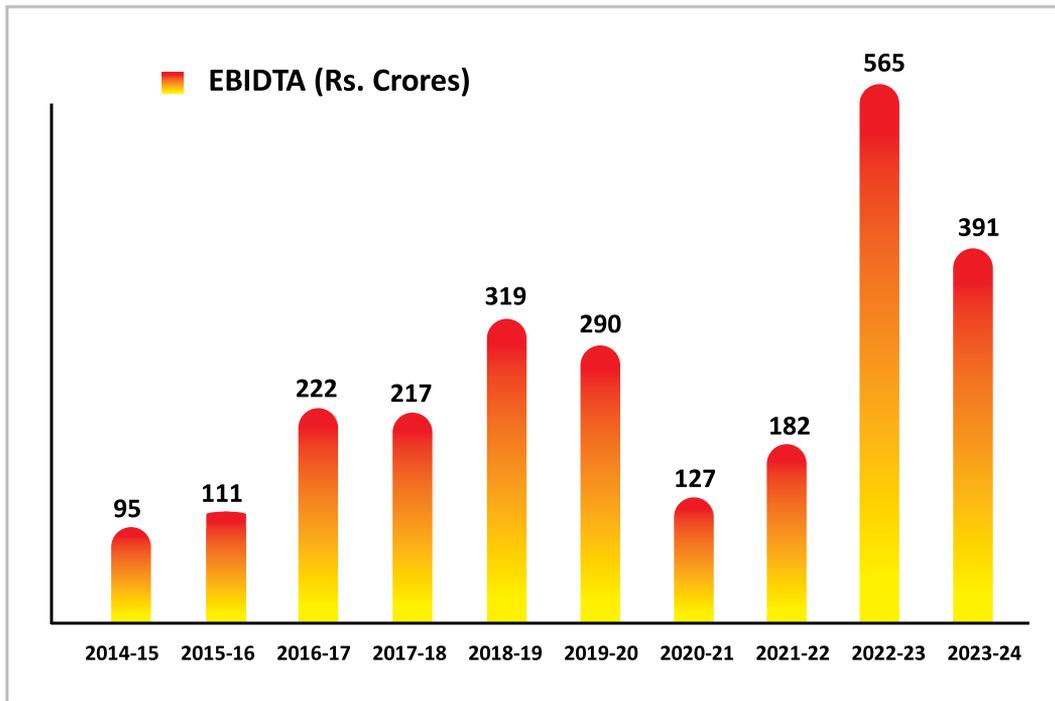
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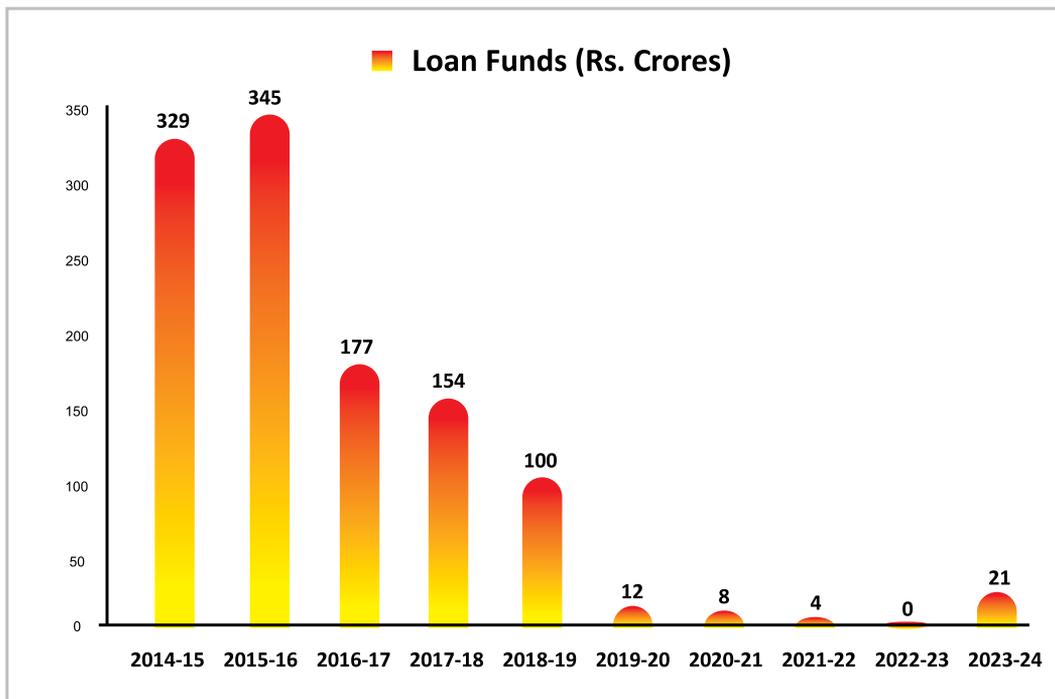
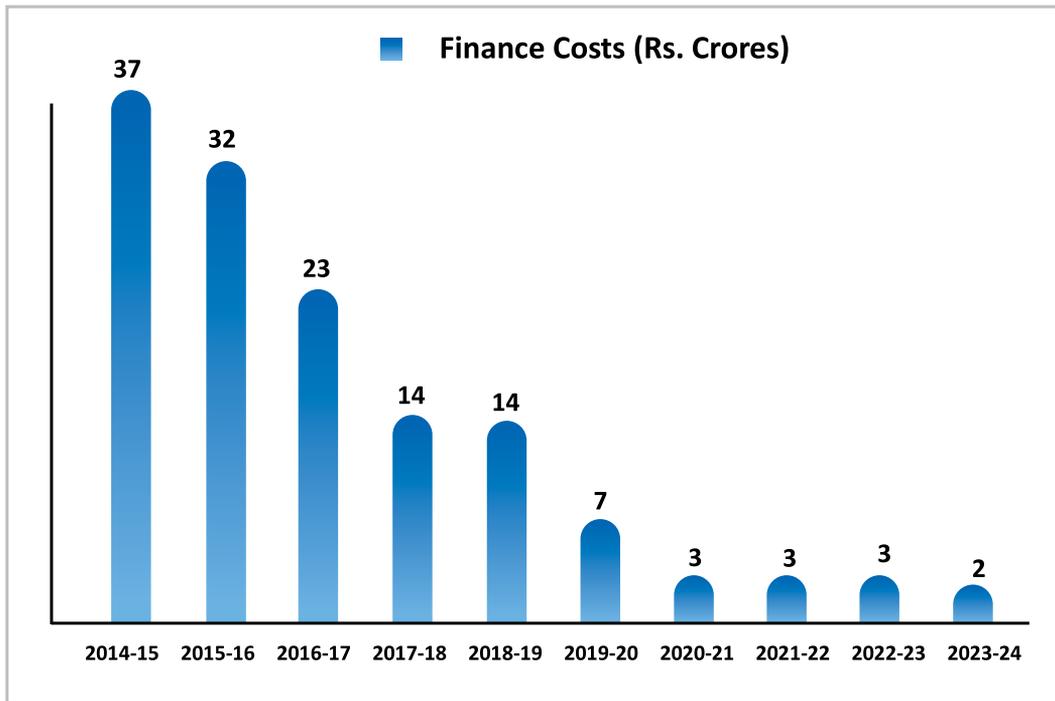
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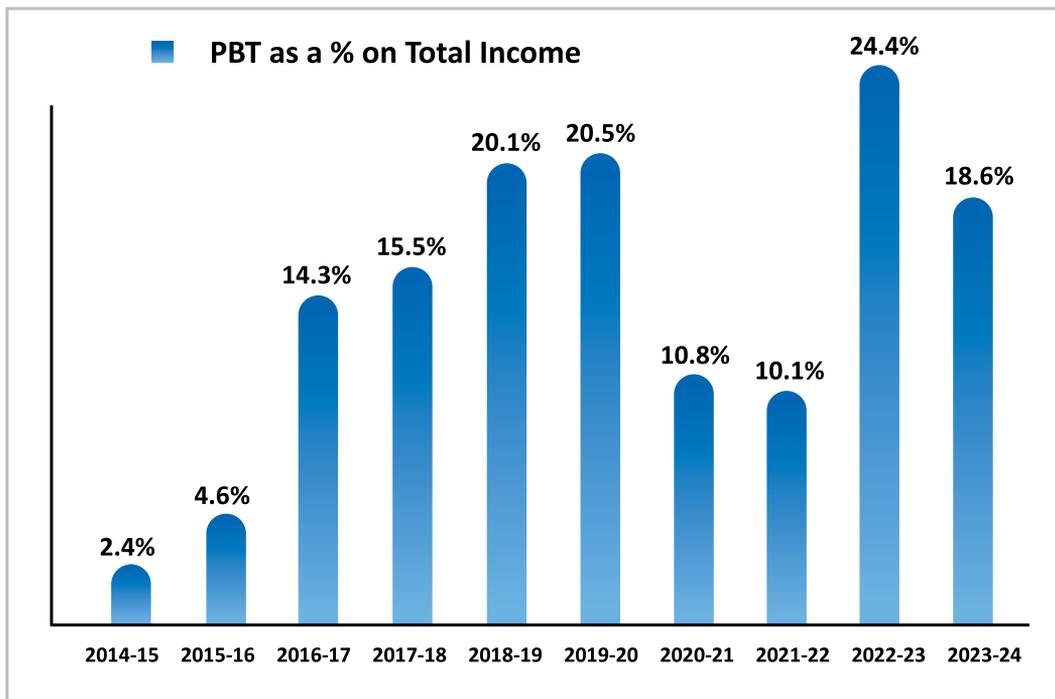
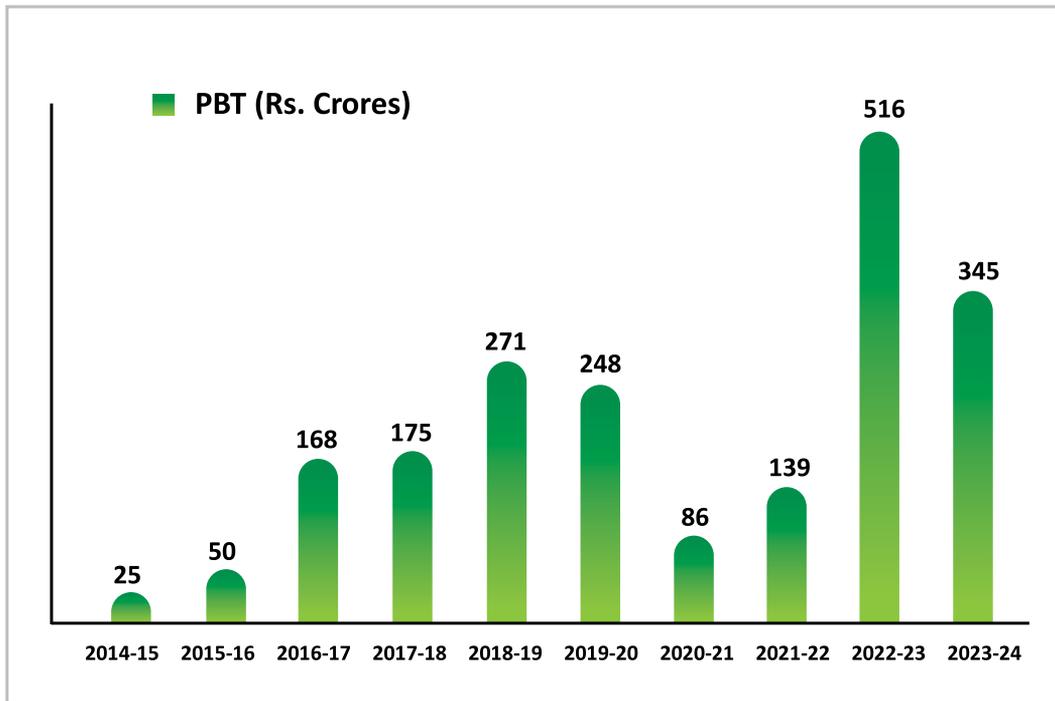
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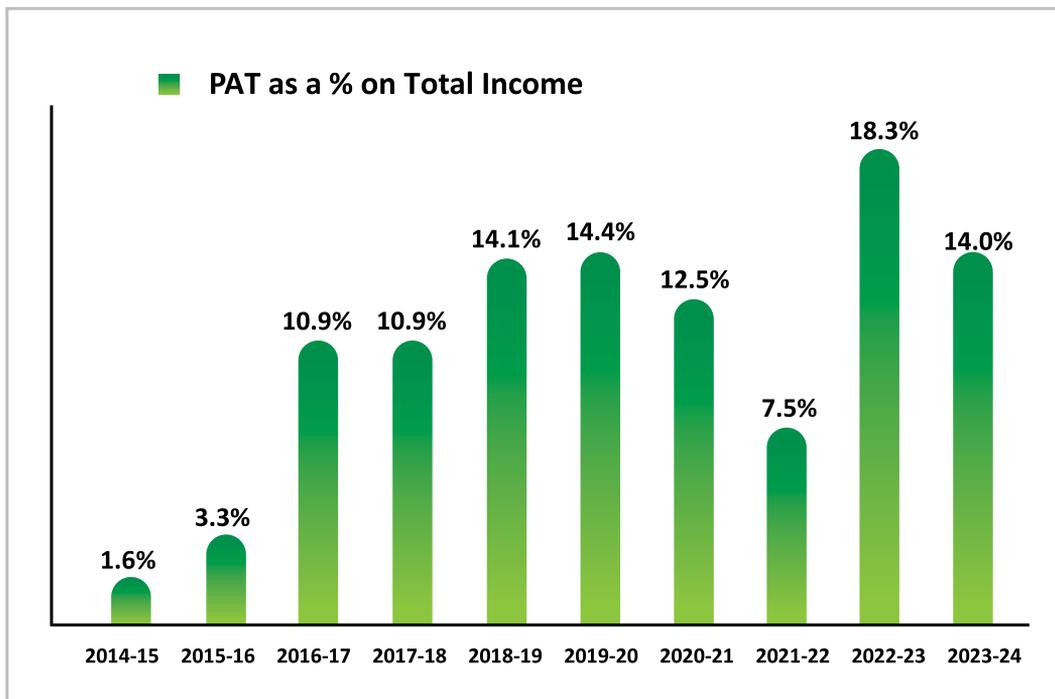
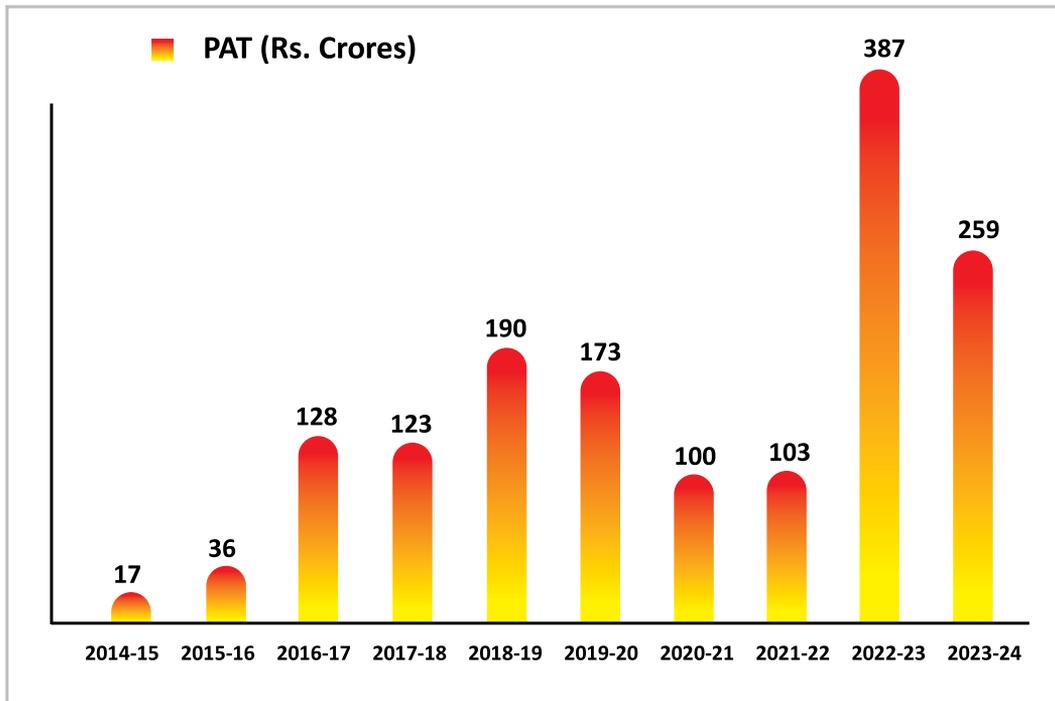
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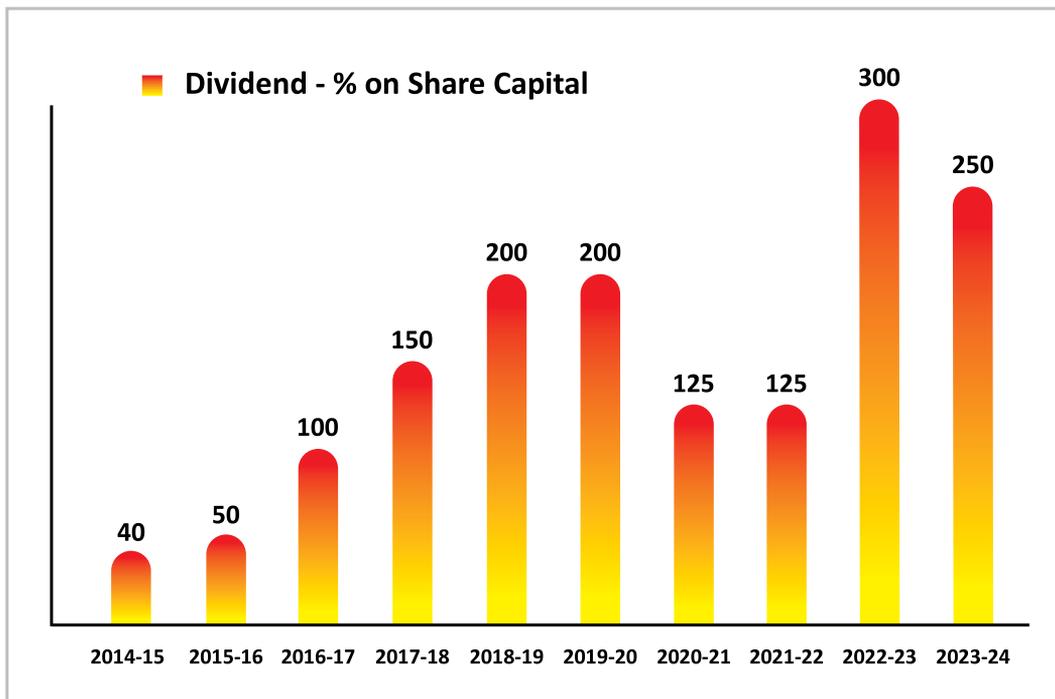
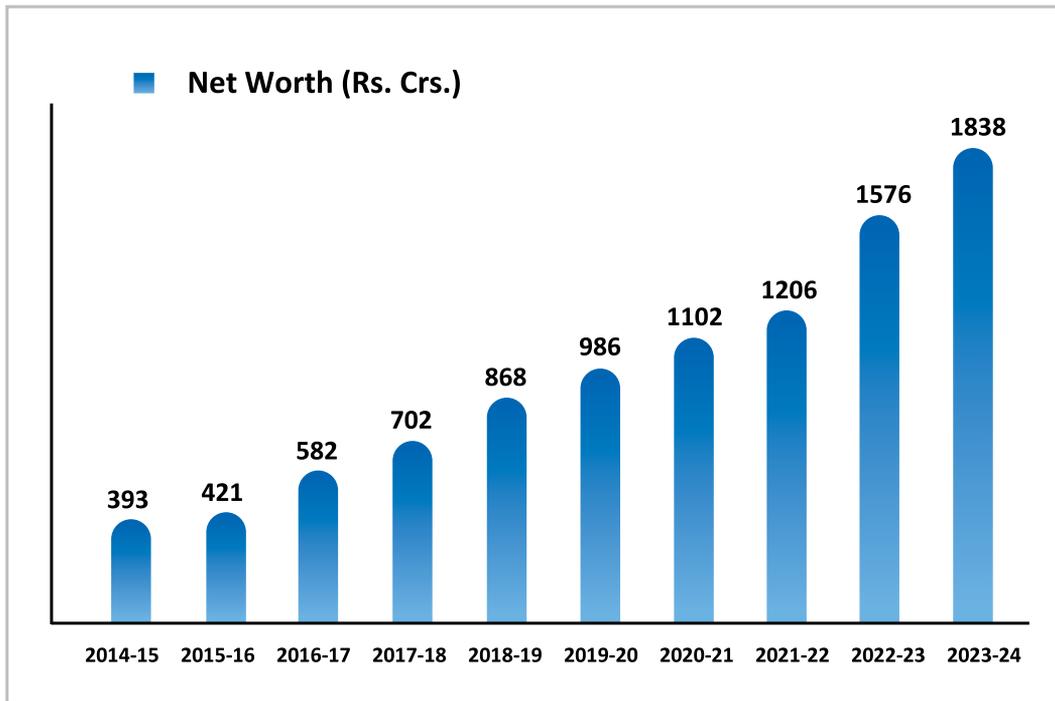
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SESHASAYEE PAPER AND BOARDS LIMITED



NOTICE

 Notice is hereby given that the 64th Annual General Meeting (AGM) of the Company will be held on Saturday, the June 01, 2024 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, 2024 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 ₹ 5.00 (Rupees Five only) per fully paid up Equity Share, be and is hereby declared for the Financial Year 2023-24 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 May 22, 2024”.

3 Re-appointment of retiring Director.

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

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

SPECIAL BUSINESS

4 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), M/s S. Mahadevan & Co., Cost Accountants (Firm Registration No.000007), 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 2024-25, 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 27, 2024

**K Narayanan
Company Secretary**

NOTES:

1 AGM thro' Video Conference (VC)

Pursuant to the General Circular Nos. 20/2020 dated 05.05.2020, No.14/2020 dated 08.04.2020; 17/2020 dated 13.04.2020; 22/2020 dated 15.06.2020; 33/2020 dated 28.09.2020; 39/2020 dated 31.12.2020; 10/2021 dated 23.06.2021; 20/2021 dated 08.12.2021; 03/2022 dated 05.05.2022, 10/2022 and 11/2022 dated 28.12.2022 and 09/2023 dated 25.09.2023 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 01, 2024. Members, seeking to inspect such documents, can send an email to secretarial@spbld.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 May 23, 2024 to Saturday, the June 01, 2024 (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 2023-24, will be May 22, 2024.

8 Dividend

The Board of Directors, at their meeting held on April 27, 2024, has recommended payment of Dividend of ₹ 5.00 per Equity Share of face value of ₹ 2 each, for the financial year 2023-24.

On declaration of the Dividend as above, at the AGM, the same will be paid on Monday, the June 03, 2024 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 May 22, 2024. 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 81 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 2023-24 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 2023-24 will also be available on the Company's website www.spbltd.com, websites of the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL, <https://www.evoting.nsdl.com>.

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

13 Voting facilities

(a) Remote e-Voting

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, as amended from time to time, the Company provides facility for its Members to exercise their voting right by electronic means.

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

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

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

Members who need assistance before or during the AGM in the use of technology, can send a request to 'evoting@nsdl.com' or use Toll-free Nos. 022 - 4886 7000 or Contact Mr Prajakta Pawle, Executive, NSDL at the designated e-mail ID: 'evoting@nsdl.com'.

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 27, 2024

**K Narayanan
Company Secretary**

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013 and forming part of the notice)

Item No. 3

Re-appointment of retiring Director

Sri N Gopalaratnam (DIN: 00001945), Chairman with executive powers, aged 77 years, was last appointed as a Whole time Director of the Company, for a period of three years from April 01, 2023. His appointment and the remuneration and other terms and conditions of his appointment were approved by the Shareholders of the Company, by a Special Resolution, vide Postal Ballot, on March 13, 2023.

Sri N Gopalaratnam retires by rotation in the 64th Annual General Meeting of the Company pursuant to Section 152(6)(c)/(d) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. On such re-appointment, he will continue to hold the post as Chairman of the Company, with executive powers, until March 31, 2026.

As required under Provision to Section 196(3)(a), approval of the Members, for the re-appointment of Sri N Gopalaratnam as Director, is sought through a Special Resolution at this Annual General Meeting.

Sri N Gopalaratnam, as Chairman of the Company with executive powers, is quite active and effective leading the Company's developmental strategy. In the opinion of the Board, he is eminently suitable for being continued as a Director of the Company notwithstanding his age. The Board accordingly recommends his re-appointment by Special Resolution for the consideration of Shareholders. Particulars required under Regulation 36(3) of the Listing Regulations are given in Appendix-A that forms part of this Notice.

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

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

Item No. 4

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 approved 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 2024-25 and determined the remuneration at ₹ 4,00,000 (Rupees Four Lakhs only), in addition to Goods and Service Tax and reimbursement of actual expenses,

SESHASAYEE PAPER AND BOARDS LIMITED

if any, incurred in connection with the Audit. It is now placed for the approval of the Members in accordance with Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

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

No Director, Key Managerial Personnel or relative of them is concerned or interested, financially or otherwise, in this business. The Board recommends the Ordinary Resolution set out in Agenda 4 of the Notice for approval of the Shareholders.

(By Order of the Board)

For Seshasayee Paper and Boards Limited

Chennai
April 27, 2024

K Narayanan
Company Secretary

Appointment / Re-appointment of a Director :

Disclosure required under Clause 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of a Director seeking appointment / re-appointment at the 64th Annual General Meeting:

SRI N GOPALARATNAM

Director Identification Number	: 00001945
Date of Birth & Age	: 15 04 1947 (77 years)
Date of Appointment	: 26 12 1987 as a Director 01 04 1988 as a Managing Director 28 07 2001 as Chairman and Managing Director 01 04 2014 as Chairman 01 04 2023 as Chairman
Qualification	: B.Sc., BE (Mech.)
Expertise in specific functional areas	: Mechanical Engineer with more than 50 years of Specialisation in design, operation and Management of Pulp and Paper Industry.
Terms and conditions of appointment	: He is proposed to be re-appointed as a Director of the Company, liable to retire by rotation.
Remuneration proposed to be paid	: Same as approved by Shareholders vide Postal Ballot, on March 13, 2023.
Remuneration last drawn	: ₹ 3.37 crores for FY 2023-24
Number of shares held in the Equity Capital of the Company	: 78155 (of Face Value ₹ 2 each)
Relationship with other Directors	: He is not related to any other Director
Number of Board Meetings attended during the year	: 6 (100%)
Resignation of directorships from listed entities during the past 3 years	: Nil
Directorship in other Companies	: 1. Ponni Sugars (Erode) Limited 2. High Energy Batteries (India) Limited 3. Esvi International (Engineers & Exporters) Ltd 4. Time Square Investments Private Ltd
Committee / executive positions held in other Companies	: Ponni Sugars (Erode) Limited - Stakeholders Relationship Committee - Chairman - Corporate Social Responsibility Committee - Chairman - Nomination and Remuneration Committee - Member High Energy Batteries (India) Limited - Stakeholders Relationship Committee - Chairman

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	Document Required (if any) 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 2024-25 does not exceed ₹ 5,000/-.

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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: <ol style="list-style-type: none"> 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: <ul style="list-style-type: none"> - 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.

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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://eportal.incometax.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 May 25, 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. Communication on the tax determination / deduction shall be entertained post May 25, 2024.

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 May 25, 2024, 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 64th 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 May 25, 2024 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 May 29, 2024 (9:00 AM) and ends on May 31, 2024 (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 May 25, 2024, 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 May 25, 2024.
- (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.nsd.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. <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.nsd.com. 2. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.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.evotingnsdl.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 digits 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 eVoting period (or) Joining virtual meeting & voting during the meeting.

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<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<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 use your existing myeasi 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 eVoting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the eVoting 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) logging through their depository participants</p>	<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.

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

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Type of shareholders	Login Method
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.com or call at toll free No. 022 - 4886 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:
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*****.
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*****
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 128466 then user ID is 128466001***

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.

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- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on
 - i. "Forgot User Details / Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful logging at Step 1, you will be able to see the "EVEN" of all Companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Seshasayee Paper and Boards Limited, which is 128466.
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.

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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
Physical	<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 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

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“VC/OAVM link” placed under “Join General meeting” menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the Remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through Laptop connecting via Mobile Hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The Company reserves the right to limit the number of Members asking questions

depending on the availability of time at the AGM.

7. Shareholders who would like to express their views / ask questions during the meeting, may register themselves as a speaker by sending their request mentioning their name, demat account number / folio number, email id, mobile number at secretarial@spbltd.com on or before 05.00 PM IST on Saturday, May 25, 2024. 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 Saturday, the May 25, 2024. 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.com.

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 “eVoting” 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

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confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to evoting@nsdl.com, or contact Mr. Prajakta Pawle, Executive, National Securities Depository Ltd., at designated email IDs: evoting@nsdl.com to get your grievances on e-voting addressed.
- 4 The cut-off date for the purpose of e-Voting has been fixed as May 25, 2024. 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. May 25, 2024 may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 022 - 4886 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. May 25, 2024, may follow steps mentioned in the Notice of AGM.

6. Sri 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

7 The Board of Directors hereby present their 64th Annual Report and the Audited Accounts for the year ended March 31, 2024.

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:

	2023-24	2022-23
	(in tonnes)	(in tonnes)
Production	2,40,383	2,41,145
Sales	2,23,254	2,40,649
	(₹ crores)	(₹ crores)
Revenue from Operations	1801.56	2082.53
Other Income	51.48	30.52
Total Income	1853.04	2113.05
Profit before interest, depreciation, exceptional item and tax	391.34	564.58
Finance Cost	2.14	3.19
Depreciation	43.81	45.25
Profit before tax	345.40	516.14
Provision for current tax	86.30	129.94
Transfer to / (from) Deferred Tax	(-) 0.27	(-) 0.34
Net Profit	259.37	386.54

DIVIDEND

The Board of Directors recommend payment of Dividend at ₹ 5.00 (Rupees Five only) per Equity Share of ₹ 2 each, absorbing a sum of ₹ 31.53 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 AS10, 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, 2024. The same will be recognised in the year of payment, viz., year ending March 31, 2024.

APPROPRIATIONS

The Board has proposed to transfer ₹ 100 crores to General Reserve.

	2023-24
	(₹ crores)
Net profit for the year	259.37
Add: Income from SPB Equity Shares Trust	1.70
Add: Surplus brought forward from the previous year	428.87
Add: Re-measurement of defined benefit Plans (net of tax)	7.25
	697.19
Less:	
Dividend paid during the year (For Financial Year 2022-23)	37.84
Transfer to General Reserve	100.00
Balance carried forward	559.35

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OPERATIONS

The Company had registered the following landmarks during the FY 2023-24, in-spite of challenging market conditions.

- ❖ 2nd highest annual production at 2,40,383 tonnes. (Highest production - 2,41,145 in FY 2022-23).
- ❖ Highest ever Annual Production in Unit : Erode - 1,65,116 tonnes.
- ❖ 2nd highest annual sales at 2,23,254 tonnes (Highest sales - 2,40,649 tonnes in FY 2022-23).
- ❖ 2nd Highest Total Income - ₹ 1853.04 crores (Highest Total Income at ₹ 2113.05 crores in FY 2022-23).
- ❖ 2nd Highest PAT at ₹ 259.37 crores (Highest PAT at ₹ 386.54 crores in FY 2022-23).

PRODUCTION

(Tonnage)

Unit	FY 2023-24	FY 2022-23	Growth (%)
Erode	1,65,116	1,63,909	0.7 %
Tirunelveli	75,267	77,236	(-) 2.5 %
Total	240,383	2,41,145	(-) 0.3 %

- ❖ During the FY 2023-24, the production at Unit : Erode was 1,65,116 tonnes of paper, as compared to 1,63,909 tonnes, produced in the previous year.
- ❖ The Company had completed project Mill Development Plan - III (MDP-III) in Unit : Erode in phases during FY 2020-21 and FY 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.
- ❖ During FY 2023-24, the company's production in Unit : Erode could achieve the annual capacity of 1,65,000 MT.

- ❖ 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 100 % in FY 2023-24 and the same was 83.6 % in Unit : Tirunelveli in FY 2023-24.
- ❖ Unit : Erode also produced 28,562 tonnes of Wet Lap Pulp during FY 2023-24, (Previous Year 35,577 tonnes) to augment the Pulp requirements of Unit : Tirunelveli.
- ❖ Unit : Tirunelveli produced 75,267 tonnes of Paper during the FY 2023-24, as compared to 77,236 tonnes, produced in the previous year.
- ❖ Overall Production during the current period was lower on account of
 - (i) planned maintenance activities, mostly in first half of the current year.
 - (ii) outages in Recovery and Power Boilers in the first half of the year, affecting pulp and paper production and
 - (iii) adverse product mix / basis weight mix due to poor market conditions.

SALES

(Tonnage)

Unit	FY 2023-24	FY 2022-23	Growth (%)
Erode	1,47,987	1,63,414	(-) 9.4 %
Tirunelveli	75,267	77,235	(-) 2.5 %
Total	2,23,254	2,40,649	(-) 7.2 %

- ❖ During the FY 2023-24, company registered an overall sales of 2,23,254 tonnes of Paper (Previous year : 2,40,649 tonnes).
- ❖ In addition, as part of its trading activity, the Company sold during FY 2023-24, petroleum products valued at ₹ 26.47 crores (Previous

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Year: ₹ 24.96 crores) and Note Books valued at ₹ 0.84 crores (Previous Year: ₹ 3.82 crores).

- ❖ The Company could achieve ZERO Stock of Finished Goods in Unit :Tirunelveli as on March 31, 2024 (Stock of Finished Goods in Unit : Tirunelveli as on 31.03.2023 - NIL).
- ❖ The Company had a finished goods inventory of 15,315 tonnes as on 31.03.2024 in Unit : Erode (Stock of Finished Goods in Unit : Erode as on 31.03.2023 - NIL).

PROFITABILITY

Revenue from Operations of the Company for the year was ₹ 1801.56 crores, as against ₹ 2082.53 crores, in the previous year.

Profit before interest, depreciation, exceptional item and tax (EBIDTA) was ₹ 391.35 crores, for the Company as a whole in FY 2023-24, compared to ₹ 564.58 crores, in the previous year.

After absorbing finance costs and depreciation of ₹ 2.14 crores and ₹ 43.81 crores respectively, the Profit before tax (PBT) was ₹ 345.40 crores in FY 2023-24, as compared to ₹ 516.14 crores, in the previous year.

The fall in net profit during FY 2023-24 compared to corresponding period of previous year is mainly due to:

- ❖ Significant increase in the cost of wood, a key input material for the company. Wood procurement prices almost doubled during the year.
- ❖ Reduction in the average realisations in the export market.
- ❖ Reduction in average realisation in Domestic Market due to intense competition from Imported Paper, available at Cheaper prices.
- ❖ Lower production and sales volumes, particularly in the first 2 quarters

Impacts from the above were partially negated by reduction in prices of imported Coal, imported pulp, waste paper and chemicals.

For the year ended 31st March 2024, current tax liability works out to ₹ 86.30 crores, as against a liability of ₹ 129.94 crores in the previous year.

The Deferred Tax liability amounted to ₹ (-) 0.27 crores for the year ended 31st March 2024, as against ₹ (-) 0.34 crores in the previous year.

As a result, profit after tax for the year ended March 31, 2024 was ₹ 259.37 crores, as compared to ₹ 386.54 crores, in the previous year.

FINANCE

The Company doesn't have any Term Loan outstanding as on 31.03.2024. (Debt Position as on March 31, 2023 was NIL). The Company did not have any installments of Term Loans and interest (on Working Capital borrowings), due for payment during the year.

Fund Based Working Capital limits availed in the form of "Export Packing Credit" and outstanding as on 31.03.2024 - ₹ 21.0 crores. [NIL as on 31.03.2023].

MARKET CONDITIONS

- ❖ The market conditions were favourable and buoyant for most varieties / grades of Writing & Printing (W&P) during the entire FY 2022-23. However, effective May 2023, the Domestic Paper market had turned adversely due to :
 - (i) Increased availability of Imported Paper from China, Indonesia and other Asian countries, at Cheaper Prices in the Indian market.
 - (ii) The overall unfavourable global demand situation resulting in increased supply situation to the Indian Market, thereby resulting in Demand-Supply mismatch.

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- ❖ Both these factors contributed to significant reduction in the prices of Paper during the year. Price reduction were seen almost every month from May 2023. Domestic Paper mills had to drop prices to liquidate their production and inventory. Though the overall consumption levels of Paper in Domestic Market remained stable, prices have dropped significantly during the year, thereby affecting the margins of the Indian Paper Mills in the FY 2023-24 compared to an extremely favourable and buoyant FY 2022-23.
- ❖ The Domestic market condition was unusually poor even during the peak season (i.e. Dec-Mar) in this FY 2023-24. This kind of extremely challenging market conditions during peak seasons, attributable largely to cheaper imports, is normally not noticed.
- ❖ 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 of previous year, with the reduction in International Pulp Prices and Ocean Freight Charges. This had continued in to FY 2023-24 as well. The International market has not shown any signs of recovery and the drop in price mainly from Indonesia and China continue. Demand remains flat although some short-term bumps are seen.

OUTLOOK

- ❖ Domestic market conditions are expected to remain challenging at-least until the first 2 quarters of the FY 2024-25 for W&P grades, as per the present market trends.
- ❖ The demand for paper and more particularly, the market operating prices will depend on the Global macro-economic trends. With fear of possible recession in some of the key developed economies and distressing

global political situations, prices of Paper is expected to see continued pressures in the short-medium term. Considering the uncertainties that continue to prevail in global macroeconomic situation and subsequent slowdown in developing countries, the market is expected to be very cautious and seek for replenishment of inventory only when necessary without room for any speculation.

- ❖ The Export market for Uncoated Wood Free grades has been under pressure both in terms of demand and prices over the last 18 months and this trend is expected to continue.

EXPORT PERFORMANCE

(Tonnage)

Unit	FY 2023-24	FY 2022-23	Growth (%)
Erode	13,076	16,851	(-) 22 %
Tirunelveli	16,170	22,106	(-) 27 %
Total	29,246	38,957	(-) 25 %

- ❖ The export volumes represented 12.2% of the production during FY 2023-24 (This stood at 16.2 % during the FY 2022-23).
- ❖ Due to pressure on realisations in FY 2023-24 and reduction in export volumes, the overall export sales in value terms stood at ₹ 216.8 Crs for FY 2023-24 vs ₹ 379.84 Crs in FY 2022-23, thereby registering a de-growth of 43.0% in value terms.
- ❖ The total export proceeds in US \$ stood at US \$ 27.29 Mn for the year 2023-24, compared to US \$ 46.65 Mn in previous year). Export Sales in currencies other than US\$ during FY 2023-24 - NIL (Sales in Previous year : EURO Mn 0.11& AED 1.82 Mn).

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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 augment tree farming activities, 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 24,764 acres of land. (Previous Year : 22,502 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.

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.

ISO 50001 CERTIFICATION

During the year, the company secured certificate for the Energy Management System under Standard ISO 50001 : 2018.

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..

ESCerts

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 16,111 ESCerts as on March 31, 2024.

ESCerts sold during the FY 2023-24 – 4,946 Nos. (Previous Year –501 Nos.)

AWARDS

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

- Excellent Energy Efficient Unit for FY 2022-23 by CII - 6th consecutive year.

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- National Energy Leader Award for FY 2022-23 by CII - 4th consecutive year.
- CAPEXIL Export Excellence Award for 4 years from 2018-2022.

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. The Company's status was upgraded to "3-Star Export House" in Oct-2023.

DEPOSITORY SYSTEM

As on March 31, 2024, 24,359 Shareholders are holding Shares in Demat form and 5,32,52,048 shares have been dematerialised, representing 84.44% 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. The Company does not have any material subsidiary as per SEBI (LODR) Regulations. A policy on material subsidiary has been formulated by the Company and is available on our website www.spbltd.com. Neither Managing Director nor Chairman of the Company receives any remuneration or commission from the Subsidiary Company.

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

The Company participated and emerged as the sole successful bidder in the e-auction held on 19.09.2022, for the sale of assets of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate Debtor), on a Going Concern basis and the company had remitted the entire bid value of ₹ 105.0 crores in the month of October 2022.

The e-auction was for sale of assets of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate debtor) on a Going Concern basis, without liabilities, on "As is where is basis", "As is what is basis", "Whatever there is basis" and "Without any recourse basis", under the provisions of Insolvency and Bankruptcy Code, 2016 read with Regulation 32(e) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and pursuant to the directions contained in Order of Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT").

The Hon'ble NCLT, Chennai Bench vide its Order dated May 12, 2023 had approved the application filed by the Liquidator for confirmation of sale of assets of M/s.Servalakshmi Paper Limited (Corporate Debtor) (In Liquidation) as a Going Concern, in favour of M/s. Seshasayee Paper and Boards Limited (SPB) and dismissed / disposed of other appeals against the auction.

Consequent to the order of the Hon'ble NCLT dated 12.05.2023, the official liquidator of the Corporate Debtor has Issued Sale Certificate dated 24.05.2023 and has completed the physical handing over of the possession of land and factory premises located at Kodaganallur Village, Vaduganpatti Post, I.C.Pettai, Tirunelveli – 627 010 of Servalakshmi Paper Limited (In Liquidation) on 24.05.2023 to SPB, as per direction in the Order dated 12/05/2023 of Hon'ble NCLT, Chennai Bench and the company remitting additional ₹ 2.0 crores as per the directions in the said NCLT order.

Appeals challenging the aforesaid Hon'ble NCLT's Order have been filed in Hon'ble NCLAT, which are pending.

MILL DEVELOPMENT PLAN - IV

The company had originally submitted application with Ministry of Environment, Forests and Climate Change (MoEF & CC) seeking Environmental Clearances (EC) for project Mill Development Plan – IV (MDP – IV) in Company's

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manufacturing facility in Erode, for increasing the pulp and paper capacities by 40%.

In accordance with the feedback received from Expert Appraisal Committee (EAC) of MoEF & CC, the company now proposes to make a fresh application for EC for expansion up to 20% as Phase-I. Further expansion upto 40% as Phase-II will be done on successful completion of phase-I since the company had sought exemption from fresh public consultations.

The final approval for the revised scope, timelines and cost for various phases of Project Mill Development Plan – IV (MDP-IV) at Unit : Erode, shall be granted by the Board of Directors, after detailed review of the techno-economic feasibility report for the project, subject to the Company obtaining the requisite approvals from concerned authorities for the revised Phase-I expansion by 20%.

CURRENT YEAR (2024-25)

The Company continues to face pricing pressure from increased availability of Imported Paper at Cheaper Prices and this trend is expected to continue in FY 2024-25.

Further, the wood prices continue to remain high and the coal prices have started to increase, thereby affecting the profitability margins.

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 2(e) of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Boards’ Report.

This Regulation is mandatorily applicable to our Company.

The Company has drafted the Business Responsibility and Sustainability Report for FY 2023-24, in line with the format prescribed by SEBI, which is given in **Annexure - III** to the Directors’ Report.

DISCLOSURE REQUIREMENTS UNDER SECTION 134(3) 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. There are no proceedings pending against the company under the Insolvency and Bankruptcy Code, 2016. There was no instance of one time settlement with any Bank or Financial Institution.

THE ANNUAL RETURN

A copy of the annual return for FY 2023-24 will be placed on the website of the Company (www.spbltd.com) after conclusion of the 64th 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, 2024 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.

During the year, the Company had purchased 35,095 equity shares of M/s High Energy Batteries (India) Limited at a total cost of ₹ 1.96 crores, from Open Market.

The only other investment made by the Company pertains to ₹ 107.0 crores paid by the Company (₹105.0 crores in 2022-23 and ₹ 2.0 crores in FY 2023-24) for acquisition of assets of M/s. Servalakshmi Papers Limited (Corporate Debtor under Liquidation), as a going concern, which is treated as “Other Non Current Assets” in the audited balance sheet of the company as at 31.03.2024, since appeals challenging the

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Hon'ble NCLT's Order (approving the e-auction sale in favour of the Company) have been filed in Hon'ble NCLAT, which are pending.

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 2024 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, the Board has constituted a CSR Committee 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, 2024 and the labour unions have submitted their charter of demands for the renewal of the agreement.

DIRECTORS

During the FY 2023-24, the Board appointed:

1. Mr S. Durgasankar, as an Independent Director on the Board at its meeting held on 04th November 2023, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 04th November 2023.

The shareholders have approved his appointment by way of special resolution through postal ballot on 13th December, 2023

2. Mrs S. Sheela Balakrishnan, IAS (Retd) as an Independent Director on the Board at its meeting held on 20th January, 2024, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 20th January, 2024.

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The shareholders have approved her appointment by way of special resolution through postal ballot on 6th March, 2024

During the FY 2023-24, the Board also reappointed:

Mr Mohan Verghese Chunkath, IAS (Retd), as an Independent Director on the Board at its meeting held on 20th January, 2024, on the recommendation of the Nomination and Remuneration Committee, for the second consecutive term of five years effective 01st April, 2024. The shareholders have approved his re-appointment by way of special resolution through postal ballot on 06th March, 2024.

The second term of Independent Directorship of Mr. S. Narayan, IAS (Retd) and Mr. V. Sridar ended on 31st March, 2024. Your Directors place on record the valuable services rendered by Mr. S. Narayan and Mr. V. Sridar during their tenure as Independent Directors of the Company.

All the Independent Directors have given the declaration that they meet the criteria on independence, as laid down under Section 149(6) of the Companies Act, 2013. The performance evaluation of Independent Directors has been done by the entire Board of Directors, excluding the Director being evaluated at the Board Meeting held on March 21, 2024. The Board, on the basis of such performance evaluation determined to continue the term of appointment of all Independent Directors.

OTHER KEY MANAGERIAL PERSONNAL

Mr. B.S. Raj Kiran, Company Secretary, resigned and vacated the position of Company Secretary on May 18, 2023. During the interim period from May 18, 2023 to August 14, 2023, Mr. S. Srinivas, CFO, held the role of Compliance Officer of the Company.

Subsequently, Mr. K. Narayanan has been appointed as the Company Secretary and Compliance Officer of the Company, effective from August 14, 2023.

AUDITORS

M/s Suri & Co, Chartered Accountants were appointed 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 and they continue to be the Statutory Auditors of the Company.

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

For the year under review, the reports issued by Statutory and Secretarial Auditors do not have any qualifications.

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

N GOPALARATNAM

Chairman

DIN: 00001945

Chennai

April 27, 2024

REPORT ON MANAGEMENT'S DISCUSSIONS AND ANALYSIS**Paper and its Importance**

Paper Industry occupies a prestigious position among the various manufacturing enterprises in view of its significant contribution to the Society.

Paper is a versatile and widely-used material made from cellulose fibers, derived from wood pulp, agro residues pulp and recycled pulp. It has been an integral part of human society for over two thousand years, with a vast range of applications including writing, printing, packaging, and more.

The importance of paper lies in its ability to convey information and ideas, as well as its convenience and accessibility. Paper is lightweight, easy to transport, and can be produced in large quantities at a relatively low cost. It has played a critical role in the development and dissemination of knowledge, allowing for the spread of ideas and information across vast distances and time periods.

In addition to its communicative and informational properties, paper also has practical applications in everyday life. It is used in packaging for products ranging from food to electronics, providing protection and stability during transportation and storage. Paper products such as tissues and hygiene products are also an essential part of personal care and hygiene.

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.

History of Paper Manufacturing

The history of paper manufacturing can be traced back over two thousand years to ancient China, where the first paper was invented by Cai Lun in 105 AD. This early paper was made from a mixture of mulberry bark, hemp, and rags, which were pounded into a pulp and then flattened into sheets.

The invention of paper soon spread to other parts of the world, with the technique arriving in Japan in the 7th century and later in the Middle East and Europe in the 8th and 12th centuries, respectively. In Europe, the first paper mill was established in Spain in the 12th century, followed by the first mill in England in the 15th century.

During the Renaissance period, paper became more widely available and affordable, leading to an explosion in printing and publishing. This, in turn, helped to disseminate knowledge and ideas, contributing to the cultural and intellectual development of Europe.

The Industrial Revolution of the 18th and 19th centuries brought about significant changes in paper manufacturing technology. The invention of the Fourdrinier machine in 1803 revolutionized paper production, allowing for the mass production of paper and the creation of new types of paper products.

Today, paper manufacturing is a global industry, with China being the world's largest producer of paper and cardboard. The industry faces challenges such as sustainability and the shift towards digitalization, but continues to evolve and adapt to meet the needs of modern society.

(i) Industry Structure and Developments**Global**

Paper Industry is a significant player in the World Economy. Its annual revenue exceeds

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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).

The four key Paper and Board segments are: Newsprint, Printing and Writing Papers, Paper Boards for packaging applications, Tissue Papers & other Speciality Papers.

Global paper production was 406 million tonnes in 2015, which moved upto 414 million tonnes in 2022. Graphic paper (Newsprint and writing and printing paper) accounted for 125.6 million tonnes in 2015 (30.93% of total production). This came down sharply to 91.2 million tonnes (22% of total production) in 2022 mainly on account of steep fall in packaging paper and paper board, on the other hand, surged between 2015 and 2022. Production of this grade was 231.70 million tonnes (56.98% of total) in 2015 which grew to 265.02 million tonnes (64.00% of total production) in 2022, registering a CAGR of 1.94% during this 7 year period.

Global demand for paper and paper board is forecast to grow to about 480 million tonnes in 2030, or 1.1 per cent per year, according to a global paper market insight study by Poyry Management Consulting. The study forecasts the graphic paper market facing huge challenges, in particular, due to shrinking of demand for newsprint as well as uncoated and coated wood containing and wood free papers.

Demand for tissue paper, container boards and carton board, is expected to grow upto 2030, driven by increasing packaging needs in emerging markets, booming e-commerce and the growing demand for convenience food and consumer goods. The annual consumption of packaging material and tissue / hygiene products is estimated to rise by upto 2.9 per cent.

Global Paper Industry is led by China with an annual production of 99 million tonnes followed by USA (75 million tonnes), Japan's annual production is 26.6 million tonnes while Germany's annual production is 22.69 million tonnes. Germany's Paper Industry is dominated by Exports (nearly 70% of production).

India ranks 5th in size - accounting for about 20 million tonnes of annual production. However, India is rated the fastest growing paper market in the world. It is expected to register an annual growth rate of 6% - 7% in the coming years.

Major Grades

Container board

Container board, the dominant major grade in the industry, continued to maintain its stronghold, accounting for roughly 39% of annual capacity production. Since 2020, it has witnessed a compound annual growth rate (CAGR) of 3.67%. This was driven by a surge in demand that swept the sector in 2020 and 2021. Various factors from increased sustainability initiatives to the exponential rise of the e-commerce sector during pandemic lockdowns can be attributed to this growth.

Printing and Writing Paper

Accounting for 13% of global pulp and paper capacity, printing and writing paper has experienced a negative CAGR of -1.68% since 2020. Despite a short-term bump in capacity production in 2022 due to a slight economic recovery and easing of COVID restrictions, printing and writing paper have been a declining grade for as far back as 2013.

However, unlike many other countries, the printing and writing capacity in some Asian countries like China and India is witnessing noteworthy growth.

The increase in demand for printing and writing paper in this region is primarily fueled by the thriving education sector and the growth of the e-commerce industry.

Tissue and Towel

Despite accounting for only about 9% of global pulp and paper capacity, the tissue and towel sector is currently one of the fastest growing in the industry. Since 2020, it has experienced an impressive compound annual growth rate (CAGR) of 4.25%.

China saw a capacity growth of approximately 3 million tons in the first half of 2023 compared to the same period in 2022. Similarly, Turkey witnessed an increase of nearly 153 thousand tons, while Mexico recorded a rise of around 149 thousand tons. These three nations stood out as the top performers in terms of capacity growth in 2023 compared to the previous year among the top ten producing countries.

Market Pulp

Market pulp is the second largest major grade in the pulp and paper industry, making up about 16% of global capacity. Since 2020, it has experienced a CAGR of 1.87% and is the only major grade where Latin America takes the lead in production instead of the Asia Pacific region.

Market pulp, being an essential material in the paper production process, has consistently demonstrated impressive growth since 2009. And 2023 is expected to close out with the largest annual capacity growth with over 4 million tons of added capacity.

Latin America is playing a crucial role in driving the impressive growth of the pulp market, thanks to a wave of new pulp projects announced in the region. These Greenfield projects have the potential to significantly impact the global pulp market, resulting in a variety of outcomes.

Global Pulp Production

Global Pulp production registered a 7 year CAGR of 1.1%, which was 183.9 million tonnes in 2015 moved up to 198.5 million tonnes in 2022. Chemical Wood pulp accounted for 158.07 million tonnes (79.6%) while Mechanical / Semi-mechanical pulp was 28.91 million tonnes.

Market Drivers

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.

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. These factors are pulp & paper market growth.

According to experts, North America could fully recover in 2022 / 2023 adding + 3 million tonnes.

Regarding printing & writing paper, output is declining. Market share of this segment was 31% in 2015, compared to 26% in 2019. The decrease is 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 (EEPN), Paper Industry should enable a clean, healthy, just and sustainable future for all life on Earth. EEPN'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 greenhouse 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.

(ii) Domestic

The Indian paper industry is also a significant player in the global market. India is the world's fastest growing paper market and the 5th largest paper producer, with a production capacity of 26 million tons annually. According to the Indian Paper Manufacturers Association (IPMA), the industry is expected to grow at a CAGR of 6% to reach 27 million tons by 2023-24.

The Indian Paper Industry has witnessed significant growth in recent years due to favourable government policies, rising literacy rates, and increasing demand for paper products in various sectors such as packaging, printing, and writing. The Industry also contributes significantly to the Indian economy, providing employment to over 0.5 million people directly and indirectly.

In terms of production, the Indian Paper Industry is dominated by the packaging sector, which accounts for approximately 40% of the total paper consumption. the printing and writing segment is the second largest consumer of paper, accounting for around 35% of the total consumption, while the remaining 25% is consumed by other segments such as tissue, specialty papers, and newsprint.

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The paper and paperboard (including newsprint) demand are estimated to grow by 5-7% on-year in fiscal 2025, after an estimated rise of 4-6% in fiscal 2024. In fiscal 2024, Segment-wise, W&P segment is estimated to post a moderate growth of 3-5% on-year post recovery in previous fiscal. Whereas the paperboard segment is estimated to grow by a robust 6-8% growth rate (FY25-27) on back of healthy demand from the end use industries. The newsprint segment is expected to witness a de-growth of (0-1) % in fiscal 2025 after witnessing a steep 18-20% rise in fiscal 2022. Specialty paper is estimated to grow at a healthy pace.

We expect demand to grow at a healthy two-year CAGR (FY25-FY27) of 4-6% to ~24-25 million tonne by fiscal 2027 driven by paperboard demand.

Demand will be led by healthy growth in paperboard volume, which is expected to clock 6-8% CAGR over fiscal 2025 to fiscal 2027. This growth would be driven by increased volumes in end-user segments such as household appliances, fast-moving consumer goods (FMCG), ready-made garments, pharmaceuticals, e-commerce, etc.

W&P demand is expected to increase at a modest 2-4% CAGR over fiscal 2025 to fiscal 2027, compared to growth of 2-4% over fiscal 2022 to fiscal 2025.

Specialty paper (majorly tissue and thermal paper) is expected to continue to log a robust 11-13% CAGR over fiscal 2025 to fiscal 2027.

According to CRISIL Research, Domestic paper demand (including newsprint) is estimated to reach 21-23 million tonnes in fiscal 25. The expansion is on the back of increased industrial activity and corporate spending on office stationery and advertisements following improving economic growth. The newsprint segment continues to witness slow demand due to decline in English paper circulation.

CRISIL Research estimates that in fiscal 2024, W&P paper demand to witness a 3-5% growth. As the effect of the pandemic weaned out from the start of fiscal 2023, the spurt in demand for W&P paper persists.

Demand for copier paper (~20% of the W&P segment) is expected to increase at 5-7% CAGR through fiscal 2027, primarily on account of moderation spends on stationery by corporates due to focus on digital-based communication.

Demand growth for coated paper is expected to remain moderate at 2-4% CAGR through fiscal 2027.

Paperboard demand is estimated to grow by 7-9% on-year in fiscal 2024, Growth is primarily driven by moderate demand from end use sectors. In fiscal 2022, paperboard demand registered a robust growth 6-8% on-year due to moderate demand from FMCG and consumer durables sectors along with robust demand from e-commerce and pharma sector accelerated the demand growth. We expect growth to be 6-8% CAGR over fiscal 2025 to fiscal 2027 ~13-14 million tonne by fiscal 2027.

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

CRISIL Research estimates demand for specialty paper to increase 11-13% on-year in fiscal 2024, driven by strong demand for tissue paper. Over fiscal 2025 to fiscal 2027, we expect this segment to grow at robust 11-13% CAGR to ~2.3-2.5 million tonne by fiscal 2027 from ~1.9 million tonne in fiscal 2025. The main varieties of specialty paper are tissue, decor, thermal, fine printing, cigarette, and business card paper.

Rise in urbanisation, emphasis on hygiene through increased government thrust (via initiatives such as Swachh Bharat), and steady rise in healthcare and hospitality demand will lead to rise in demand for tissue paper consumption. Moreover, rise in the number of cashless

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transaction (ATM, debit/credit card purchase, etc.) and increased billing (owing to rise in share of organized 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 2024, demand for newsprint is estimated to register a de-growth of 3-6% after witnessing a sharp revival of an estimated 19% in fiscal 2022 on account of demand revival post nationwide lockdown in fiscal 2021. Fiscal 2023 volumes are estimated to be primarily driven by moderate circulation activity and gradual decrease in the no. of pages. Demand for newsprint is expected to fall at (0-2)% CAGR between fiscals 2025 and 2027 on account of shift to digital medium depicting slow growth.

Major areas of concern for the Domestic Industry

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

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

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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.

Segment-wise or Product-wise performance

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

Risks and Concerns

- ◇ Unprecedented and rapid spread of Covid-19 like pandemic and its impact on economic recovery affecting the industry's futures.
- ◇ Disruptions in supply-chain affecting availability and prices of key input materials.
- ◇ 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 due to increasing digitalisation.
- ◇ 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 affected substantially planting of sugarcane in the past. 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 is being 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.

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 Casuarina and Eucalyptus seedlings in about 25,000 acres by small and marginal farmers in Tamil Nadu.
- ◇ The Company depends largely on imported coal for operating its Captive Power Plant. The price of imported coal witnessed an unprecedented increase of more than 100% in the past. 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 trends 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 the years ahead. The growing concern over the amount of packaging that could not be recycled has resulted in the involvement of the European Union in the area of plastic packaging. This offers many future opportunities for pulp and paper.

7. Hygiene Products Packaging

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

8. Thermal Market Growth

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

9. Packaging for Food

Packaging for food seems to be in constant development. In recent years, there has been an

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

10. Anti-Plastic Sentiments

There are on-going efforts to reduce or eliminate the use of plastic for packaging. This anti-plastic sentiment is beneficial to the pulp and paper industry in that it encourages biodegradable alternatives. Governmental agencies and consumers who are health conscious, are committed to finding eco-friendly options. Simply put, the development of alternative paper based products will continue into 2024 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.

Current status of the domestic paper industry

Indian Paper Industry is currently operating under challenging conditions which have been compounded by substantial quantities of paper and paper board being imported into the country at significantly lower costs, under the aegis of the Asean-India Free Trade Agreements.

The economic slowdown in developed economies and export dependent economies like ASEAN countries has led to significant excess inventories of paper and paper boards being pushed into the Indian market at attractive prices at NIL basic customs duty under AIFTA.

Domestic manufacturers of paper and paper boards do not have any cost advantage and being uncompetitive against the cheaper imports and are building inventories of unsold stock and reducing prices steeply to stay in competition, affecting the health of the Industry.

Imports from ASEAN countries have registered a CAGR of 8.58% in the last 12 years. Import from these countries in H1 of 23-24 had registered a staggering 43% growth over the corresponding period of previous year.

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The Industry has appealed to the Govt. to provide a level playing field for the domestic paper industry and is hopeful of receiving appropriate reliefs.

(iv) Outlook for Indian Paper Industry

Growth with Sustainability

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.

Indian 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.(Ref: IPMA)

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.

(v) 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.

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- ◇ 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.

(vi) Discussion on financial performance:

	2023-24 (in tonnes)	2022-23 (in tonnes)
Production	2,40,383	2,41,145
Sales	2,23,254	2,40,649
	(₹ crores)	(₹ crores)
EBIDTA	391.34	564.58
Finance Cost	2.14	3.19
Depreciation	43.81	45.25
Exceptional Item	-	-
Profit before tax	345.40	516.14

The Management reviewed the significant changes in the financial ratios and the same are presented in this section. The adverse movements in the ratios during the FY 2023-24 as compared to FY 2022-23 are mostly attributed to challenging market conditions, compared to previous year.

		Financial Year		% Change - Inc / (Dec)	Remarks
		2023-24	2022-23		
1	Revenue from Operations (RFO) - ₹ crores	1801.56	2082.53	(-) 14%	◇ Decrease in sales volumes by 7% and balance due to decrease in prices
Ratios - % on RFO					
2	Other Income	2.86%	1.47%	95 %	◇ Due to increase in Bank Balances and consequent increase in interest income from fixed deposits with banks
3	EBIDTA Margin	21.72%	27.11%	(-) 20 %	◇ Reduction in margins is mainly due to significant reduction in Net Sales Realisations both in Domestic and Export Markets in in FY 2023-24 compared to FY 2022-23 and due to significant increase in the price of wood, a key Raw Material.
4	PBIT Margin (Operating Margin)	19.29%	24.94%	(-) 23 %	
5	PAT Margin	14.40%	18.56%	(-) 22 %	

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		Financial Year		% Change - Inc / (Dec)	Remarks
		2023-24	2022-23		
Other P&L Ratios					
6	Return on Net Worth	16.8%	30.9%	(-)45 %	◇ Mainly due to significant reduction in profit margins
7	Debt Service Coverage Ratio (in times)**	141.05	57.36	146 %	◇ Due to reduction in finance charges, with principal payment being NIL in current year.
Balance Sheet Ratios					
8	Debt to Equity Ratio	0.012	–	–	◇ Due to availment of Working Capital Loans in the form of Export Packing Credit in FY 2023-24
9	Current Ratio	3.34	3.03	10 %	◇ Mainly due to increase in cash / Bank balances
10	Debtors Turnover Ratio (times)	16.62	20.27	(-)18%	◇ Drop is mainly due to adverse market conditions resulting in increased credit period
11	Inventory Turnover Ratio (times)	5.50	8.29	(-)34%	◇ Mainly due to higher finished goods inventory as on 31.03.2024 (Finished Goods Inventory was NIL as on 31.03.2023).

** Same for interest service coverage ratio (since principal repayment was NIL in both the years)

(vii) 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 expired on March 31, 2024 and the labour unions have submitted their charter of demands for the renewal of the agreement. Currently, the Company employs 1456 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 institution a lising 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 thus constitute more than one-half of the total number of Directors. The Company has two woman Directors.
- (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 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.

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The details of the Board of Directors are furnished hereunder:

SI No.	Names of the Directors	DIN No	No. of shares held	Executive / Non Executive Director	Promoter / Independent / Nominee Director
1	Sri N Gopalaratnam	00001945	78155	Chairman - Executive Director	Promoter Director
2	Sri V Sridar #	02241339	Nil	Non Executive Director	Independent Director
3	Dr S Narayan, IAS (Retd.) #	00094081	3190	Non Executive Director	Independent Director
4	Sri A L Somayaji	00049772	Nil	Non Executive Director	Independent Director
5	Dr Nanditha Krishna	00906944	600	Non Executive Director	Independent Director
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	01142014	Nil	Non Executive Director	Independent Director
7	Sri S Durgashankar +	00044713	Nil	Non Executive Director	Independent Director
8	Smt Sheela Balakrishnan, IAS (Retd.) @	05180044	Nil	Non Executive Director	Independent Director
9	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
10	Sri T Ritto Cyriac, IFS	07951031	Nil	Non Executive Director	Nominee of Tamilnadu Government, Non Independent Director
11	Sri K S Kasi Viswanathan	00003584	2910	Managing Director - Executive Director	Whole time Director - Promoter Director
12	Sri Ganesh Balakrishna Bhadti	09634741	Nil	Director(Operations) - Executive Director	Whole time Director - Non Independent Director

+ Appointed as Additional Director by the Board on 04.11.2023; Later appointed by the Shareholders, vide Postal Ballot, as Independent Director on 14.12.2023.

@ Appointed as Additional Director by the Board on 20.01.2024; Later appointed by the Shareholders, vide Postal Ballot, as Independent Director on 07.03.2024.

Retired and ceased to be Directors on 31.03.2024, on completion of second term of five years as independent directors.

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(ii) Independent Directors

- (a) The Chairman is an Executive Director and is classified under Promoter category. The number of Independent Directors is more than 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 Appointment / 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 Data bank" 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 Data bank	Valid From	Valid Upto
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	07.01.2025
Sri A L Somayaji	IDDB-DI-202002-007850	05.02.2020	04.02.2025
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
Sri S Durgashankar	IDDB-DI-202203-005702	04.03.2022	till life time
Smt Sheela Balakrishnan, IAS (Retd.)	IDDB-DI-202401-054969	18.01.2024	17.01.2029

Retired and ceased to be Directors on 31.03.2024.

- (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, except Smt. Sheela Balakrishnan, have been granted exemption from the online Proficiency test conducted by the IICA. Smt. Sheela Balakrishnan, who had enrolled in the Independent Directors' Data bank on 18.01.2024, has time until 18.01.2026 to pass the mandatory online proficiency test.
- (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, 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 and they possess the integrity for their role as Independent Director of the Company.
- (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, 2024.

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(iii) Attendance of each Director, at the Board Meetings held during the financial year 2023-24 and at the last Annual General Meeting, is furnished hereunder:

SI No.	Names of the Directors	Board Meetings		Last Annual General Meeting held on 17.06.2023	
		Held	Attended	Attended	Not attended
1	Sri N Gopalaratnam	6	6	Yes	--
2	Sri V Sridar #	6	6	Yes	--
3	Dr S Narayan, IAS (Retd.) #	6	6	Yes	--
4	Sri A L Somayaji	6	6	Yes	--
5	Dr Nanditha Krishna	6	6	Yes	--
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	6	6	Yes	--
7	Sri S Durgashankar +	3	3	--	Yes
8	Smt Sheela Balakrishnan, IAS (Retd.) @	2	2	--	Yes
9	Sri Hans Raj Verma, IAS	6	5	Yes	--
10	Sri T Ritto Cyriac, IFS	6	5	Yes	--
11	Sri K S Kasi Viswanathan	6	6	Yes	--
12	Sri Ganesh Balakrishna Bhadti	6	6	Yes	--

+ Appointed as Additional Director by the Board on 04.11.2023; Later appointed by the Shareholders, vide Postal Ballot, as Independent Director on 14.12.2023.

@ Appointed as Additional Director by the Board on 20.01.2024; Later appointed by the Shareholders, vide Postal Ballot, as Independent Director on 07.03.2024.

Retired and ceased to be Directors on 31.03.2024.

(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, 2024:

SI No.	Names of the Directors	Other Boards		Other Board Committees	
		Number	Member / Chairperson	Number	Member / Chairperson
1	Sri N Gopalaratnam	4@	4 - Chairman	2	2 - Chairman
2	Sri V Sridar	3	1- Chairman 2 - Member	4	2 - Chairman 2 - Member
3	Dr S Narayan, IAS (Retd.)	7 ^s	7 - Member	4	3 - Chairman 1 - Member
4	Sri A L Somayaji	2	2- Member	2	2 - Chairman
5	Dr Nanditha Krishna	4 [#]	4 - Member	--	--

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SI No.	Names of the Directors	Other Boards		Other Board Committees	
		Number	Member / Chairperson	Number	Member / Chairperson
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	1	1 - Member	1	1 - Member
7	Sri S Durgashankar	7%	1 - Chairman 6 - Member	6	4 - Chairman 2 - Member
8	Smt Sheela Balakrishnan, IAS (Retd.)	--	--	--	--
9	Sri Hans Raj Verma, IAS	2+	2 - Member	--	--
10	Sri T Ritto Cyriac, IFS	--	--	--	--
11	Sri K S Kasi Viswanathan	1+	1 - Chairman	--	--
12	Sri Ganesh Balakrishna Bhadti	--	--	--	--

@ Includes 1 Private Limited Company.

\$ Includes 2 Private Limited Companies.

Includes 3 Private Limited Companies.

% Includes 3 Private Limited Company

+ Includes 3 Private Limited Company.

(v) Directorship in other listed entities as on 31.03.2024

SI 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	Non-Executive Chairman Non Independent
2	Sri V Sridar #	Ponni Sugars (Erode) Ltd	Independent Director
3	Dr S Narayan, IAS (Retd) #	a) Dabur India Limited b) Artemis Medicare Services Limited c) 360 One Wam Limited	Independent Director
4	Sri A L Somayaji	a) High Energy Batteries (India) Ltd	Independent Director
5	Dr Nanditha Krishna	a) Ponni Sugars (Erode) Ltd	Independent Director
6	Sri Mohan Verghese Chunkath, IAS (Retd.)	a) Ponni Sugars (Erode) Ltd	Independent Director
7	Sri S Durgashankar	a) E.I.D Parry (India) Limited b) Mahindra EPC Irrigation Limited	Independent Director Non-Executive Non Independent

Retired and ceased to be Directors on 31.03.2024.

(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:

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- ◇ 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.
- ◇ Knowledge on 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 three decades of experience in leading SPB-ESVIN Group of Companies and steering them to higher growth trajectories.
2	Sri V Sridar <i>(Retired and ceased to be Directors on 31.03.2024, on completion of second term of five years as independent directors.)</i>	<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.
3	Dr S Narayan, IAS (Retd.) <i>(Retired and ceased to be Directors on 31.03.2024, on completion of second term of five years as independent directors.)</i>	<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.

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Sl. No.	Names of the Directors	Core skills / Expertise / Competence
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, Secretary, Department of Environment and Forests and Chief Secretary of Tamil Nadu Government. ◇ He was in charge of Auroville, Puduchery as its Administrator
7	Sri S Durgashankar	<ul style="list-style-type: none"> ◇ He, a Chartered Accountant and an Alumni of Harvard Business School (Advanced Management Program). ◇ He has experience over 40 years as a senior finance professional and has handled a wide spectrum of roles like CFO, Group Financial Controller, Head of M&A, Financial Planning & Analysis, Corporate Accounts, Corporate Finance, Investor Relations & Secretarial functions in leading listed Companies.
8	Smt. Sheela Balakrishnan, IAS (Retd.)	<ul style="list-style-type: none"> ◇ Smt. Sheela Balakrishnan, the 1976 batch Indian Administrative Service (IAS) officer, has held various positions like Director of Social Welfare, Commissioner of Industries and Commerce, Transport Secretary, Head of the Anna Institute of Management, Additional Chief Secretary (social welfare and nutritious meal programme), before she was elevated to the pivotal position of Chief Secretary for the Tamil Nadu Government during the period from 2013 to 2014. ◇ On retirement, she was made advisor to the Govt. of Tamil Nadu from April 2014 to Feb 2017.
9	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.

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Sl. No.	Names of the Directors	Core skills / Expertise / Competence
10	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.
11	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 45 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.
12	Sri Ganesh Balakrishna Bhaddi	<ul style="list-style-type: none"> ◇ He is an accomplished Pulp and Paper Industry professional, with over 37 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 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 recognising 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 2023-24, six Board Meetings were held on April 29, 2023, July 22, 2023, August 12, 2023, November 04, 2023, January 20,

2024 and March 21, 2024. Interval between any two meetings was not more than 120 days. The Annual General Meeting was held on June 17, 2023.

Whenever Video Conferencing (VC) is provided to the Directors for participation in the Board or Committee Meetings, compliance with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014 is ensured.

(ii) Board Proceedings

Board Meetings are governed by structured Agenda containing comprehensive information and extensive details that are circulated at least one week in advance. Urgent issues and procedural matters are at times tabled at the meeting with prior approval of Chairman and consent of all present. Power point presentation is made to facilitate pointed attention and purposive deliberations at the meetings.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes proactive steps to guard against slippages and take remedial measures as appropriate. The Board is apprised of risk

assessment and minimization procedures that are periodically reviewed. The Board is committed to discharge all key functions and responsibilities as spelt out in the Companies Act, 2013, extant SEBI Regulations and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the Financial Year 2023-24, 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 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 record.

C BOARD COMMITTEES

(i) Audit Committee

The Board has constituted an Audit Committee, 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 Auditors and the Internal Auditor are present in most meetings. The Cost Auditor is invited during consideration of Cost Audit Report.

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.

The role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements before submission to the Board, review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, scrutiny of inter-corporate loans & investments, approval and review of related party transactions, review of loans and/or advances from or to/investments made in subsidiaries, review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, valuation of assets/undertakings of the Company etc., besides recommending the appointment of Auditors and their remuneration to the Board as well as approval of payments to Auditors for non-audit services and review of effectiveness of audit process.

The Audit Committee also reviews the financial statements of unlisted subsidiary companies, in particular, the investments made by them. In the amended context of approval for related party transactions at the meetings, only the Independent Directors of the Committee vote and approve such transactions. Other Directors of the Committee do not participate in the voting and approval of related party transactions.

During the FY 2023-24, the Audit Committee met four times on April 28, 2023,

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July 21, 2023, November 03, 2023 and January 19, 2024.

The composition and attendance details of the Audit Committee during FY 2023-24 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	1

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, an Independent Director, was the Chairman of the Audit Committee until 31.03.2024 and was present at the Annual General Meeting of the Company, held in June 2023.

With effect from 01.04.2024, the Board of Directors have reconstituted the Audit Committee with following members:

Sl No.	Name of Directors	Position
1	Sri S Durgashankar, Independent Director	Chairman of the Committee
2	Sri A L Somayaji, Independent Director	Member

Sl. No.	Name of Directors	Position
3	Sri Mohan Verghese Chunkath, IAS (Retd.), Independent Director	Member
4	Sri Hans Raj Verma, IAS, Nominee Director	Member
5	Smt. Sheela Balakrishnan, IAS (Retd.), Independent Director	Member

(ii) Nomination and Remuneration Committee

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

During the FY 2023-24, the Nomination and Remuneration Committee met five times on July 21, 2023, August 12, 2023, November 03, 2023, January 19, 2024 and March 21, 2024.

The composition and attendance details of Nomination and Remuneration Committee during FY 2023-24 are given hereunder:

Sl No.	Names of the Directors	No. of Meetings	
		Held	Attended
1	Sri V Sridar #	5	5
2	Dr S Narayan, IAS (Retd.) &	5	5
3	Sri A L Somayaji &	5	5

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 Meeting of the Company.

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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.
- ✦ Recommend for extension or continuation of the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- ✦ 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.

The Committee has formulated performance evaluation criteria for Independent Directors and based on the same the Committee at its meeting held on March 21, 2024 had recommended that all the Independent Directors be continued for the residual term as approved by Shareholders.

With effect from 01.04.2024, the Board of Directors have reconstituted the Nomination and Remuneration Committee with following members:

Sl. No.	Name of Directors	Position
1	Sri A L Somayaji, Independent Director	Chairman of the Committee
2	Sri Mohan Verghese Chunkath, IAS (Retd.), Independent Director	Member
3	Smt. Sheela Balakrishnan, IAS (Retd.), Independent Director	Member

(iii) Stakeholders Relationship Committee

The Board has a Stakeholders Relationship Committee (SRC) pursuant to Regulation 20 of SEBI (LODR) Regulations, 2015.

The terms of reference of this Committee includes formulation of investor servicing policies, review of redressal of investor complaints, approval / overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of share certificates, demat / remat requests, review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent, consider and resolve the grievances of security holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance, review measures taken for effective exercise of voting rights by shareholders, review of various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders, finalisation of terms of issue of debt instruments including debentures, if any, approval of their allotment, administering the unclaimed shares suspense account, authorising the terms of various borrowings & creating security in respect thereof and performing other functions as delegated to it by the Board from time to time.

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The Committee comprised of 3 Directors, with an Independent Director heading the Committee. The Stakeholders Relationship Committee met once during the year on January 19, 2024.

The composition and attendance details of Stakeholders Relationship Committee during FY 2023-24 are given hereunder:

Sl No.	Name of the Directors	No. of Meetings	
		Held	Attended
1	Sri A L Somayaji #	1	1
2	Sri Hans Raj Verma, IAS @	1	0
3	Sri N Gopalaratnam @	1	1

Chairman of the SRC- Independent Director.

@ Member of the SRC- Non-Independent Director.

The Company has in place an adequate system for expeditious redressal of investor complaints.

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 and the same is available in the website of the Company.

The functions of the Committee inter alia includes recommending the annual action

plan and the amount of expenditure to be incurred on the CSR activities during the year and monitoring the implementation of CSR activities as per the CSR policy of the Company from time to time.

The composition and attendance details of Corporate Social Responsibility Committee during FY 2023-24 are given hereunder:

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

@ Chairman of the committee- Independent Director.

& Member of the committee- Independent Director.

Member of the committee- Non-Independent Director.

The Corporate Social Responsibility Committee met once during the year on April 29, 2023.

(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 role of the committee includes:

- ✦ To formulate a detailed risk management policy this shall include.
- ❖ A framework for identification of internal and external risks specifically faced by the listed entity, in particular including Financial, Operational, Sectoral, Sustainability (particularly ESG related risks), Information and Cyber Security risks, or any other risk as may be determined by the Committee.

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- ❖ Measures for risk mitigation including systems and processes for internal control of identical risks
- ❖ Business continuity plan.
- ✦ To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- ✦ To monitor and oversee implementation of the risk management policy.
- ✦ To evaluate the adequacy of risk management systems.
- ✦ To periodically review the risk management policy, at least once in two years, considering the changing industry dynamics and evolving complexity.
- ✦ To keep the board of directors informed about the nature and content of its discussion, recommendations and actions to be taken.
- ✦ The Risk management committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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 FY 2023-24, the Risk Management Committee met two times on July 22, 2023 and November 04, 2023 and the meetings were conducted as in-person physical meetings.

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

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

@ Chairman of the Committee - Independent Director.

& Member of the Committee - Independent Director.

Member of the Committee - Non-Independent Director.

With effect from 01.04.2024, the Board of Directors have reconstituted the Risk Management Committee with following members

Sl. No.	Name of Directors	Position
1	Sri Mohan Verghese Chunkath, IAS (Retd.), Independent Director	Chairman of the Committee
2	Sri A L Somayaji, Independent Director	Member
3	Sri S Durgashankar, Independent Director	Member
4	Sri K S Kasi Viswanathan, Non-Independent Director.	Member

(vi) Other Committees

The Board has constituted the Environmental, Social and Governance (ESG) Committee on 12.08.2023 comprising four Directors of which two are Independent Directors. The role of the Committee is to assist the Board and the Company to discharge its responsibilities

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and duties related to material ESG matters relevant to the business activities of the Company. This may include topics such as (i) climate change impacts, (ii) emissions, (iii) environmental and supply chain sustainability, (iv) human rights and diversity and (v) inclusion objectives.

During the financial year, one meeting of ESG Committee was held on 04.11.2023.

The composition and attendance details of Environmental, Social and Governance (ESG) Committee are given below:

Names of the Directors	No. of Meetings	
	Held	Attended
Sri Hans Raj Verma, IAS @	1	1
Sri Mohan Verghese Chunkath, IAS (Retd.) &	1	1
Dr Nanditha Krishna &	1	1
Sri Ritto Cyriac, IFS #	1	1

@ Chairman of the Committee - Non-Independent Director.

& Member of the Committee - Independent Director.

Member of the Committee - Non-Independent Director.

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. One meeting of the Project Committee was held during the financial year.

The composition and attendance details of Project Committee are given below:

Names of the Directors	No. of Meetings	
	Held	Attended
Sri N Gopalaratnam@	1	1
Sri V Sridar &	1	1
Sri K S Kasi Viswanathan #	1	1
Sri Ganesh Balakrishna Bhadti #	1	1

@ Chairman of the Committee - Non-Independent Director.

& Member of the Committee - Independent Director.

Member of the Committee - Non-Independent Director.

With effect from 01.04.2024, the Board of Directors have reconstituted the Project Committee with following members:

Sl. No.	Name of Directors	Position
1	Smt. Sheela Balakrishnan, IAS (Retd.) Independent Director	Chairman of the Committee
2	Sri Mohan Verghese Chunkath, IAS (Retd.), Independent Director	Member
3	Sri K S Kasi Viswanathan, Non-Independent Director.	Member
4	Sri Ganesh Balakrishna Bhadti, Non-Independent Director.	Member

(vi) Committee Minutes

The Company Secretary acts as the Compliance Officer w.r.t all the committees of the Board. 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 2023-24, 4 Circular Resolutions were passed by the Board of Directors and 5 Circular Resolutions were passed by other Committees of the Company. These resolutions were taken on record

in the subsequent meeting of the Board of Directors / Respective Committees.

(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 21, 2024 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 2023-24. Their remuneration of the Executive Directors and KMP for the financial year 2023-24 is disclosed in Page 223 of this Annual Report. There is no service contract containing provisions of notice period or severance package with any Director or KMP.

Sri. B. S. Raj Kiran, Company Secretary, resigned and vacated the position of Company Secretary on May 18, 2023. During the interim period from May 18, 2023 to August 14, 2023, Sri. S. Srinivas, CFO, was appointed as the Compliance Officer of the Company.

Subsequently, Sri. K. Narayanan (ACS Membership No: A13779) has been

appointed as the Company Secretary and Compliance Officer of the Company, effective from August 14, 2023.

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 ₹ 15.00 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.

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4 (i) Remuneration of Non-Executive Directors for 2023-24:

(Amount in ₹ lakhs)

SI No.	Name of the Non Whole time Directors	Sitting Fee paid		Commission payable for 2023-24
		Board Meetings	Committee Meetings	
1	Sri V Sridar	3.00	5.00	10.00
2	Dr S Narayan, IAS (Retd.)	3.00	5.50	10.00
3	Sri A L Somayaji	3.00	6.50	10.00
4	Dr Nanditha Krishna	3.00	1.00	10.00
5	Sri Mohan Verghese Chunkath IAS (Retd.)	3.00	3.50	10.00
6	Sri S Durgashankar	2.00	0.00	4.07
7	Smt Sheela Balakrishnan, IAS (Retd.)	1.00	0.00	1.97
8	Sri Hans Raj Verma, IAS#	2.50	1.00	10.00
9	Sri T Ritto Cyriac@	2.50	0.50	10.00
	Total	23.00	23.00	76.04

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 64th AGM.

The above table doesn't include ₹ 7.46 lakhs of premium paid by the Company for FY 2023-24, 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 21, 2024. The Committee has expressed overall satisfaction on such evaluation.

The Director whose performance is being evaluated did not participate during that part of the meeting. The Committee has expressed overall satisfaction on such evaluation.

Independent Directors in their exclusive meeting held on March 21, 2024 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 21, 2024, 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 21, 2024, further evaluated the functioning of each of the seven 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.

Particulars of Senior Management and changes therein.

As per Regulation 34(3) read with clause 5B of Schedule V of Sebi LODR Regulations, 2015, the details of the Senior Management, other than the Executive Directors, as on 31st March, 2024 are described below:

Name	Designation
Sri. C. Balasubramanian	Senior Vice President(Business Development)
Sri. S. Srinivas	Senior Vice President & CFO
Sri. K. Narayanan	Company Secretary
Sri. S.J. Varadarajan	Vice President (Operations), Tirunelveli Unit
Sri. A. Alagarsamy	General Manager (HR & Administration), Erode Unit

During the year, Sri. V. Sundaresan, resigned from the post of President (Tirunelveli Unit Operations) on account of personal reasons with effect from 9th November, 2023.

(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 2023-24 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 receives a quarterly compliance certificate from the Practicing Company Secretary on compliances required under SEBI (PIT) Regulations. The said certificate is reviewed by the Audit Committee on quarterly basis.

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 2023-24.

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 2023-24 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 enclosed. (Annexure-A).

(v) Related Party Transactions

The Board has formulated in a Policy on Related Party Transactions (RPTs). 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 August 12, 2023. All RPTs during the Financial Year 2023-24 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 38 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 2023-24.

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 36(B) 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 2023-24 and no personnel had requested access to the Audit Committee under this policy during 2023-24.

(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 2023-24.

(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 2023-24 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, one complaint was posted at SCORES website during the month of October 2023 and the same was resolved satisfactorily.

(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
30.06.2023	11.07.2023
30.09.2023	10.10.2023
31.12.2023	10.01.2024
31.03.2024	09.04.2024

(vi) Accounting treatment

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

(vii) Audit trail

Audit Trail feature, as mandated by the Companies (Accounts) Rules, 2014 (as amended) with effect from April 1, 2023, has been enabled by the company in the accounting software used by the company. The Company also has set up practices for daily back up of the entire database and applications in remote locations.

(viii) Cost Audit

Cost Audit was applicable to our Company for the financial year 2023-24.

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 2023-24. Their remuneration was approved by the Shareholders at the 63rd Annual General Meeting.

(ix) 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 Lakshmmi Subramanian & Associates, Practicing Company Secretaries (Membership No. F10815, C.PNo. 12512), to undertake the Secretarial Audit of the Company for Financial Year 2023-24. The Secretarial Audit Report was placed before the Board on April 27, 2024 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 Lakshmmi Subramanian & Associates, Practicing Company Secretaries and the same is filed with Stock Exchanges in time.

Certificate on Non 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.

(x) Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013, the Company has appointed M/s Maharaj N R Suresh and Co. LLP, Chartered Accountants (Firm Regn. No.001931S / S000020), Chennai, to conduct Internal Audit of the functions and activities of the Company for Financial Year 2023-24. The Internal Auditor reports directly to the Audit Committee Meetings to provide clarifications, if any, that may be required by Directors.

(xi) 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.

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(xii) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended March 31, 2024 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

(xiii) 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.

(xiv) Subsidiary Companies

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

(xv) Deposits

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

(xvi) Peer Review of Auditors

Regulation 33(1)(d) of the Listing Regulations stipulates that Limited Review / Audit Reports shall be given only by an Auditor who has subjected himself to the Peer Review process and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Statutory Auditors of the Company, M/s Suri & Co., have undergone the Peer Review process and have been issued requisite Certificate that was placed before the Audit Committee.

(xv) Statutory Auditor's fees for the FY 2023-24

	₹ crores
Statutory Audit fees	0.26
Taxation Matters	0.02
Certification work	0.08
	0.36

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 2023-24 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 basic information about the Company and disseminates all the information spelt out in Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Updates are uploaded within two working days of change in content in respect of matters specified in Regulation 46(2).

As per the directions of SEBI, the Company has created an exclusive e-mail ID, viz., secretarial@spbltd.com for redressal of investor grievances.

Business Responsibility and Sustainability Report (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

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(by market capitalization) from fiscal 2023. Our Company was in 979th position (Market Capitalization in NSE) as on March 31, 2024. Hence, this Regulation on BRSR is applicable to the Company.

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 64th Annual General Meeting

Date and time	:	Saturday, the June 01, 2024 at 11.00AM
Venue	:	The Company will be conducting meeting through Video Conferencing pursuant to the MCA Circular dated September 25, 2023 and as such there is no requirement to have a venue for the AGM.
Financial Year	:	2023-24
Book closure dates	:	Thursday, the 23 rd May 2024 to Saturday, the 01 st June 2024 (both days inclusive)
Dividend	:	₹ 5.00 per Equity Share (Proposed)
Dividend payment date	:	June 03, 2024

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

AGM / Year	Venue	Date & Time	Special Resolutions passed
61 st 2020-21	Video Conference	24.07.2021 11:00 AM	◇ 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	◇ Re-appointment of retiring director, Sri N Gopalaratnam, as Chairman of the Company.
63 rd 2022-23	Video Conference	17.06.2023 11:00 AM	Nil

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

The resolutions concerning following subjects were passed by Shareholders thro' Postal Ballot in FY 2023-24.

- ◇ Appointment of Sri Durgashankar, as Independent Director, not liable to retire by rotation, by way of Special Resolution.
- ◇ Re-appointment of Sri. Mohan Verghese Chunkath, IAS (Retd.), as Independent Director for a second term of 5 years, not liable to retire by rotation, by way of Special Resolution.
- ◇ Appointment of Smt Sheela Balakrishnan IAS (Retd.), as Independent Director, not liable to retire by rotation, by way of Special Resolution.

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 circulars issued by Ministry of Corporate Affairs and in terms of Regulation 44 of the SEBI Listing Regulations, the Company has provided the facility to the Members to exercise their votes electronically through the remote electronic voting (e-voting) facility arranged with NSDL.

Sri K Sankarasubramanian, Practising Company Secretary (Membership No. F11241 / COP: 15994) was the Scrutinizer for Postal Ballots. The aforesaid 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 Calendar for 2024-25 (tentative)

April 2024 :

Audited results for FY 2023-24

June 2024 :

Annual General Meeting

July 2024 :

First Quarter Results for 2024-25

October 2024:

Second Quarter Results for 2024-25

January 2025:

Third Quarter Results for 2024-25

March 2025:

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: cmlist@nse.co.in

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

Listing Fee has been paid to the above two Stock Exchanges, in which the Company's Equity Shares are listed, upto March 31, 2024.

SESHASAYEE PAPER AND BOARDS LIMITED

(viii) Stock Codes:

Under Demat System, the ISIN allotted to the Company's Equity Shares is **INE 630A01024**.

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, 2024, 24,359 Shareholders are holding Shares in Demat form and 5,32,52,048 shares have been dematerialised, representing 84.44 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 & SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 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 22.04.2024. 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 0802 - 803

Fax: (91)(44)2814 2479

Email: kalyan@integratedindia.in

(xiii) Credit Rating

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

Facility	Amount (₹ crores)	Rating
Long Term Bank Facilities - Fund Based Working Capital limits	61.00	CRISIL AA- (Stable)
Short Term Bank Facilities - Non Fund Based Working Capital limits	56.00	CRISIL A1+
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, Sri K Narayanan, Company Secretary is 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 31.03.2024.

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 2023-2024.

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 2015-16, pertaining to 3,527 investors and aggregating ₹ 13.24 lakhs, was transferred on 07.09.2023.

(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
2015 -16	113	34,854	26.09.2023

(xvii) Transfer of IEPF becoming due:

The Unpaid / Unclaimed amount for the Financial Year ended 2016-17 will be transferred during August 2024 along with the shares. Shareholders are, therefore, advised to contact the Company / RTA immediately in case of non-receipt or non-encashment of Dividend.

SESHASAYEE PAPER AND BOARDS LIMITED

(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 2024:

Year	Dividend (₹ per share)	Date	Unclaimed		Due date for transfer to IEPF
			No. of warrants	₹ crores	
2016-17	10	31 07 2017	3619	0.27	26 08 2024
2017-18	15	23 07 2018	1615	0.18	20 08 2025
2018-19	20	29 07 2019	1408	0.21	24 08 2026
2019-20	4	10 08 2020	1441	0.19	06 09 2027
2020-21	2.50	26 07 2021	1547	0.14	21 08 2028
2021-22	2.50	25 07 2022	1509	0.13	20 08 2029
2022-23	6.00	19.06.2023	1305	0.26	15.07.2030

Unclaimed Shares

SEBI vide its circular no. CIR/CFD/10/2010 dt.16.12.2010 has advised Stock Exchanges a uniform procedure to deal with unclaimed shares viz (i) transferring those shares to an Unclaimed Suspense Account (ii) dematerialize the same with one of the Depository Participants (iii) all corporate benefits to be credited to the suspense account (iv) freeze the voting rights on such shares. Relevant disclosures under Part F of Schedule V to the Listing Regulations are as under:

Sl. No.	Particulars	No of Share holders	No of Share
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	278	114775
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	--	--
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	--	--
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	278	114775

The voting rights in respect of these shares shall remain frozen till the rightful owner of such shares claims the shares.

SESHASAYEE PAPER AND BOARDS LIMITED

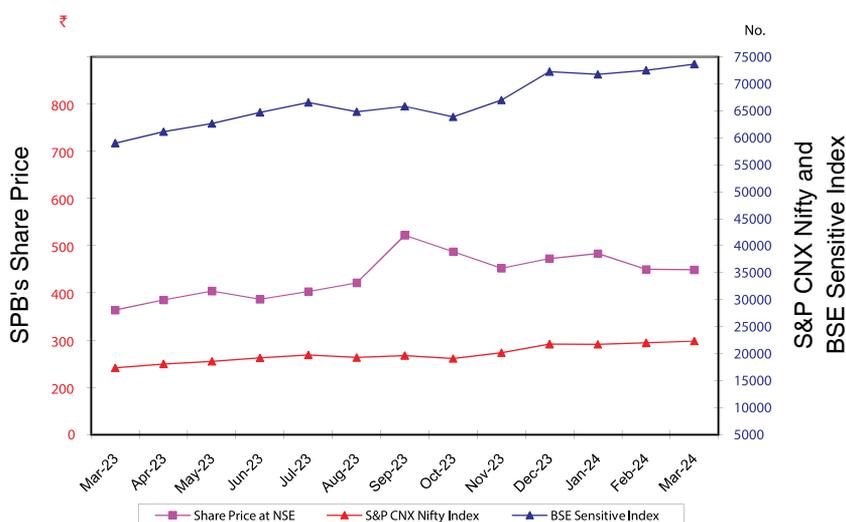
(xvii) Market Price Data

High, low and volume during each month in the financial year 2023-24 (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)
2023								
April	286.50	236.95	77587	2.03	285.00	236.85	1182580	31.25
May	300.00	264.35	195052	5.52	303.65	264.35	2027068	57.47
June	287.85	265.45	152303	4.23	286.60	265.10	1390906	38.62
July	302.80	265.00	297038	8.47	303.00	265.45	2945653	84.57
August	321.20	255.10	402934	11.96	321.00	254.15	4280328	125.34
September	421.75	310.00	798319	30.09	421.85	309.90	7157685	266.79
October	389.90	327.95	251406	9.16	387.30	327.60	2303961	84.33
November	354.15	323.25	169258	5.66	351.95	323.15	1322562	44.17
December	374.95	325.55	153447	5.44	372.85	332.85	2107482	75.07
2024								
January	382.00	324.00	222822	7.87	383.30	323.55	2150100	76.43
February	375.80	314.70	125392	4.19	350.00	315.10	1144009	38.22
March	347.90	289.00	182416	5.67	348.90	286.20	938671	29.61

(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, 2024:

Distribution	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
1 - 100	15,871	60.05	5,44,194	0.86
101 - 200	3,366	12.74	5,09,104	0.81
201 - 500	4,121	15.59	14,72,333	2.33
501 - 1000	1,628	6.16	12,47,751	1.98
1001 - 5000	1,151	4.36	23,78,207	3.77
5001 - 10000	114	0.43	8,42,770	1.34
10001 and above	178	0.67	5,60,73,781	88.91
Total	26429	100.00	6,30,68,140	100.00

(xx) Pattern of Shareholding as on March 31, 2024 :

Category	No. of Share holders	Voting strength (%)	No. of Shares held
Individuals	25,614	26.16	1,64,97,615
Companies	182	33.85	2,13,47,495
FIIIs, NRIs, OCBs	622	25.70	1,62,09,060
Mutual Funds, Insurance Companies and Banks	8	0.01	8,470
FIs	3	14.28	90,05,500
Total	26,429	100.00	6,30,68,140

(xxi) Top 10 Shareholders of the Company as on March 31, 2024:

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 Saraogi	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 : secretarial@spbltd.com
WebSite : 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 2023-24.

Chennai
April 27, 2024

K S KASI VISWANATHAN
Managing Director
DIN: 00003584

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Clause 10 (i) of Part C of Schedule V of SEBI
(Listing Regulations Obligations and Disclosure Requirements) Regulations, 2015

Based on the scrutiny of the relevant records, forms and returns provided by the SESHASAYEE PAPER AND BOARDS LIMITED, (CIN No. L21012TZ1960PLC000364) having its registered office at Pallipalayam, Namakkal District, Cauvery RS PO, Erode 638 007 and verification of disclosures and declarations given by the directors under the applicable statutes and also based on the verification of facts regarding the Board of Directors of the Company, available in public domain, we here by certify that as on 31-03-2024 none of the directors on the Board of the Company has been debarred or disqualified from being appointed as Director either by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate affairs or any such statutory authority

For Lakshmmi Subramanian & Associates
Practicing Company Secretaries

Swetha Subramanian
Partner

FCS No. 10815

CP No. 12512

P.R. No: 1670/2022

UDIN: F010815F000169710

Place: Chennai

Date : 18.04 2024

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Seshasayee Paper and Boards Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 12th February 2024.
2. We have examined the compliance of conditions of Corporate Governance by Seshasayee Paper and Boards Limited ('the Company') for the year ended 31st March 2024, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with conditions of Corporate Governance requirements by the Company.
6. We have carried out our examination of the relevant records of the Company in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on examination of the relevant records and according to the information and explanations provided to us and the representation made by the management, in our opinion, the Company has complied, in all material respects, with the conditions

SESHASAYEE PAPER AND BOARDS LIMITED

of Corporate Governance as stipulated in the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended 31st March 2024.

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

Restrictions on use

10. This certificate is provided to Board of Directors of the Company solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date

of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Suri & Co,
Chartered Accountants
Firm's Registration No. 004283S

Sanjeev Aditya M
Partner
Membership No. 229694
UDIN: 24229694BKARMA4867

Place : Chennai
Date : 27.04.2024

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 Identity Number (CIN) of the Listed Entity	L21012TZ1960PLC000364
2. Name of the Listed Entity	Seshasayee Paper and Boards Limited
3. Year of incorporation	22 nd June 1960
4. Registered Office 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	secretarial@spbltd.com
7. Telephone	04288 240322
8. Website	www.spbltd.com
9. Financial year for which reporting is being done	FY 2023-24
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

SESHASAYEE PAPER AND BOARDS LIMITED

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
14. Name of assurance Provider	Not Applicable
15. Type of assurance obtained	Not Applicable

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	98.5%

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	98.5%

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 2023-24:

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 2023-24 represented 12% by value (Previous Year - 18%)

c. A brief on types of customers:

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

SESHASAYEE PAPER AND BOARDS LIMITED

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	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Employees						
1.	Permanent (D)	725	715	98.6%	10	1.4%
2.	Other than Permanent (E)	339	330	97.3%	9	2.7%
3.	Total employees (D+E)	1064	1045	98.2%	19	1.8%
Workers						
4.	Permanent (F)	301	301	100.0%	0	0.0%
5.	Other than Permanent (G)	* 1245	* 1095	88.0%	* 150	12.0%
6.	Total employees(F+G)	1546	1396	90.3%	150	9.7%

* Includes 1154 workmen engaged on contract basis (1004 Male and 150 Female).

b. Differently abled Employees and workers:

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

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	16.67%
Key Management Personnel	2	--	--

3. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.1%	10.0%	4.2%	7.7%	9.1%	7.7%	5.6%	--	5.6%
Permanent Workers	2.0%	--	2.0%	3.9%	--	3.9%	--	--	--

SESHASAYEE PAPER AND BOARDS LIMITED

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 2023-24 - ₹ 1801.55 crores
- (iii) Net worth as on 31.03.2024 - ₹1837.53 crores
- (iv) CSR Spend during FY 2023-24 - ₹ 4.21 crores

VII. Transparency and Disclosures Compliances:

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 2023-24			FY 2022-23		
		Number of complaints filed	Number of complaints pending resolution	Remarks	Number of complaints	Number of complaints pending resolution	Remarks
Communities	Yes ⁽¹⁾	--	--		--	--	
Investors		Not Applicable					
Shareholders	Yes ⁽²⁾	1	--		2	--	
Employees and workers	Yes	--	--		--	--	
Customers	Yes ⁽³⁾	77	3		76	2	
Value Chain Partners	Yes ⁽⁴⁾	--	--		--	--	

SESHASAYEE PAPER AND BOARDS LIMITED

- (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	<p>Risk: Will affect the margins business that the Company operates.</p> <p>Opportunity:</p> <p>(i) Provides opportunity to diversify in to other product range to cater to different segments of markets.</p> <p>(ii) To take advantage of restrictions on single use plastic materials, by developing alternatives.</p> <p>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.</p>	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 from where the Company draws its water requirements	Risk	<p>Risk: Since water shortage will directly disrupt the pulp and paper production.</p> <p>The Company is taking various initiatives to curtail quantum of fresh water used in the process.</p>	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	<p>Risk: Since wood pulp constitutes the major portion in the pulp furnish of the paper manufacturing in the Company.</p> <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.
4	Dependency on Imported Coal	Opportunity & Risk	<p>Risk: Since this results in increase in energy cost.</p> <p>Opportunity: Since this opens up avenues to move towards non-fossil fuel based energy sources.</p> <p>The company has continuously taken steps to reduce its dependency on Coal.</p> <p>Today, 61% 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.</p>	Neutral since the company's dependency on Coal has come down.

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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
5	Monsoon failures affecting the Sugar Industry thereby restricting the supply of Bagasse	Risk	<p>Risk: Since Bagasse is a key input material for the company.</p> <p>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.</p>	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 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.
- ◇ 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								

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Sl.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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, Rain forest Alliance, Trustea) standards (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 time lines, if any.	The Company has already achieved its vision to reach "Wood Positive Status". It has also made significant progress is having more than 60% 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.								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements :	<p>"SPB is committed to be a truly sustainable and socially responsible business. The Company's ESG road map and Green initiatives / targets have been integrated with the Growth Strategy of the business."</p> <p>Sri.K.S.Kasi Viswanathan Managing Director</p>								
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.								

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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	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	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.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	The Auditors of the Company (ISO Auditors / Internal Auditors / In-house ISO and WCM co-ordinators / In-house Certified Energy Auditors / FSC 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.								
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)	Not applicable																	
	It is planned to be done in the next financial year (Yes/No)																		
	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.

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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	The Company has dedicated periodical Internal Company Newsletter (Green Co 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.				
Other Employees Workers	The Green Co 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 the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred (Yes/ No)
Penalty / Fine					
Settlement			None		
Compounding fee					
Non-Monetary					
Imprisonment					
Punishment			None		

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- 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:**

	FY2023-24	FY2022-23
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:**

	FY 2023-24		FY 2022-23	
	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.**

- 8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	60 days	48 days

- 9 Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

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Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	60 %	63 %
	b) Number of trading houses where purchases are made from	675	750
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	70 %	65 %
Concentration of Sales	a) Sales to dealers / distributors as % of total sales	93 %	88 %
	b) Number of dealers / distributors to whom sales are made	94	98
	c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	44 %	43 %
Share of RPTs in	a) Purchases (Purchases with related parties / Total Purchases)	1.6 %	1.8 %
	b) Sales (Sales to related parties / Total Sales)	0.1 %	0.4 %
	c) Loans & advances (Loans & advances given to related parties/ Total loans & advances)	--	--
	d) Investments (Investments in related parties / Total Investments made)	^ 97 %	^ 97 %

^ % arrived at based on Historical cost of investment and not fair-value

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.

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- 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.
- In accordance with the Company's vision to achieve wood positive status, over 20.4 crore seedlings were made available during the FY 2023-24 (FY 2022-23 : 19.2 crore seedlings), at subsidized rates, for planting in 24,764 acres of land in FY 2023-24 (FY 2022-23 : 22,502 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, Hydrozen Peroxide, Chlorine Di-oxide, etc. which make our process green. The process adapted by our company generates a liquor called "Black Liquor" which is a biomass rich in lignin 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 Reausticizing Plant is reburnt in a Rotary Lime Kiln which again uses about 20% biogas from the Anaerobic Digestion System.
- The solid waste viz. effluent sludge from waste water treatment plant is the primary raw material for hundreds of small board manufacturers and the board produced is used for Egg tray, Hosierey 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.

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- CII - National Award for Excellence in Energy Management:
 - a) Excellence in Energy Management - for the past 6 consecutive years
 - b) National Energy Leader - 4th 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 (Environmental, Health and Safety) Excellence - Bronze Award for the year 2022.
- AEE award - Regional Corporate Energy award 2021 by Association of Energy Engineers, US
- CAPEXIL Export Excellence Award for FY 2018-2022

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 2023-24 (₹ crores)	FY 2022-23 (₹ crores)
R&D (Revenue)	1.03	0.83
R&D (Capex)	0.25	0.33

Details of improvements in environmental and social impacts:

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.

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.

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.

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.

	a. Does the entity have procedures in place for sustainable sourcing?	Yes
2	<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. Lime 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>	

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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 18thMarch, 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

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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.

Name of Product / Service	Description of the risk / concern	Action Taken
---------------------------	-----------------------------------	--------------

NIL

3 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 2023-24	FY 2022-23

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	16%	21%
--	-----	-----

4 Of the products and packaging reclaimed at end of life of products, amount reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	--	--	739.5 MT	--	--	971.9 MT
E-waste	--	--	0.92 MT	--	--	1.64 MT
Hazardous waste (Used Spent Oil)	--	--	7 MT (approx.)	--	--	9 MT (approx.)
Hazardous waste (Chemical Sludge)	--	--	73928 MT	--	--	73596 MT
Other waste (ESP ash)	--	--	16575 MT	--	--	18863 MT

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5 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 : Tirunelveli	About 16% of the pulp furnish is from recovered paper.

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	
		No.	%	No.	%	No.	%	No.	%	No.	%
Permanent Employees											
Male	715	180	25%	715	100%	NA	NA	--	--	--	--
Female	10	2	20%	10	100%	10	100%	NA	NA	--	--
Total	725	182	25%	725	100%	10	1%	--	--	--	--
Other than Permanent employees											
Male	330	304	92%	330	100%	NA	NA	--	--	--	--
Female	9	9	100%	9	100%	9	100%	NA	NA	--	--
Total	339	313	92%	339	100%	9	3%	--	--	--	--

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	
		No.	%	No.	%	No.	%	No.	%	No.	%
Male	301	--	0%	301	100%	NA	NA	0	0%	0	0%
Female	--	--	0%	0	0%	0	0%	NA	NA	0	0%
Total	301	--	0%	301	100%	0	0%	0	0%	0	0%

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Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No.	%	No.	%	No.	%	No.	%	No.	%
Other than Permanent Workers											
Male	1095	1060	97%	1095	100%	NA	NA	0	0%	0	0%
Female	150	150	100%	150	100%	0	0%	NA	NA	0	0%
Total	1245	1210	97%	1245	100%	0	0%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.55 %	0.45 %

2 Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	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%	16%	Yes	14%	15%	Yes
Others ^	82%	85%	Yes	82%	85%	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>

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5	Return to work and Retention rates of permanent employees and workers that took parental leave.			
Gender	Permanent employees		Permanent workers	
	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.	
	<p>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.</p>	
		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 2023-24			FY 2022-23		
	Total employee / workers	Part of association(s) or Union	%	Total employee / workers	Part of association(s) or Union	%
Total Permanent Employees	725	570	79%	729	578	79%
- Male	715	561	78%	717	566	79%
- Female	10	8	80%	12	12	100%
Total Permanent Workers	301	301	100%	307	307	100%
- Male	301	301	100%	307	307	100%
- Female	0	0		--	--	--

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8 Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1045	629	60%	775	74%	1023	487	48%	590	58%
Female	19	12	63%	12	63%	23	11	48%	11	48%
Total	1064	641	60%	787	74%	1046	498	48%	601	57%
Workers										
Male	1396	190	14%	255	18%	1441	528	37%	550	38%
Female	150	0	0%	0	0%	135	68	50%	72	53%
Total	1546	190	12%	255	16%	1576	596	38%	622	39%

9 Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1045	583	56%	1023	333	46%
Female	19	10	53%	23	10	83%
Total	1064	593	56%	1046	343	47%
Workers						
Male	1396	255	18%	1396	81	6%
Female	150	--		150	--	
Total	1546	255	16%	1546	81	5%

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

Yes. 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.

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

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	--	--
	Workers	--	--
Total recordable work-related injuries	Employees	--	--
	Workers	--	--
No. of fatalities	Employees	--	--
	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 2023-24			FY 2022-23		
	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						

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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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
	Employees	--	--	--	--
	Workers	--	--	--	--

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4	<p>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)</p> <p>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.</p>						
5	<p>Details on assessment of value chain partners:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="text-align: center;">% of value chain partners (by value of business done with such partners) that were assessed</td> </tr> <tr> <td style="vertical-align: top;">Health and safety practices</td> <td>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.</td> </tr> <tr> <td style="vertical-align: top;">Working Conditions</td> <td>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.</td> </tr> </table>		% of value chain partners (by value of business done with such partners) that were assessed	Health and safety practices	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.	Working Conditions	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.
	% of value chain partners (by value of business done with such partners) that were assessed						
Health and safety practices	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.						
Working Conditions	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.						
6	<p>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.</p> <p>Corrections actions are identified thro' periodic GreenCo and FSC audits, as mentioned above, and follow-up actions taken and reported.</p>						

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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
Collaborators	No	Video Conferences, Meetings / Calls, visits	As and when needed	<ul style="list-style-type: none"> • Stronger partnership. • Joint development projects

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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
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. 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.**

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.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

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.

Based on request received from Government schools, the company has constructed toilets, donated land, supplied new equipments free of cost for operation of Smart ClassRooms, supplied RO Water Plant to Panchayat Schools, supplied key medical equipments to Government Hospitals / Primary Health Centers etc.

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".

The Company also runs 4 Community Health centers in nearby villages, providing medical treatment and free medicines.

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.

The above are few of the instances of engagement with vulnerable / marginalized stakeholder groups.

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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 2023-24			FY 2022-23		
	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						

2	Details of minimum wages paid to employees, in the following format:									
Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent employees (other than workmen)										
Male	715			715	100%	718			718	100%
Female	10			10	100%	12			12	100%
Other than Permanent (Other then workmen)										
Male	330			330	100%	305			275	100%
Female	9			9	100%	11			11	100%
Permanent workmen										
Male	301			301	100%	307			307	100%
Female	0			0	100%	--				

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Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Other than Permanent workmen										
Male	1095	1039	95%	56	5%	1134	1092	96%	42	4%
Female	150	150	100%			135	135	100%		

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

(a) Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Refer Annexure VII to Board's Report for report on			
Key Managerial Personnel	Managerial Remuneration.			
Employees other than BoD and KMP	710	₹ 6.1 lakhs	10	₹ 1.7 lakhs
Workers	301	₹ 6.2 lakhs	–	

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	3.5 %	2.8 %

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.

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6 Number of Complaints on the following made by employees and workers:						
	FY 2023-24			FY 2022-23		
	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						
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour			NIL			
Wages						
Other human rights related issues						

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Reprisal) Act, 2013, in the following format:		
	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.	
<p>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.</p>	

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)	
<p>Yes. The contract / agreements with suppliers / service providers, which involve supply of labour, addresses the human rights requirements.</p>	

10 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	

11 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.

Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2023-24	FY 2022-23
From renewable sources (GJ)		
Total electricity consumption(A)	4,42,843	5,34,979
Total fuel consumption (B)	43,54,916	47,16,048
Energy consumption through other sources(C)		
Total energy consumed from renewable sources(A+B+C)	47,97,759	52,51,027
From non-renewable sources(GJ)		
Total electricity consumption (D)	5,36,589	5,89,394
Total fuel consumption (E)	31,43,976	24,96,817
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	36,80,565	30,86,211
Total energy consumed (A+B+C +D+E+F)	84,78,324	83,37,238
Energy intensity per rupee of turnover (Total energy consumed in GJ / Revenue from operations)	0.00048	0.00041
Energy intensity per tonne of Paper produced (Total energy consumed in GJ / Total Production in tonnage)	35.3	34.5

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.

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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	113.5 lakh KL	113.2 lakh KL
(ii) Groundwater	0.008 KL	0.005 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	113.5 lakh KL	113.2 lakh KL
Total volume of water consumption (in kilolitres)	113.5 lakh KL	113.2 lakh KL
Water intensity per rupee of turnover (Water consumed / revenue from operations)	0.00063 litre per Rupee of turnover	0.00054 litre per Rupee of turnover
Water intensity per tonne of Paper produced (Water consumed / Paper Production in tonnage)	47.23	46.95

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

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
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) Senttothird-parties		
- No treatment		
- With treatment -please specify level of treatment	7080243 KL	6565175 KL

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Parameter	FY 2023-24	FY 2022-23
(v) Others		
- No treatment		
- With treatment -please specify level of treatment	953008 KL	946628 KL
Total water discharged (in kilolitres)	8033251 KL	7544653 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.

5. 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.

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

Parameter	Unit	FY 2023-24	FY 2022-23
NOx - Erode unit	Mg/nm ³	30.5	26.0
SOx - Erode unit	Mg/nm ³	94.0	119.5
Particulate matter (PM) - Erode unit	Mg/nm ³	21.5	21.0
NOx - Tirunelveli unit	Mg/nm ³	39.71	38.7
SOx - Tirunelveli unit	Mg/nm ³	32.0	13.3
Particulate matter (PM) - Tirunelveli unit	Mg/nm ³	47.31	36.2

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.

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

Parameter	Unit	FY 2023-24	FY 2022-23
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	380995	359986
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	114904	115021
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent	0.000028 per Rupee of Turnover	0.000026 per Rupee of Turnover
Total Scope 1 and Scope 2 emission intensity per tonne of Paper produced (Total Scope 1 and Scope 2 GHG emissions / Paper Production in Tonnage)	Metric tonnes of CO ₂ equivalent	2.07 per MT	1.97 per MT

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.

8. 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 following projects are under evaluation for reducing GHG :

- Installation of a plant for gasification of bio materials for replacement of fossil fuels, in its lime kiln.
- Installation of Heat Recovery from Flue Gas to Dry Biomass
- Enhancing PCC slurry drying for utilizing the same in Tirunelveli unit – This will help further increase trapping of CO₂ from Flue Gas of Lime Kiln
- Installation of Paddle Dryer for utilizing secondary sludge as fuel to boiler.

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

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	739.5	971.9
E-waste (B)	0.92	1.64
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste.(G)	73935	73605
Other Non-hazardous waste generated (H). Please specify, if any. (ESP ash)	16575	24207
Total (A+B+C+D+E+F+G+H)	91250	98785
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000005 per Rupee of Turnover	0.000005 per Rupee of Turnover
Waste intensity per tonne of Paper Produced (Total waste generated / Total Production in tonnage)	0.379 per MT	0.409 per MT

Parameter	FY 2023-24	FY 2022-23
Waste intensity in terms of physical output		
Waste intensity (optional) - the relevant metric may be selected by the entity		
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	91250	98785
Total	91250	98785

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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10. 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.

11. 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

12. 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				

13. 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 2023-24.

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Leadership Indicators

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

Parameter	Unit	FY 2023-24	FY 2022-23
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	33907	* 22610
Total Scope 3 emissions per rupee of turnover		0.0000019 per rupee of turnover	0.0000011 per rupee of turnover

* Previous year data related only to Unit: Erode; Current year data includes both Erode & Tirunelveli Unit values.

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

2. With respect to the ecologically sensitive areas reported at Question 11 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

3. 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			

4. 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.

5. 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.

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6. 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.

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	

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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
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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.

PRINCIPLE8: 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
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None of the projects undertaken by the company in FY 2023-24 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)
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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.

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4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:		FY 2023-24	FY 2022-23
	Directly sourced from MSMEs/ small producers	13% approx.	11% approx.
	Directly from within India	78% approx.	81% approx.

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-urban	2610*	2622*
Urban	-	-
Metropolitan	-	-

* Total headcount at the end of the year and includes contract employees

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.	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

SI. 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 note given above.

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(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. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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.

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.

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- 2. 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.**

	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 2023-24		Remarks	FY 2022-23		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 **	77	3		76	2	

** All these complaints relate to either product not meeting customer expectation on the product 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).

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	<p>Also, the company has a framework / policy on cyber security and risks related to data privacy, available at www.spbltd.com.</p>
6	<p>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.</p> <p>Nil</p>
7	<p>Provide the following information relating to data breaches:</p> <p>a) Number of instances of data breaches : Nil</p> <p>b) Percentage of data breaches involving personally identifiable information of customers : Nil</p> <p>c) Impact, if any, of the data breaches : Not Applicable</p>
<p>Leadership Indicators</p>	
1	<p>Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).</p> <p>Details available at https://www.spbltd.com/products/index.html</p>
2	<p>Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.</p> <p>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.</p>
3	<p>Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.</p> <p>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.</p>
4	<p>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)</p> <p>Product Information displayed on the products, as required under applicable laws.</p> <p>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.</p>

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**

Particulars

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

(b) Nature of contracts / arrangements / transactions

(c) Duration of the contracts / arrangements / transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis: **Nil**

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

(b) Nature of contracts / arrangements / transactions

(c) Duration of the contracts/arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

Details of transactions with the related parties are provided in Note No. 38 to the Accounts for the Financial year 2023-24. 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 2023-24 and hence, none of them are material in nature.

On behalf of the Board

N GOPALARATNAM

Chairman

DIN:00001945

Chennai

April 27, 2024

**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 Flash tank near RDH hot water tank to collect Condensate from heat exchangers.
- ◇ Replacement of Energy Efficient fans in the Cooling Tower - 1 & 3 of Boiler 10.
- ◇ Provision of Energy Monitoring System in Captive Power Plant for better monitoring and control.
- ◇ Optimization of the Flash Steam Recovery in PM-5 is done by increasing the main group DP from 0.2 to 0.9 bar.
- ◇ To avoid Recirculation, many pumps like MG couch pit agitator, MF2 machine reeler pulper pump and Hydra pulper pump of MG, Yankee have been provided with the PLC Logic and the motors were stopped for power savings.
- ◇ Capacity reduction in the Pump-Motor wherever applicable, as part of the conservation of Energy.
- ◇ Utilizing of the adjacent receiving Chest pump for Sweetner stock feed also, as both are from same chest, in PM 1-4, to stop one pump and saving of energy.
- ◇ Variable Frequency Drives have been installed in 40 bar pump, PM 5, to conserve energy.
- ◇ Refurbishment of VAM 6 Heat Reclaimer.

- ◇ Usage of waste heat recovery from flue gas to bring down the moisture in Biomass through DEEP, BEE project approved.

Unit: Tirunelveli

- ◇ Redirecting the winder trim to an existing trim pulper through a cyclone separator.
- ◇ Increase in the throughput in Deinked pulp line.
- ◇ Based on the operational requirement of the TG condenser, the condensate pump optimally sized.
- ◇ In the stock preparation, the sealing water of the Hi-Con pulper was sourced from the De-inking plant's sealing water pump. A 15-kw pump was operated for this purpose. This resulted in continuous operation of the sealing water pump, even if the Deinking plant was not in operation. Now, the HI-Con pulper's sealing water is being sourced from the Paper machine dilution water tank through a suitable filter, resulting in energy savings.

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

Unit: Erode

- ◇ Green energy from Chemical Recovery Complex is 56.19%.
- ◇ Usage of Biomass in captive power plant helped the contribution of green energy of 4.99%
- ◇ Overall Green energy usage is 61.18%.

Unit: Tirunelveli

- ◇ Methane gas produced from anaerobic digester of ETP is been utilized to substitute about 450 MT of coal in the boiler.
- ◇ About 70% of LPG used in the canteen has been replaced with biogas.
- ◇ Steps are being taken to increase the bio-mass usage in Boilers from current levels of 19% to 25%.

B) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

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

1 EXPLORING ALTERNATIVE RAW MATERIALS FOR PULPING

- ◇ Pulping studies are conducted on different wood species, and cloned varieties to determine their suitability for papermaking by evaluating their yield, bleachability, and cooking chemical requirements. A few raw materials, such as Senna Spectabilis, Lanneacoromandelica and Acacia aurculifrmis determined to be appropriate and used in our pulping processes.
- ◇ Conducting plant trials by varying the process parameters to optimize the pulping conditions to improve the quality of the pulp. Trials were conducted with various digester additives, wash aid additives to optimize the conditions and improve pulp quality.

2 NEW PRODUCT DEVELOPMENT

ERODE

- ◇ Constant efforts are undertaken to design and develop new items according to market demands. Products with value addition are being created to meet the market requirement. Two new products namely Index print and cartridge paper for printing applications were

developed and supplying to the market.

TIRUNELVELI

- ◇ Trials have been conducted to cater the needs USA market for high-bright (96%) copier grade product.
- ◇ Attempts have been made to manufacture more surface sized variants with a view to replace all non-surface sized products.
- ◇ Trials have been made to develop low-bright (85 - 86%) products using 50% DIP in the furnish.
- ◇ Continuous efforts are made to develop new products based on the market requirements. Value added products are being developed to cater the growing demand in packaging segment. Trials made to convert conventional reel wrapping into stretch film wrapping.

3 ENVIRONMENT RELATED R&D

ERODE

- ◇ Pilot plant study was carried out to treat the Pulp mill Effluents at source to the level of Process water Quality through Membrane technology consists of Ultra filtration and Nano filtration with the help of UNIDO projects. The trial results are encouraging, which reduces the pollution load and the fresh water consumption through recycling.

SESHASAYEE PAPER AND BOARDS LIMITED

- ◇ Introduction of Clo₂ treatment in machine backwater to improve ORP to avoid odor issues in MF3 machine.
- ◇ 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.

TIRUNELVELI

- ◇ Effective bio descaling in drum pulper results higher rate of production of De inked pulp from 8 to 9.5 ton per hour.
- ◇ Operating and maintaining the Up-flow anaerobic sludge blanket (UASB) for effective methane generation during low organic input by maintaining adequate methanogenic bacteria through cattle wastes and specialized microbes.
- ◇ Continuously monitoring and maintaining the Air and Effluent quality parameters to meet the standards prescribed by SPCB and CPCB.
- ◇ Internal water audit has been conducted for water conservation and planned for third party audit.
- ◇ Field planting trials for both Casuarina and Eucalyptus have been conducted in Tirunelveli district and about 200 acres planted under contract farming.

- ◇ Establishment of R&D based clonal seed centre to produce around 5 lakhs Casuarina and Eucalyptus has under progress.

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

ERODE

- ◇ Introduction of polymer additive to improve surface strength of paper.
- ◇ Introduction of Wet strength additive to improve the machine runnability.
- ◇ Introduction of alternate suppliers / additives for improving quality and competitiveness.
- ◇ Introduction of new supplier for EOP anti-scalent to control cost
- ◇ Introduction of new supplier for De foamer in Machines.
- ◇ Development of Alternate suppliers for ETP sludge dewatering system.
- ◇ Development of new flocculant suppliers as cost reduction.
- ◇ Introduction of paper flexibility chemical addition in MG machine.
- ◇ Introduction of bio fuel addition in CPP Boiler.

TIRUNELVELI

- ◇ Process improvement studies are being carried out regularly to reduce the chemical consumption and improve the functional properties of the end product.
- ◇ Suitable SOP made for effective caustic and acid boil-out for microbial free wet end ambience.
- ◇ Constant R&D efforts on odour removal in copier grades resulted reduction to great extent.

SESHASAYEE PAPER AND BOARDS LIMITED

- ◇ Continuous study and lab trials are being performed to improve the surface, optical and physical properties of paper.
- ◇ Evaluation of new additives for improving strength, surface and optical properties.

5. Future plan of Action:

ERODE

- ◇ Implementation of Membrane technology to treat our effluent at source to reuse water and reduce pollution.
- ◇ Development of Value-added new products as per market requirement
- ◇ Recycling of waste water in each stage without affecting the quality for water conservation.
- ◇ Burning of Secondary sludge to address environmental issues and to convert biomass as renewable

energy.

- ◇ Foul condensate stripping to eliminate odour.
- ◇ Flue gas heat utilization for biomass drying.

TIRUNELVELI

- ◇ Optimization of de-inking plant operation in accordance with products and targeting more RCF furnish towards new product.
- ◇ To establish pulp wood plantation in 1000 acres under contract farming
- ◇ Achieving min 25% power generation from biomass.

Imported Technology:

Nil

Expenditure incurred on Research & Development

₹ 1.28 crores
(Previous Year - ₹ 1.16crores)

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.

	2023-24 (₹ crores)	2022-23 (₹ crores)
Earnings	216.53	342.06
Outgo	222.30	281.16

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 CSR activities are 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 Committee during the FY 2023-24	
			Held	Attended
1	Sri A L Somayaji	Independent Director and Chairman of the Committee	1	1
2	Dr Nandhitha Krishna	Independent Director	1	1
3	Sri N Gopalaratnam	Executive Chairman	1	1
4	Sri K S Kasi Viswanathan	Managing Director	1	1

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>

SESHASAYEE PAPER AND BOARDS LIMITED

- 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 preceding financial years (₹ in lakhs)	Amount required to be set-off for the financial year, if any (₹ in lakhs)
1	2020-21	19.13	19.13
2	2021-22	19.36	19.36
3	2022-23	29.83	29.83
	Total	68.32	68.32

- 6 Average net profit of the Company as per Section 135(5): ₹ 24456 lakhs.
- 7 (a) Two percent of average net profit of the Company as per section 135(5): ₹ 489.12 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 : ₹ 68.32 lakhs
 (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 420.80 lakhs.
- 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY 2023-24 (₹ 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 Trasfer	Name of the Fund	Amount	Date of Transfer
421.15	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: ₹ 421.15 lakhs - Refer Annexure VI(A) for details
- (d) Amount spent Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 421.15 lakhs.
- (G) Excess amount for set off, if any:

SESHASAYEE PAPER AND BOARDS LIMITED

Particulars	Amounts (₹ in lakhs)
Two percent of average net profit of the Company as per Section 135(5) Less Amount b/fd from earlier years and set-off	420.80
Total amount spent for the financial year	421.15
Excess amount spent for the financial year [(ii) -(i)]	0.35
Surplus arising out of the CSR Project or programmes or activities of the previous financial years, if any	-
Amount available for, set off in succeeding financial years, out of spendin FY 2023-24[(iii)-(iv)]	0.35

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.

(K.S.KASI VISWANATHAN)

Managing Director

DIN: 00403584

(A L SOMAYAJI)

Chairman of CSR Committee

DIN: 00049772

Place: Chennai

Date : April 27, 2024

ANNEXURE - VI (A)

Details of CSR Amount spent during FY 2023-24

Schedule VII Item No.	Schedule VII - Description	Name of the Project	Spend (₹ lakhs)	Mode of Implementation Direct (Y/N)	Implementation - Through CSR Regn. No.	Name
Item No.I	Promoting health care including preventive health care	Covid -19 Relief activities	23.14	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	15.75	Yes		
Item No.I	Making available safe drinking water	Supply of drinking water to nearby villages	130.46	Yes		
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	95.36	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	0.75	Yes		
Item No.X	Rural Development Projects	Providing infrastructure facilities in nearby villages	29.05	Yes		
Item No.XI	Disaster management, including relief, rehabilitation and reconstruction activities	Support to flood affected people in State of Tamil Nadu	4.24	Yes		
Item No.I	Promoting health care including preventive health care	Support for critical health care service for elderly orphans affected by Leprosy	17.00	No	CSR00039353	Damien Foundation India Trust
Item No.I	Promoting health care including preventive health care	Support for setting up Primary Health care centres	15.00	No	CSR00025152	Manonmani Trust, Chennai

SESHASAYEE PAPER AND BOARDS LIMITED

Schedule VII Item No.	Schedule VII - Description	Name of the Project	Spend (₹ lakhs)	Mode of Implementation Direct (Y/N)	Implementation - Through CSR Regn. No.	Implementation - Through Name
Item No.I	Promoting health care including preventive health care	For renovation of a ward in the not-for-profit hospital run by the agency	13.00	No	CSR00003444	Voluntary Health Services, Chennai
Item No.I	Promoting health care including preventive health care	Support for medical and surgical care provided by the hospital to the public.	10.00	No	CSR00005035	Hindu Mission Hospital, Kancheepuram
Item No.I	Promoting health care including preventive health care	Support for purchase of ambulance to serve the public during medical emergencies.	1.00	No	CSR00049081	Dhaniyan Manitham Kappagam, Tirunelveli
Item No.II	Promoting Education	Contribution for infrastructure facilities in a primary School	10.00	No	CSR00000229	Amar Seva Sangam, Tirunelveli
Item No.II	Promoting Education including Special Education	Support for Autism affected and mentally challenged	10.00	No	CSR00029857	Saksham Trust, Madurai
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.II	Promoting Education including Special Education	Support to the school for Mentally Retarded Children	5.00	No	CSR00069918	Kongu Arivalaya Trust, Erode
Item No.III	Support for socially and economically backward groups	Support to the project to build homes for Homeless for the downtrodden Irular Community	12.00	No	CSR00000997	Rotary Club of Madras Charitable Trust, Chennai
Item No.III	Empowering Women	Support to the Home for mental rehabilitation for Homeless Women	5.00	No	CSR00031500	Aussi Community Development and Educational Society
Item No.V	Protection of National Heritage, art and culture	Support to the revival and training on cultural arts and dances.	4.00	No	CSR00063038	Kongunadu Kalai Culo, Erode
Item No.X	Rural Development Projects	Support for Rural Development Activities	15.00	No	CSR00002806	Ramakrishna Math, Chennai
		TOTAL	421.15			

SESHASAYEE PAPER AND BOARDS LIMITED

Annexure VII

Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(A) Statement of particulars of remuneration as per Rule 5(1)

Sl. 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) Director (Operations)	52:1 51:1 22:1	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 Director (Operations) CFO Company Secretary #	19% 28% 27 % 26 % --	Note-2
3	The percentage increase in the median remuneration of employees in the financial year		3 %	
4	The number of employees on the rolls of Company		1456	
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	5% 24%	
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 K Narayanan, Company Secretary was appointed as Company Secretary (KMP) w.e.f 14.08.2023

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.Gopalratnam, Chairman and Sri.K.S.Kasi Viswanathan, Managing Director, as presented above, were 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.

SESHASAYEE PAPER AND BOARDS LIMITED

(B) Statement of particulars of employees as per Rule 5(2) & (3)

Sl. No.	Description	Particulars		
1	Name of the employee	Sri N Gopalaratnam	Sri K S Kasi Viswanathan	Sri Ganesh Bhaddi
2	Designation	Chairman	Managing Director	Director (Operations)
3	Remuneration for FY 2023-24	₹ 3.20 crores	₹ 3.10 crores	₹ 1.36 crores
4	Nature of employment	Contractual	Contractual	Contractual
5	Qualification & experience	B. Sc., B. E. (Mech.) 50 years	B. Tech., MMA 44 years	B.A.Sc (Pulp and Paper Science), MBA 36 years
6	Date of commencement of employment	01 04 1988	13 03 1991	03 11 2016
7	Age of employee	77	72	62
8	Last employment	Project Specialist, SPB Projects & Consultancy Limited	Project Coordinator, SPB Projects & Consultancy Limited	Vice President and Mill Manager, IP-APPM
9	% of Equity shares held	Negligible (78155)	Negligible (2910)	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

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

On behalf of the Board

Chennai
April 27, 2024

(N GOPALARATNAM)
Chairman
DIN: 00001945

M/S LAKSHMMI SUBRAMANIAN & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Sr.Murugesu Naickar Office Complex
Greems Road, Chennai 600 006
Telephone: 044 - 28292272
E-mail: swetha.s@lsa-india.com

Form MR-3

SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31st March, 2024

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
SESHASAYEE PAPER AND BOARDS LIMITED

We have conducted a 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") during the financial year from 01 April, 2023 to 31 March, 2024 (the year/ audit period/ period under review).

We conducted the Secretarial audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management. The Company has during the audit period covering the financial year ended on March 31, 2024, generally complied with the

statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules and the Regulations made there under;
- (ii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investments and Export and import of goods;

SESHASAYEE PAPER AND BOARDS LIMITED

- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
 - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST");
 - c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - e. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent of Listed Entity engaging the RTA;
 - f. Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
 - g. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
 - 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. Bureau of Indian Standards Act 1986
 - h. The Electricity Act 2003 and rules framed thereunder
 - i. Gas Cylinder Rules 2016
 - j. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")
 - k. Legal Metrology Act, 2009, the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")
 - l. Environment Protection Act, 1986
 - m. E-Waste Management Rules, 2016
 - n. Plastic Waste Management Rules, 2022
 - o. The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.
 - p. Indian Forest Act, 1927
 - q. Energy Conservation Act, 2001
 - r. Customs Act, 1962
 - s. Central Excise Act, 1944
 - t. Static and Mobile Pressure Vessels (Unfired) Rules, 2016
- (vii) The following material laws are specifically applicable to the Company:
- a. Water (Prevention and Control of Pollution) Act, 1974
 - b. Air (Prevention and Control of Pollution) Act, 1981
 - c. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- 1.2 During the period under review, and also after considering the compliance related action taken by the Company after 31 March 2024 but before issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us complied with the laws mentioned in paragraph 1.1 above.

1.3 We are informed that, during / in respect of the year no events have occurred which required the Company to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minutes books or other records or file any forms / returns under:

- a. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. Securities Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
- c. Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;
- d. Securities Exchange Board of India (Buyback of Securities) Regulation, 2018;
- e. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Amendment, 2023);
- f. Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and circulars / guidelines issued thereunder; and
- g. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

2. Board Processes:

We further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors during the Financial Year 2023-24.
- 2.2 The Company, based on approval of the shareholders, continues to have a nominee Director (not liable to retire by rotation)

from Tamil Nadu Industrial Investment Corporations 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.

- 2.3 Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance, agenda and detailed notes on agenda were also circulated to the Board members prior to the meetings.
- 2.4 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 physically and through Video Conferencing in compliance with requirements of the Act; and
- 2.5 As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions and views of the Board have been recorded.

3. Compliance mechanism:

We further report that:

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliance with applicable laws including labour laws, competition law, environmental laws, and other laws specifically applicable to the Company.
- 3.2 The compliance by the Company of applicable finance laws like Direct and Indirect tax laws has not been reviewed in

SESHASAYEE PAPER AND BOARDS LIMITED

this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.

4. Specific Events / actions:

We further report that during the audit period the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc. took place:

1. In addition to the other Ordinary Business, the shareholders in the Annual General Meeting held on June 17th, 2023 through Ordinary Resolution have accorded approval for the following:
 - a) Declaration of Dividend of ₹ 6/- (Rupees six only) per fully paid-up Equity Shares for the Financial year 2022-23 on 6,30,68,140 Equity shares of ₹2/- each fully paid up.
 - b) Sri Ganesh Balakrishna Bhadti, Director (Operations) (DIN: 09634741), Director who was liable to retire by rotation in the Annual General Meeting for the FY 2022-23 held on June 17, 2023 was re-appointed in accordance with the approval of the shareholders.
 - c) The Company has appointed M/s Suri & Co, Chartered Accountants (Firm Registration No: 004283S) as the Statutory Auditor of the Company for a period of 5 years.
 - d) Appointment of Sri. T Ritto Cyriac, IFS, Special Secretary (DIN: 07951031), as a Nominee Director, nominated by Environment, Climate change and Forests Department, Government of Tamil Nadu.
2. Mr. B.S. Raj Kiran resigned from the position of the Company Secretary, Compliance officer and Whole Time Key

Managerial Personnel of the Company w.e.f. 17th May 2023. Sri. K. Narayanan (ICSI Membership No: 13779) was appointed as the Company Secretary of the Company with effect from August 14th 2023.

3. The members through Postal Ballot accorded approval on 14th December, 2023 through Special Resolution for the following:
 - a) Appointment of Sri S Durgashankar designated as Independent Director, not liable to retire by rotation, for a period of 5 years effective from 04-11-2023.
4. The members through Postal Ballot accorded approval on 07th March, 2024 through Special Resolutions for the following:
 - a) Re-appointment of Sri Mohan Verghese Chunkath, IAS (Retd.) as an Independent Director of the company, for a Second term of 5 years effective from 01-04-2024.
 - b) Appointment of Smt. Sheela Balakrishnan, IAS (Retd.) as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years effective from 20-01-2024.
5. Company had received the Sale certificate for the acquisition of M/s Servalakshmi Paper Limited (Corporate Debtor - in liquidation) dated 23-05-2023.

For Lakshmmi Subramanian & Associates

Swetha Subramanian

ACS: 10815

CP No: 12512

Peer Review No. 1670/2022

UDIN: F010815F000173131

Place : Chennai

Date : 18.04.2024

SESHASAYEE PAPER AND BOARDS LIMITED

Annexure to the Secretarial Audit Report of M/s. SESHASAYEE PAPER AND BOARDS LIMITED for the financial year ended 31.03.2024

To

The Members

SESHASAYEE PAPER AND BOARDS LIMITED

Our Secretarial Audit Report for the financial year ended 31 March 2024 is to be read along with this Annexure.

1. Maintenance of the Secretarial record and ensuring compliance with all applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about financial information, the compliance of law, rules and regulation and happening of certain events etc.
5. The compliance of the provisions of other laws, rules, regulation, standards specifically applicable to the Company is the responsibility of the management. Our examination was limited to the verification of system implemented by the Company on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.
7. We have also issued an Annual Secretarial Compliance Report under Regulation 24A of SEBI LODR which will be available on the website of the Stock Exchanges in which the company is listed.

For Lakshmmi Subramanian & Associates

Swetha Subramanian

ACS: 10815

CP No: 12512

Place : Chennai

Date : 18.04.2024

Peer Review No. 1670/2022

UDIN: F010815F000173131

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	SI 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 2024
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	:	₹ 1.39 crores
7	Total Assets	:	₹ 2.87 crores
8	Total Liabilities	:	₹ 0.23 crores
9	Investments	:	₹ 0.09 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.

**Standalone Financial Statements
for the year ended
31st March 2024**

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Seshasayee Paper and Boards Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s Seshasayee Paper and Boards Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Material Accounting Policy Information and other explanatory information (hereinafter referred to as "the Standalone 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 ("the 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, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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.

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Key Audit Matters	Response to Key Audit Matters
<p>1 Other Non-Current assets include ₹ 107 crores being amount paid in the previous and current year and outstanding as on 31.3.2024 for acquisition of assets of M/s.Servalakshmi Paper Limited, Corporate debtor in liquidation (CD), on a going concern basis after being emerged as a sole successful bidder in the E-Auction and said e-auction sale having been approved by the Hon'ble NCLT vide its order dated 12.05.2023. Appeals challenging the Hon'ble NCLT order has been filed and are pending before the Hon'ble NCLAT. (Refer note 1.14, to the financial statements).</p> <p>We identified the above transaction as a key audit matter because the company and the external stakeholders focus on the above as a material on-going transaction.</p>	<ul style="list-style-type: none"> • We have verified the resolutions passed by the Board of Directors approving the participation in the e-auction sale, remittance of the said amount and for carrying the assets in the books of the Company. • We have verified the sale certificate issued by the official liquidator for transfer of assets of M/s Servalakshmi Paper Limited as a going concern for physical handing over of land and factory premises of the corporate debtor, following the order of Hon'ble NCLT approving the e-auction sale in favour of the company. • We have reviewed the management's evaluation of the outcome of the appeal challenging the Hon'ble NCLT order before Hon'ble NCLAT for recognition and measurement of the amounts paid as a Non-Current asset. • Based on the above audit procedures, we conclude that the company has complied with the provision of the Companies Act, 2013, requirement of SEBI and other regulators.The payment made is confirmed and the transaction is suitably presented in the financial statements.
<p>2 Revenue is recognized when the control of the products being sold has transferred to the customer. Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts, rebates accrual, involves judgement and estimates. This leads to risk of revenue being misstated due to inaccurate estimations over discounts and volume rebates and also recognition of revenue with out complying with the delivery terms. (Refer Note 1.4 of the material accounting policy information).</p>	<ul style="list-style-type: none"> • We have assessed the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard). • We have evaluated the design, testing the implementation, and operating effectiveness of the Company's internal controls over recognition of revenue and computing discounts and volume rebates. • We have performed substantive testing (including for period end cut-off) by selecting samples of revenue transactions recorded

Key Audit Matters	Response to Key Audit Matters
<p>We identified the recognition of revenue from sale of products as a key audit matter because the company and the external stakeholders focus on revenue as a key performance indicator.</p>	<p>for the year and agreeing to the underlying documents, which included sales invoices, e-way bills and transportation documents.</p> <ul style="list-style-type: none"> • We have performed substantive testing by selecting samples of discounts and rebate accruals and disbursements to underlying documents; Performed an analytical review of discounts and rebate accruals with prior period to evaluate the historical accuracy and unusual items. • We have evaluated adequacy of disclosures given in Note to the financial statements. • Based on the audit procedures performed above, we conclude that there are no material discrepancies observed and revenue is recognized and disclosed in accordance with Ind AS 115.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include 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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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 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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements of the Company, 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 control 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 with reference to financial statements 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 the 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 auditor's 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 auditor's 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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 standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to

outweigh the public interest benefits of such communication.

Other Matters:

The comparative financial information of the company for the year ended 31st March 2023 have been audited by another auditor. The report of the predecessor auditor on the comparative financial information dated 29th April 2023 expressed an unmodified opinion. Our report is not modified in respect of this matter.

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 "A"** to this report, 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 and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the Company.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.

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 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 Auditor’s 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 standalone financial statements. - [Refer Note 35 to the standalone financial statements].

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There has been no delay in transferring the 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 its knowledge and belief, 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 person or entity, including foreign entity (“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, no funds have been received by the Company from any person or entity, including foreign entity (“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) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule

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- 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (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 as applicable to the extent it applies to payment of dividend.
- (b) The company has not paid any interim dividend during the year.
- (c) As stated in Note 36D to the financial statements, the Board of Directors of the Company has 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 to the extent it applies to declaration of dividend.
- v) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Suri & Co.

Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M

Partner
Membership No.229694
UDIN : 24229694BKARKS4488

Place : Chennai
Date : 27.04.2024

**Annexure A to the Independent Auditors' report
(Referred to in our report of even date)**

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2024, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets annually once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, and the books and records verified by us and based on the examination of the registered sale deeds we report that, the title deeds of immovable properties of land and building which are free hold, are held in the name of the company as at Balance Sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) 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 in excess of ₹ 5 crore, during the year, from banks and financial institutions on the basis of security of current assets. 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) The Company has not provided any guarantee or security or granted loans or advances in the nature of loans, secured, to companies, firms, limited liability partnership or any other parties but has made investments.

The reporting as required under this clause is given below:

- (a) The company has not provided loans or provided advances in the nature of loans or stood guarantee or provided security to any other entity.
- (b) In our opinion the investments made during the year are, prima facie, not prejudicial to the company's interest. The company has not provided any

guarantee or security or granted loans or advances in the nature of loans.

- (c) The reporting under this clause regarding repayment of principal and interest is not applicable since the company has not given any loans and advances.
 - (d) The reporting under this clause regarding overdue of amount more than 90 days is not applicable since the company has not given any loans and advances.
 - (e) The reporting under this clause regarding renewed or extended or fresh loans granted to settle over dues is not applicable since the company has not granted any loans and advances.
 - (f) The reporting under this clause regarding any loans or advances in the nature of loans granted which are either repayable on demand or without specifying the any terms or period of repayment is not applicable since the company has not granted any loans and advances.
- (iv) The Company has not granted any loans or given guarantees or provided security to directors or to persons in whom the directors are interested and hence the provisions of section 185 of the Companies Act, 2013 are not applicable.

In respect of investment made by the company, the company has complied with the provisions of section 186 of the Companies Act, 2013. The company has not made investments through investment companies.

The company has not provided any loan or security to any body corporate and hence the provisions of section 186 the Companies Act, 2013 are not applicable to this extent.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the 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) In respect of statutory dues:
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Service Tax, Income Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Service Tax, Income Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

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(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the statute	Nature of dues	Amount Disputed (Rupees in crores)	Amount Paid under Protest (Rupees in crores)	Net Disputed Amount (Rupees in crores)	Forum where dispute is pending	Period to which the dues belong
Service Tax(Finance) Act, 1994	Service Tax	0.11	0.01	0.10	Commissioner (Appeals)	April 2016 - June 2017
GST Act, 2017	Input Transition Credit	1.29	–	1.29	High Court of Madras	Sep 2014 – Feb 2015, June 2015 & Oct 2015
Customs Act, 1962	Customs Duty	0.37	–	0.37	CESTAT	13/12/2002
Value Added Tax	Value Added Tax	0.08	0.08	–	TNSTAT	April 2009-March 2010
Customs Act, 1962	Customs Duty	21.64	–	21.64	Commissioner (Customs)	March 2012-January 2013
Customs Act, 1962	Customs Duty	0.09	0.01	0.08	CESTAT	18/01/2018
Customs Act, 1962	Cenvat	3.71	0.28	3.43	CESTAT	April 2012 to January 2016
Customs Act, 1962	Cenvat	1.39	0.10	1.29	CESTAT	February 2016 to June 2017
Income Tax Act, 1961	Demand under 80IA	4.86	0.97	3.89	CIT (Appeal)	AY 2017-18 to AY 2020-21.
GST Act, 2017	GST	8.13	0.71	7.42	GST (Commissioner of Appeals)	April 2017 to March 2022

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- (viii) There were no transactions relating to previously unrecorded income 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 has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) The Company has not taken any term loan during the year and hence reporting under this clause is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate Companies, and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report required under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints was received by the company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered in to any non-cash transactions with its Directors or persons connected with its directors. and hence

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provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) (a) In our opinion, 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 during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization 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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer 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. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There are no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For Suri & Co.

Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M

Partner
Membership No. 229694
UDIN : 24229694BKARKS4488

Place : Chennai
Date : 27.04.2024

Annexure B to the Independent Auditors' report

(Referred to in our report of even date)

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 M/s Seshasayee Paper and Boards Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Institute of Chartered Accountants of India. 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 with reference to the financial statements were 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 system 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 with reference to the financial statements, 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 with reference to the financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

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, 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 to future periods are subject to the risk that the internal financial control with reference to the financial statements 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 system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to the financial statements 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.

For Suri & Co.

Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M

Partner
Membership No.229694
UDIN : 24229694BKARKS4488

Place : Chennai
Date : 27.04.2024

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2024

Particulars	Note No.	As at 31-03-2024 ₹ crores	As at 31-03-2023 ₹ crores
(A) ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	2	774.49	793.70
(b) Capital Work-in-Progress	2(A)	35.06	19.87
(c) Other Intangible Assets	2(B)	1.50	1.93
(d) Financial Assets			
(i) Investments	3	188.68	151.97
(ii) Other Financial Assets	4	153.72	176.26
(e) Other Non-Current Assets	5	115.75	19.06
Total Non-Current Assets		1269.20	1162.79
2 Current Assets			
(a) Inventories	6	287.91	240.88
(b) Financial Assets			
(i) Trade Receivables	7	119.00	95.19
(ii) Cash and Cash Equivalents	8	8.56	50.47
(iii) Bank balances other than (ii) above	9	598.54	445.48
(iv) Others	10	1.46	1.39
(c) Current Tax Assets (Net)	11	0.75	–
(d) Other Current Assets	12	31.98	23.34
Total Current Assets		1048.20	856.75
Total Assets		2317.40	2019.54
(B) EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	13	12.04	12.04
(b) Other Equity	14	1825.49	1564.25
Total Equity		1837.53	1576.29

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2024 (Contd.)

Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
		₹ crores	₹ crores
II LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	17.60	16.69
(b) Provisions	16	20.32	21.88
(c) Deferred Tax Liabilities (net)	17	127.66	121.56
Total Non-current Liabilities		165.58	160.13
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	21.00	–
(ii) Trade Payables			
A) Total outstanding dues of Micro and Small Enterprises	19	19.01	8.00
B) Total outstanding dues of creditors other than Micro and Small Enterprises	19	240.34	224.97
(iii) Other Financial Liabilities	20	21.80	22.75
(b) Other Current Liabilities	21	7.78	5.99
(c) Provisions	22	4.36	12.85
(d) Current Tax Liabilities (net)	23	–	8.56
Total Current Liabilities		314.29	283.12
Total Equity and Liabilities		2317.40	2019.54

See accompanying Notes to the Standalone Financial Statements.

For SURI & CO
Chartered Accountants
Regn. No.004283S

SANJEEV ADITYA M
Membership No.229694
Partner
UDIN: 24229694BKARKS4488

Chennai
April 27, 2024

N GOPALARATNAM
(DIN NO. 00001945)
Chairman

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

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

A L SOMAYAJI (DIN No. 00049772)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
DR NANDITHA KRISHNA (DIN No. 00906944)
Sri S DURGASHANKAR (Din No.00044713)
Smt SHEELA BALAKRISHNAN,(DIN No. 05180044)
HANS RAJ VERMA (DIN No. 00130877)
T RITTO CYRIAC (DIN: 07951031)
Directors

S SRINIVAS
Sr. Vice President & CFO

K NARAYANAN
Company Secretary

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Note No.	Year ended			
		31-03-2024	Year ended 31-03-2023		
		₹ crores	₹ crores	₹ crores	₹ crores
I Revenue from Operations	24	1801.56		2082.53	
II Other Income	25	51.48		30.52	
III Total Income (I+II)			1853.04		2113.05
IV Expenses					
Cost of Materials Consumed	26	1032.48		955.22	
Purchase of Stock-in-Trade	27	26.60		24.30	
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(-) 95.28		13.75	
Employee Benefits Expense	29	92.88		97.90	
Finance Cost	30	2.14		3.19	
Depreciation and Amortisation Expenses	31	43.81		45.25	
Other Expenses	32	405.01		457.30	
Total Expenses (IV)			1507.64		1596.91
V Profit before Exceptional Items and Tax (III-IV)			345.40		516.14
VI Exceptional Items			-		-
VII Profit / (Loss) Before Tax (V+VI)			345.40		516.14
VIII Tax Expenses	33				
(1) Current Tax		86.30		129.94	
(2) Deferred Tax		(-) 0.27		(-) 0.34	
			86.03		129.60
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)			259.37		386.54

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024 (contd.)

Particulars	Note No.	Year ended 31-03-2024	Year ended 31-03-2023
		₹ crores	₹ crores
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)		259.37	386.54
X Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Profit or Loss			
(i) Remeasurement benefit of the Defined Benefit Plans		9.69	(-) 11.69
(ii) Net Fair Value Gain on investment in Equity Instruments through OCI		34.74	9.45
(iii) Income Tax relating to items that will not be reclassified to Profit or Loss		<u>(-) 6.38</u>	1.92
		38.05	(-) 0.32
B (i) Items that will be reclassified to Profit or Loss		(-) 0.05	(-) 0.63
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		<u>0.01</u>	0.16
		(-) 0.04	(-) 0.47
Total Other Comprehensive Income (A + B)		38.01	(-) 0.79
XI Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the Period) (IX+X)		297.38	385.75
XII Earnings per Equity Share	39		
(face value of ₹ 2 each)			
(1) Basic		43.06	64.18
(2) Diluted		43.06	64.18

See accompanying notes to the Standalone Financial Statements.

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SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024
A) EQUITY SHARE CAPITAL

Particulars	No. of Shares		₹ crores	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
	Balance at the beginning of the reporting year	63068140	63068140	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.1.13)	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 ₹ crores

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve				
Balance as at April 01, 2023 (A)	37.16	3.60	1000.00	428.87	106.51	0.04	1564.25
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	37.16	3.60	1000.00	428.87	106.51	0.04	1564.25
Additions during the year	-	-	-	259.37	-	-	259.37
Profit for the year	-	-	-	7.25	-	-	7.25
Items of OCI for the year (net of taxes)	-	-	-	-	30.80	-	30.80
Remeasurement benefit of Defined Benefit Plans	-	-	-	-	-	-	-
Net Fair Value Gain on Investment in equity Instruments through OCI	-	-	-	-	-	(-) 0.04	(-) 0.04
Items that will be reclassified to Profit or loss	-	-	-	266.62	30.80	(-) 0.04	297.38
Total Comprehensive Income for the Year 2023-24(B)	-	-	-	1.70	-	-	1.70
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.13) (C)	-	-	-	37.84	-	-	37.84
Reductions during the Year	-	-	(-) 100.00	100.00	-	-	-
Dividends	-	-	(-) 100.00	137.84	-	-	-
Transfer to General reserve	-	-	(-) 100.00	137.84	-	-	-
Total (D)	37.16	3.60	1000.00	559.35	137.31	-	1825.49
Balance as at 31-03-2024 (A+B+C-D)	37.16	3.60	1000.00	559.35	137.31	(-) 11.93	1825.49

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024 (contd.)

₹ crores

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve				
Balance as at April 01, 2022 (A)	37.16	3.60	900.00	166.14	98.08	(-) 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	98.08	(-) 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 - Investment in Company Shares (Refer Note No.1.13) (C)	-	-	-	0.71	-	-	0.71
Reductions during the year							
Dividends	-	-	-	-	-	-	-
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	106.51	(-) 11.93	1564.25

For SURI & CO
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Company Secretary

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

	Refer Note	Year ended 31-03-2024	Year ended 31-03-2023
		₹ crores	₹ crores
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		345.40	516.14
Adjustments for:			
Add:			
Property Plant and Equipment (PPE) discarded		0.05	0.06
Depreciation and Amortisation Expenses	31	43.81	45.25
Imputed Finance Charge on Interest Free Sales Tax Defferal Loan (IFSTD)	30	-	0.27
Interest and financing charges	30	2.14	2.22
		46.00	47.80
		391.40	563.94
Less:			
Interest income from Term Deposits		42.02	23.25
Dividend Income from Investments	25(b/c)	3.29	2.57
Deferred income arising from government grant	25(d)	-	1.10
Profit / (Loss) on sale of PPE		3.53	0.19
		48.84	27.11
Operating profit before working capital changes		342.56	536.83
Changes in working capital:			
(Increase) / Decrease in Inventories	6	(-) 47.03	(-) 116.76
(Increase) / Decrease in Trade Receivables	7	(-) 23.81	6.09
(Increase) / Decrease in Other Assets	e ^	(-) 1.52	(-) 2.13
Increase / (Decrease) in Liabilities and Provisions	h ^	27.62	33.56
		(-) 44.74	(-) 79.24
Income tax paid		(-) 95.62	(-) 129.13
Net cash from operating activities *		202.20	328.46

* Net of CSR Expenditure Outgo refer Note 34 (D) - ₹ 4.21 crores (Previous Year ₹ 3.42 crores)

^ - Refers to the Notes to Cash Flow Statement

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

	Refer Note	Year ended 31-03-2024	Year ended 31-03-2023
		₹ crores	₹ crores
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	f ^	(-) 39.84	(-) 31.96
Outflow towards "Right of Use" Assets	37	-	(-) 0.02
Investment in Equity Instruments	3	(-) 1.96	-
Amount paid for acquisition of assets of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation on a going concern basis	4 (c)	(-) 2.00	(-)105.00
Sale of Property, Plant and Equipment		3.96	0.26
Dividend Income from Investments	25(b/c)	3.29	2.57
(Increase) / Decrease in Term Deposits	g ^	(-) 230.70	(-)260.86
Interest income from Term Deposits		42.02	23.25
Net cash used in investing activities		<u>(-) 225.23</u>	<u>(-) 371.76</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	i ^	-	(-) 4.37
Increase / (Decrease) in Secured Loans	i ^	21.00	-
Dividend paid	14	(-) 37.84	(-) 15.76
Interest and financing charges	30	(-) 2.04	(-) 2.22
Net cash used in financing activities		<u>(-) 18.88</u>	<u>(-) 22.35</u>
Net increase / (Decrease) in cash and cash equivalents (I)		<u>(-) 41.91</u>	<u>(-) 65.65</u>
Cash and cash equivalents as at the beginning of the Year (II)		50.47	116.12
Cash and cash equivalents as at the end of the Year (I + II) **	8	8.56	50.47
** Includes following balances held in EEFC Accounts			
-- Amount in US \$ (Mn)		0.79	0.15
-- Equivalent amount in ₹ crores		6.59	1.23

^ - 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 Statement of Cash flow has been prepared following the indirect method.
- c During the current year (and previous year), the Company did not have any change in assets / liabilities, arising from following activities, affecting the cashflows :
 - (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.
- d Refer Note No. 36(B)(3) for the amount of undrawn borrowing facilities.

SESHASAYEE PAPER AND BOARDS LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

	Refer Note	Year ended 31-03-2024	Year ended 31-03-2023
		₹ crores	₹ crores
e (Increase) / Decrease in Other Assets			
Changes as per Balance Sheet in:			
Other Non-Current Financial Assets	4 (a)	(-) 4.82	(-) 2.52
Other Non-Current Assets	5	10.31	(-) 13.08
Current Financial Asset - Others	10	(-) 0.07	5.81
Other Current Assets	12	(-) 8.64	6.95
		<u>(-) 3.22</u>	<u>(-) 2.84</u>
Add : Income From SPB Equity Shares Trust to be received	14	1.70	0.71
		<u>(-) 1.52</u>	<u>(-) 2.13</u>
f Purchase of Property, Plant and Equipment			
Additions as per Property, Plant and Equipment	2	(-) 24.65	(-) 24.93
Additions as per Intangible Assets	2B	-	(-) 1.03
Changes in Capital Work in Progress	2A	(-) 15.19	(-) 6.00
		<u>(-) 39.84</u>	<u>(-) 31.96</u>
g (Increase) / Decrease in Term Deposits			
Changes as per Balance Sheet in:			
Bank Deposits with more than 12 months Maturity	4(b)	(-) 77.64	(-) 28.60
Bank Balances other than Cash and Cash Equivalents	9	(-) 153.06	(-) 232.26
		<u>(-) 230.70</u>	<u>(-) 260.86</u>
h Increase / (Decrease) in Liabilities and Provisions			
Changes as per Balance Sheet in:			
Non-Current Other Financial Liabilities	15	0.91	1.14
Non-Current Provisions	16	(-) 1.56	3.28
Trade Payables	19	26.38	37.39
Other Current Financial Liabilities	20	(-) 0.95	(-) 6.93
Other Current Liabilities	21 a/b	1.79	0.21
Current Provisions	22	(-) 8.49	10.79
		<u>18.08</u>	<u>45.88</u>
Less: Remeasurement of Defined benefit plan		(-) 9.69	11.69
Add : Adjustment for Items that will be reclassified to P&L		(-) 0.05	(-) 0.63
Less: Interest Accrued but not due on Borrowings adjusted		(-) 0.10	-
		<u>27.62</u>	<u>33.56</u>

NOTE NO 1:NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Company Background

Seshasayee Paper and Boards Limited (CIN : L21012TZ1960PLC000364) 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 – 638007, 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. The Company had acquired the assets of M/s Servalakshmi Paper Limited under Insolvency and Bankruptcy code, as a going concern. This new unit is expected to have a capacity to produce 75000 tonnes of paper. The Unit is yet to commence its operations (Refer Note No.1.14).

Material Accounting Policies Information and Key Accounting Estimates and Judgements

A. Material Accounting Policies Information

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 standalone financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company and all values are rounded to the nearest crores, except where otherwise indicated.

Entity specific disclosure of material accounting policies where Ind AS permits options is disclosed hereunder.

The company has assessed the materiality of the accounting policy information which involves exercising judgements and considering both qualitative and quantitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Entity's conclusion that an accounting policy is immaterial does not affect the disclosures requirements set out in the accounting standards.

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.

1.1 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.

1.2 Current / Non-Current classification

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.

1.3 Property, Plant and Equipment (PPE)

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.

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.

SESHASAYEE PAPER AND BOARDS LIMITED

- (i) 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.
- (ii) 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.
- (iii) 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 assets 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.
- (iv) 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.
- (v) 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.

1.4 Revenue Recognition

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 considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government).

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.

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.

1.5 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.

1.6 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 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.

Export Benefits are recognized as Income in the year of exports. Entitlements pending realisation are disclosed under Other Financial Assets.

1.7 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 as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary.

1.8 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.

1.9 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.

1.10 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

a. Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost. The debt instruments carried at amortised cost include Deposits, Loans and Advances recoverable in cash.

- ◇ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ◇ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

i. Investments in Equity Instruments 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.

b. 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.

1.11 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.

1.12. 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.

1.13 Treatment of shares held by SPB Equity Shares Trust

Pursuant to the Scheme of Amalgamation of SPB Papers Limited with the Company, 5,68,181 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.

1.14 Acquisition of the Assets of M/s Servalakshmi Papers Limited, Corporate Debtor in Liquidation, as a going concern

The Company participated and emerged as the sole successful bidder in the e-auction held on 19.09.2022, for the sale of assets of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate Debtor), on a Going Concern basis and the company had remitted the entire bid value of ₹105.0 crores in the month of October 2022.

The e-auction was for sale of assets of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate debtor) on a Going Concern basis, without liabilities, on "As is where is basis", "As is what is basis", "Whatever there is basis" and "Without any recourse basis", under the provisions of Insolvency and Bankruptcy Code, 2016 read with Regulation 32(e) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and pursuant to the directions contained in Order of Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT").

The Hon'ble NCLT, Chennai Bench vide its Order dated May 12, 2023 had approved the application filed by the Liquidator for confirmation of sale of assets of M/s.Servalakshmi Paper Limited (Corporate Debtor) (In Liquidation) as a Going Concern, in favour of M/s. Seshasayee Paper and Boards Limited (SPB) and dismissed / disposed of other appeals against the auction.

Consequent to the order of the Hon'ble NCLT dated 12.05.2023, the official liquidator of the Corporate Debtor has Issued Sale Certificate dated 24.05.2023 and has completed the physical

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handing over of the possession of land and factory premises located at Kodaganallur Village, Vaduganpatti Post, I.C.Pettai, Tirunelveli – 627 010 of Servalakshmi Paper Limited (In Liquidation) on 24.05.2023 to SPB, as per direction in the Order dated 12/05/2023 of Hon'ble NCLT, Chennai Bench and the company remitting additional Rs.2.0 crores as per the directions in the said NCLT order.

Appeals challenging the aforesaid Hon'ble NCLT's Order have been filed in Hon'ble NCLAT, which are pending.

The Board of Directors of the company in their meeting held on 21.03.2024 have approved carrying the assets of Servalakshmi Unit, comprising of land, building and Plant & Machinery, in the books of SPB and the Company has classified the amount of ₹ 107.0 crores as "Other Non-Current Assets" as on 31.03.2024..

1.15 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.

1.16 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.

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.

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 Statement 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.

g. Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

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2. PROPERTY, PLANT AND EQUIPMENT

₹ crores

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 31.03.2024	As at 31.03.2023
Land	4.34	—	—	4.34	—	—	—	—	4.34	4.34
Buildings										
- Free Hold	116.94	1.35	0.02	118.27	31.01	3.20	—	34.21	84.06	85.93
- Right of Use Assets	0.14	—	—	0.14	0.02	0.01	—	0.03	0.11	0.12
Plant and Equipment	913.74	22.63	0.41	935.96	214.95	39.37	0.01	254.31	681.65	698.79
Furniture and Fixtures	2.25	0.04	—	2.29	0.58	0.07	—	0.65	1.64	1.67
Vehicles	3.03	0.33	0.18	3.18	1.72	0.23	0.12	1.83	1.35	1.31
Office Equipment	4.75	0.30	0.02	5.03	3.21	0.49	0.01	3.69	1.34	1.54
	1045.19	24.65	0.63	1069.21	251.49	43.37	0.14	294.72	774.49	793.70

₹ 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	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

- (i) Refer Note No 35(b) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
- (ii) Refer Note No 36(B) (3) (i) for charge created on Property, Plant and Equipment
- (iii) Amount written off on reduction of capital or revaluation of assets - NIL (Previous Year - NIL)
- (iv) Asset has been acquired through business combinations - NIL (Previous Year - NIL)
- (v) Impairment losses or reversals of assets - NIL (Previous Year - NIL)

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2 (A) CAPITAL WORK-IN-PROGRESS

₹ crores

Description	Net Carrying Amount	
	As at 31-03-2024	As at 31-03-2023
Opening Balance	19.87	13.87
Add: Additions to Capital Work-In-Progress during the year ^	39.84	31.96
Less: Assets Capitalised during the year **	24.65	25.96
Closing Balance	35.06	19.87

Refer 34(B) for Ageing of Capital Work in Progress

** Includes Intangible assets capitalised (Refer Note No. 1.5 and 2B)

^ Pre operative expenses capitalised during the year - Nil (Previous Year -Nil)

2(B) OTHER INTANGIBLE ASSETS

₹ crores

Description	Gross carrying Amount				Amortisation				Net Carrying Amount	
	As at 01-04-2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 01-04-2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Computer Software	2.80	-	-	2.80	1.21	0.38	-	1.59	1.21	1.59
Technical Know-How	1.41	-	-	1.41	1.07	0.05	-	1.12	0.29	0.34
	4.21	0.00	-	4.21	2.28	0.43	-	2.71	1.50	1.93

₹ 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

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	No of shares	Face Value ₹	As at 31-03-2024 ₹ crores	As at 31-03-2023 ₹ 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 (Previous Year 265830 shares of Face Value of ₹ 2 each)**	-	2	-	69.79
HDFC Bank Limited (Previous Year 5000 shares of Face Value of ₹ 1 each)**	451594	1	65.39	0.81
** Change on account of Merger of Housing Development Finance Corporation Limited with HDFC Bank Limited.				
High Energy Batteries (India) Limited (Previous Year - 1414555 Shares of face value ₹ 2 each; current year addition of 35095 shares at a cost of ₹ 1.96 crores)	1449650	2	87.14	45.51
Tamilnadu Newsprint and Papers Limited	100000	10	2.47	2.18
Total Quoted Equity Shares			174.60	137.89
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			188.68	151.97
Aggregate amount of :				
Quoted Investments - Cost			26.57	24.61
Quoted Investments - Market value			249.89	211.71
Unquoted Investments - Cost			14.08	14.08
Impairment in value of Investments			-	-
Refer Note No. 1.2 on determination of fair value.				

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	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
4 OTHER FINANCIAL ASSETS (Non-Current)		
a) Security Deposit	12.57	7.75
b) Bank Deposits with more than 12 months Maturity **	141.15	63.51
c) Amount paid for acquisition of Assets of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation, on a going concern basis #	—	105.00
	153.72	176.26
# Refer Note 1.14		
** Includes ₹ 6.06 crores bank deposits designated as Margin Money against the Letters of Credit / Bank Guarantees issued by Company's Bankers (Previous Year -₹ 15.39 crores)		
5 OTHER NON-CURRENT ASSETS		
Capital Advances	2.32	14.06
Prepaid expenses	0.34	0.56
Charges paid under Protest @	6.09	4.44
Amount paid for acquisition of Assets of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation, on a going concern basis #	107.00	—
# Refer Note 1.14	115.75	19.06
@ Includes		
- Energy Charges paid under protest to TNERC (Refer Note No. 35(a)(iv))	2.00	2.00
- Duties & Taxes paid under protest (Refer Note No. 35(a)(i))	2.18	0.52
- 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	0.81
6 INVENTORIES		
Raw Materials *	91.39	123.25
Work- in- Progress	9.61	6.02
Finished Goods	91.57	—
Stock-in-Trade	0.58	0.46
Stores and Spares (Note 1)	20.10	18.43
Chemicals, Fuels and others ^ (Note 2)	74.66	92.72
	287.91	240.88
* Includes Material In Transit	12.05	1.62
^ Includes Material In Transit	2.85	2.78
* Includes Material with Agent appointed by the Company	12.24	18.44
^ Includes Material with Agent appointed by the Company	44.76	50.40

(For method of valuation, please refer to Note No.1.5)

(Please refer Note No.36(B)(3)(i) for security created on Inventories)

Note 1: The Inventory is net of provisions for non-moving inventory of ₹ 0.80 crores (Previous Year ₹ 0.50 crores)

Note 2: The Inventory is net of provisions for non-moving inventory of ₹ 0.75 crores (Previous Year ₹ 0.55 crores)

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	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
7 TRADE RECEIVABLES		
a) Considered Good - Secured	15.60	30.53
b) Considered Good - Unsecured	103.40	64.66
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>119.00</u>	<u>95.19</u>
* Unadjusted credits, adjustable against Trade Receivables, grouped under Trade Payables	12.70	22.53
(Please refer Note No.36(B)(3)(i) for security created on Receivables)		

Ageing Schedule : As at 31-03-2024 ₹ crores

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	1 - 2 years	2 - 3 years	More than 3 years	6 months - 1 year	
UNDISPUTED							
(i) Considered good	105.29	13.26	0.23	0.15	0.04	0.03	119.00
(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>105.29</u>	<u>13.26</u>	<u>0.23</u>	<u>0.15</u>	<u>0.04</u>	<u>1.96</u>	<u>120.93</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>119.00</u>

Ageing Schedule : As at 31-03-2023 ₹ crores

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	1 - 2 years	2 - 3 years	More than 3 years	6 months - 1 year	
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
	<u>90.78</u>	<u>3.99</u>	<u>0.25</u>	<u>0.06</u>	<u>0.08</u>	<u>1.96</u>	<u>97.12</u>
Less : Allowance for bad and doubtful debts							1.93
							<u>95.19</u>

Unbilled dues -NIL (Previous Year -NIL) Refer Note 38 for dues from Related Parties

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024 ₹ crores	As at 31-03-2023 ₹ crores
8 CASH AND CASH EQUIVALENTS		
Balances with banks	8.26	25.21
Term deposits with original maturity of less than 3 months	–	25.03
Cash on hand	0.30	0.23
	8.56	50.47
9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	1.37	1.28
Term deposits with original maturity for more than 3 months but less than 12 months *	597.17	444.20
	598.54	445.48
* Includes ₹ 212.06 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 205.51 crores)		
10 OTHER CURRENT FINANCIAL ASSETS		
a) Export Incentive Receivable ^	1.43	1.33
b) Derivative Asset / (Liability)	0.03	0.06
	1.46	1.39
^ Includes scrips / scrolls received pending utilisation		
11 CURRENT TAX ASSET (NET)		
Income tax (Net of provisions) **	0.75	–
	0.75	–
** Net off ₹ 5.76 crores, provision for uncertainty expected in allowance of incomes claimed as not taxable.		
12 OTHER CURRENT ASSETS		
A. Advances other than Capital Advances:		
a) Advances for purchase of goods and services	11.79	10.71
b) Advance to Employees	2.41	5.81
B. Others		
a) Prepaid expenses	2.15	2.55
b) Balance with Government Authorities		
- GST Receivable	12.50	1.27
c) Other receivable #	3.13	3.00
	31.98	23.34
# includes refund receivable under the erstwhile VAT Act	0.76	0.76
# includes dues from SPB Equity Shares Trust	1.62	1.59

13 EQUITY SHARE CAPITAL	₹ crores	
	As at 31-03-2024	As at 31-03-2023
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.1.13)	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 31-03-2024		As at 31-03-2023	
	No of Shares	₹ crores	No of Shares	₹ crores
At the beginning of the year	63068140	12.61	63068140	12.61
Change During the Year	-	-	-	-
At the end of the year	63068140	12.61	63068140	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.

SESHASAYEE PAPER AND BOARDS LIMITED

c) Details of shareholders holding more than 5% Equity Shares in the Company

Name of Share Holders	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
(a) Tamilnadu Industrial Investment Corporation Limited	9000000	14.27	9000000	14.27
(b) Ponnì Sugars (Erode) Ltd (Associate)	8840905	14.02	8840905	14.02
(c) Synergy Investments Pte Ltd	7738475	12.27	7738475	12.27
(d) Time Square Investments (P) Ltd	6378284	10.11	6378284	10.11
(e) Atyant Capital India Fund I	3383140	5.36	3383140	5.36

d) Shareholding of Promoters

S. No	Promoter name	As at 31-03-2024		As at 31-03-2023		Change in %
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Ponni Sugars (Erode) Limited	8840905	14.018	8840905	14.018	-
2	Synergy Investments Pte Limited	7738475	12.270	7738475	12.270	-
3	Time Square Investments Private Limited	6378284	10.113	6378284	10.113	0.05
4	Dhanashree Investments Private Limited	2951290	4.680	2951290	4.680	-
5	Ultra Investments and Leasing Co.Pvt Ltd	926480	1.469	926480	1.469	-
6	High Energy Batteries (India) Limited	51645	0.082	51645	0.082	-
7	SPB Projects and Consultancy Limited	11360	0.018	11360	0.018	-
8	N Gopalaratnam	78155	0.124	78155	0.124	-
9	K S Kasi Viswanathan	2910	0.005	2910	0.005	-
		26979504	42.779	26979504	42.779	0.05

The above % holdings of Share Capital and the reconciliation of Share Capital is presented without netting off the shares held by SPB Equity Shares Trust.

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14 OTHER EQUITY

₹ Crores

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve				
Balance as at April 01, 2023 (A)	37.16	3.60	1000.00	428.87	106.51	(-) 11.93	1564.25
Additions during the year							
Profit for the year	-	-	-	259.37	-	-	259.37
Items of OCI for the year (net of taxes)							
Remeasurement of Defined Benefit Plans	-	-	-	7.25	-	-	7.25
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-	30.80	-	30.80
Items that will be reclassified to Profit or Loss	-	-	-	-	-	(-) 0.04	(-) 0.04
Total Comprehensive Income for the FY 2023-24 (B)	-	-	-	266.62	30.80	(-) 0.04	297.38
Income from SPB Equity Shares Trust (Refer Note No.1.13) (C)	-	-	-	1.70	-	-	1.70
Reductions during the Year							
Dividend	-	-	-	37.84	-	-	37.84
Transfer to General reserve	-	-	(-) 100.00	100.00	-	-	-
Total (D)	-	-	(-) 100.00	137.84	-	-	37.84
Balance As at 31-03-2024 (A+B+C-D)	37.16	3.60	1100.00	559.35	137.31	(-) 11.93	1825.49

SESHASAYEE PAPER AND BOARDS LIMITED

₹ Crores

14 OTHER EQUITY (Contd.)

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve				
Balance as at April 01, 2022 (A)	37.16	3.60	900.00	98.08	0.51	(-) 11.93	1193.56
Additions during the year							
Profit for the year	-	-	-	-	-	-	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 FY 2022-23 (B)	-	-	-	8.43	(0.47)	-	385.75
Income from SPB Equity Shares Trust (Refer Note No.1.13) (C)	-	-	-	0.71	-	-	0.71
Reductions during the Year							
Dividend	-	-	-	-	-	-	15.77
Transfer to General reserve	-	(-) 100.00	-	-	-	-	-
Total (D)	-	(-) 100.00	115.77	-	-	-	15.77
Balance As at 31-03-2023 (A+B+C-D)	37.16	3.60	1000.00	106.51	0.04	(-) 11.93	1564.25

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 primarily represents gain on Business Combination 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.

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
15 OTHER FINANCIAL LIABILITIES		
(Non-Current Financial Liabilities)		
Security deposits	17.60	16.69
	17.60	16.69
16 PROVISIONS		
(Non-Current Liabilities)		
a) Provision for Employee Benefits:		
Provision for Leave Encashment and Retirement Benefit	12.21	13.77
b) Others:		
Provision for Generation tax *	8.11	8.11
	20.32	21.88

* Provisions made during the Year ₹ 1.08 crores
(Previous Year ₹ 1.31 crores)

* Settled during the Year ₹ 1.08 crores
(Previous Year ₹ 1.31 crores)

17 DEFERRED TAX LIABILITY (NET)

₹ crores

Particulars	As at 01-04-2023	Recognised in		As at 31-03-2024
		Statement of P&L during 2023-24	OCI 2023-24	
Deferred Tax Liabilities				
Difference between WDV of PPE as per the books of accounts and Income Tax Act, 1961.	127.03	(-) 0.44	-	126.59
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-) 6.98	0.17	-	(-) 6.81
Difference in carrying value and tax base of Interest Free Sale Tax Loan measured at FVTPL	-	-	-	-
Taxes on Items of Other Comprehensive Income	1.50	-	6.38	7.88
Income Tax relating to Items that will be reclassified to Profit or loss	0.01	-	(-) 0.01	-
Deferred Tax Liability	121.56	(-) 0.27	6.37	127.66

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17 DEFERRED TAX LIABILITY (NET) (Contd.)

₹ crores

	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 claimed 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

**As at
31-03-2024
₹ crores**

As at
31-03-2023
₹ crores

18 BORROWINGS

Secured

From Banks

Export Packing Credit from HDFC Bank

21.00

-

21.00

-

Please refer Note No.36(B)(3)(i) for security details for the Short-term Borrowings)

19 TRADE PAYABLES

a) Total outstanding dues of Micro and Small Enterprises	19.01	8.00
b) Total Outstanding dues of creditors other than Micro and Small Enterprises	240.34	224.97
	259.35	232.97

* For dues to Related Parties - (refer note 38)

19 (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.

19 (ii) Disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows

SESHASAYEE PAPER AND BOARDS LIMITED

17 DEFERRED TAX LIABILITY (NET) (Contd.)

₹ crores

	FY 2023-24	FY 2022-23
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	19.01	8.00
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

19 (iii) - Trade Payables - Ageing Schedule as on 31-03-2024

₹ 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)	19.01	-	-	-	-	19.01
(ii) Others	210.76	28.55	0.53	0.37	0.13	240.34
(iii) Disputed dues - MSE	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	229.77	28.55	0.53	0.37	0.13	259.35

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

* 'Not due' includes 'unbilled and accrued expenses / liabilities' as on 31.03.2024 ₹ 84.13 crores
(As on 31.03.2023 - ₹ 59.02crores.)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
20 OTHER FINANCIAL LIABILITIES (Current)		
Interest Accrued but not due	0.10	–
Unpaid Dividends *	1.37	1.28
Others:		
- Payable for capital expenditure	0.97	0.99
- Security Deposit	2.04	1.84
- Retention Monies	6.73	8.62
- Employees dues	10.59	10.02
	21.80	22.75
* Due for transfer to IEPF as at the end of the year -Nil (Previous Year - Nil)		
21 OTHER CURRENT LIABILITIES		
Other liabilities:		
(a) Advances received from Customers #	2.02	1.60
(b) Statutory Liabilities	5.76	4.39
	7.78	5.99
# Revenue recognised during the year from the Opening Advances ₹ 1.60 crores (Previous Year ₹ 1.19 crores)		
22 PROVISIONS		
Provision for Employee Benefits:		
Provision for Gratuity, Leave Encashment and Retirement Benefit	4.36	12.85
	4.36	12.85
23 CURRENT TAX LIABILITIES		
Income Tax (net) **	–	8.56
	–	8.56

** Balance as on 31.03.2023 includes ₹ 5.76 crores provision for uncertainty expected in allowance of incomes claimed as not taxable.

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2024		Year ended 31-03-2023	
	₹ crores	₹ crores	₹ crores	₹ crores
24 REVENUE FROM OPERATIONS				
A) REVENUE FROM SALE OF PRODUCTS				
Paper and Paper Boards				
India	1535.96		1642.90	
Rest of the World	216.80		379.84	
		<u>1752.76</u>		<u>2022.74</u>
Stock in Trade				
India		<u>27.31</u>		<u>28.78</u>
		<u>1780.07</u>		<u>2051.52</u>
Break-up of Revenue from Sale of Products - Transacted Price and adjustments				
Sales Value at Transacted price		1885.11		2161.75
Less : Adjustments:				
Cash Discount		38.79		47.97
Other Discounts / Incentives		66.25		62.26
		<u>105.04</u>		<u>110.23</u>
		<u>1780.07</u>		<u>2051.52</u>
B) OTHER OPERATING INCOME				
Export Benefits / Incentives		4.68		8.22
Sale of Scrap and Others		16.81		22.79
		<u>21.49</u>		<u>31.01</u>
		<u>1801.56</u>		<u>2082.53</u>
25 OTHER INCOME				
(a) Interest Income				
- On financial assets carried at Amortised Cost		44.27		23.98
(b) Dividend Income from Equity Investments measured at fair value through OCI		1.76		1.27
(c) Dividend Income from Equity Investments in Associate		1.53		1.30
(d) Government Grant		-		1.10
(e) Net Exchange Gain		0.02		-
(f) Others		3.90		2.87
		<u>51.48</u>		<u>30.52</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2024		Year ended 31-03-2023	
	₹ crores	₹ crores	₹ crores	₹ crores
26 COST OF MATERIALS CONSUMED				
Raw material				
i) Wood	425.50		344.02	
ii) Bagasse	26.78		26.55	
iii) Purchased Pulp	159.81		114.99	
iv) Waste Paper	65.02		102.29	
	<u>677.11</u>		<u>587.85</u>	
Feeding and other Charges	8.55		9.28	
		685.66		597.13
Chemicals, Stores & Spares @		312.12		322.47
Packing Materials		34.70		35.62
		<u>1032.48</u>		<u>955.22</u>
<p>@ Includes provision for non-moving inventory - ₹ 0.50 crores (Previous Year ₹ 0.60 crores)</p> <p>@ Reversal of Write down of inventory - Nil (Previous Year ₹ Nil)</p>				
27 PURCHASE OF STOCK-IN-TRADE				
Notebook & Paper		0.93		0.25
Petroleum Products		25.67		24.05
		<u>26.60</u>		<u>24.30</u>
28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS				
Opening stock				
- Finished goods	-		11.07	
- Work in progress	6.02		5.44	
- Stock-in-Trade	0.46		3.72	
		6.48		20.23
Closing stock				
- Finished goods	91.57		-	
- Work in progress	9.61		6.02	
- Stock-in-Trade	0.58		0.46	
		101.76		6.48
		<u>(-) 95.28</u>		<u>13.75</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2024		Year ended 31-03-2023	
	₹ crores	₹ crores	₹ crores	₹ crores
29 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages		76.66		78.62
Contribution to Provident & other Funds (Refer Note No.1.7)		8.32		10.86
Staff welfare Expenses		7.90		8.42
		<u>92.88</u>		<u>97.90</u>
30 FINANCE COSTS				
Interest on financial liabilities carried at amortised cost (Effective interest rate method)				
- Interest on borrowings		0.11		-
- Interest on interest free Sales tax loan		-		0.27
Interest on Security Deposits measured at Amortised Cost		2.03		1.85
Interest - Income Tax		-		0.70
Other borrowing costs		-		0.37
		<u>2.14</u>		<u>3.19</u>
31 DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation on Property, Plant and Equipment (Refer Note No. 2)		43.37		44.91
Amortisation on Intangible assets (Refer Note No. 2(B))		0.44		0.34
		<u>43.81</u>		<u>45.25</u>
32 OTHER EXPENSES				
Power and Fuel				
(i) Purchased Power		71.63		64.27
(ii) Consumption of Fuel		185.46		216.91
(iii) Generation Tax		1.09		1.31
		<u>258.18</u>		<u>282.49</u>
Repairs and Maintenance				
- Buildings		8.00		8.55
- Plant & Machinery		45.12		44.05
- Others		2.83		3.64
		<u>55.95</u>		<u>56.24</u>
Insurance		4.68		5.09
Rent, Rates and Taxes		3.46		1.95
Selling and Distribution Expenses		52.59		80.46
Net foreign exchange loss		-		1.52
Auditors' remuneration (Refer Note No. 34 (A))		0.36		0.53
Corporate Social Responsibility expenses (Refer Note No. 34 (D))		4.21		3.42
Miscellaneous		25.58		25.60
		<u>405.01</u>		<u>457.30</u>

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
33 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	86.30	129.94
	<u>86.30</u>	<u>129.94</u>
Deferred Tax comprises:		
Deferred Tax Liability on account of depreciation	(-) 0.44	0.21
Disallowance of expenses Under Section 43B and other Temporary difference	0.17	(-) 0.76
Deferred Tax Asset on account of Interest Free Sales Tax Loan	-	0.21
	<u>(-) 0.27</u>	<u>(-) 0.34</u>
Total Tax Expense	<u>86.03</u>	<u>129.60</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 * Profit Before Tax	25.17% 345.40	25.17% 516.14
Current tax expenses on Profit Before Tax at the enacted income tax rate in India	86.93	129.90
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Tax on CSR activities	1.06	0.86
Tax On Dividend deducted u/s 80 M	(-) 0.83	(-) 0.65
Other Differences	(-) 1.13	(-) 0.51
	<u>(-) 0.90</u>	<u>(-) 0.30</u>
Total Tax for the Year	<u>86.03</u>	<u>129.60</u>
Effective rate of tax	24.91%	25.11%
* Rate as per Section 115 BAA of the Income Tax Act, 1961		
(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	(-) 2.44	2.94
Income Tax on Net Fair Value Gain/ (Loss) on Investment in Equity Instruments	(-) 3.94	(-) 1.02
B Items that will be reclassified to Profit or Loss	0.01	0.16
	<u>(-) 6.37</u>	<u>2.08</u>

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
34 (A) PAYMENT TO AUDITORS		
Statutory Audit fees	0.26	0.27
Taxation Matters	0.02	0.15
Certification work	0.08	0.08
Reimbursement of expenses	-	0.03
	0.36	0.53

34 (B) CWIP AGEING SCHEDULE

CWIP ageing Schedule as on 31-03-2024 :

₹ 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	30.75	4.31	-	-	35.06
2	Projects temporarily suspended	-	-	-	-	-
		30.75	4.31	-	-	35.06

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	-	-	-	-	-
		14.82	5.04	0.01	-	19.87

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

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
34 (C) Analytical Ratios		
(a) Current ratio (times)	3.34	3.03
<u>Current Assets</u>	1048.20	856.75
<u>Current Liabilities</u>	314.29	283.12
-- Improvement in Current Ratio by 8% mainly due to increase in Cash and Bank Balance		
(b) Debt-equity ratio (times)	0.012	0.000
<u>Total Debt</u>	21.00	0.00
<u>Shareholder's Equity</u>	1800.37	1539.13
(Note : Debt includes current and non-current borrowings)		
-- Increase due to availment of Export Packing Credit in FY 2023-24.		
(c) Debt service coverage ratio (times)	141.05	57.36
<u>Earnings available for debt service</u>	301.85	434.79
<u>Debt Service</u>	2.14	7.58
-- Increase in ratio by 147% due to reduction in Debt service		
(d) Return on equity ratio	16.76%	30.89%
<u>Net Profits after taxes – Preference Dividend</u>	259.37	386.54
<u>Average Shareholder's Equity</u>	1547.84	1251.49
-- Drop in Returns mainly due to significant increase in wood prices and drop in prices of finished products.		
(e) Inventory turnover ratio (times)	5.50	8.29
<u>Cost of goods sold</u>	1452.91	1513.26
<u>Average Inventory</u>	264.40	182.50
-- Decrease in ratio by 34% mainly due to increase in Finished goods inventory.		
(f) Trade receivables turnover ratio (times)	16.62	20.27
<u>Net Credit Sales</u>	1780.07	1991.48
<u>Avg. Accounts Receivable</u>	107.10	98.24
-- Reduction in ratio by 25% mainly due to prolonged credit terms extended amidst adverse market conditions.		
(g) Trade payables turnover ratio (times)	6.09	7.61
<u>Net Credit Purchases</u>	1499.94	1630.02
<u>Average Trade Payables</u>	246.16	214.28
-- Reduction in ratio by 22% mainly due to increase in Payables compared to reduction in overall purchase value		

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
34 (C) Analytical Ratios (Contd.)		
(h) Net working capital turnover ratio (times)	2.43	3.58
<u>Net Sales</u>	<u>1780.07</u>	<u>2051.52</u>
Working Capital	733.91	573.63
-- Reduction by 32% mainly due to increase in inventory and bank balances		
(i) Net profit ratio	14.57%	18.84%
<u>Net Profit</u>	<u>259.37</u>	<u>386.54</u>
Net Sales	1780.07	2051.52
-- Drop in Net Profits mainly due to significant increase in wood prices and drop in prices of finished products.		
(j) Return on capital employed	19.18%	33.42%
<u>Earning before interest and taxes</u>	<u>347.54</u>	<u>519.33</u>
Capital Employed	1811.72	1554.18
-- Reduction in ROCE is due to lower profits as explained above.		
(k) Return on investment		
- Core activity represented by ROCE		
- Investment in Fixed Deposits	7.1%	6.0%
	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores

34 (D) CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Disclosure with regard to CSR activities

(i) Gross amount required to be spent by the Company during the year	4.21	3.12
(ii) amount of expenditure incurred	4.21	3.42
(a) Construction/acquisition of any asset	0.29	0.57
(b) On purposes other than (ii) (a) above	3.92	2.85
(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	0.83	0.50
b) Providing infrastructure facilities in nearby villages	0.29	0.47
c) Supply of drinking water to nearby villages	1.30	1.42
d) Covid-19 relief activities	0.23	0.30
e) Others	1.56	0.73
(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

34. (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 account.

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

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Sl. No.	Disclosure requirement as per amended Schedule III	Reason for non-disclosure
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.
15	Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate	NIL
16	Buy back of shares during preceding 5 Previous Years as at which the Balance Sheet is prepared	NIL
17	Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment.	NIL
18	Shares allotted as fully paid up pursuant to contracts without payment being received in cash, during preceding 5 Previous Years.	NIL
19	Shares allotted as fully paid up by way of bonus shares, during preceding 5 Previous Years.	NIL

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	Year ended 31-03-2024 ₹ crores	Year ended 31-03-2023 ₹ crores
35 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)	7.05	7.44
(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.	29.49	27.29
(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	11.72	15.01
(vi) Demand raised by GST and Central Excise Department - 5 years Audit observations on Input tax credit disputed, Applicability of RCM on Import of Service and Dispute on GST on Canteen Services	8.13	-
(vii) 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	43.13	3.19
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	0.28	0.67

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36 (A) CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ crores

	Refer Note	Fair Value Hierarchy	Non Current		Current	
			As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
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)	Level-1	155.00	118.29	-	-
Investments in Unquoted equity shares	3(A)(b)	Level-3	0.05	0.05	-	-
Financial Assets measured at cost / 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		-	-	119.00	95.19
Cash and Cash Equivalents	8		-	-	8.56	50.47
Bank balances other than Cash And Cash Equivalents	9		-	-	598.54	445.48
Other Financial Asset	4/10	Level-1,3	153.72	176.26	1.46	1.39
Financial Liabilities measured at Fair Value through Profit and Loss						
			-	-	-	-
Financial Liabilities measured at cost / amortised cost						
Borrowings from Banks	18		-	-	21.00	-
Trade Payables	19		-	-	259.35	232.97
Other Financial Liabilities	14/20					
Interest accrued			-	-	0.10	-
Unpaid / Unclaimed Dividend			-	-	1.37	1.28
Payable towards capital expenditure			-	-	0.96	0.99
Security Deposit		Level-1	17.59	16.69	2.04	1.84
Retention Monies			-	-	6.73	8.62
Employees Dues			-	-	10.59	10.02

* Investments in these equity shares are not held for trading. Upon the application of Ind AS 109-Financial instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these Investments in the Profit or Loss may not be indicative of the performance of the Company.

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 counter parties.

36 (B) 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 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. 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'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, 2024 and has working capital borrowings only to the extent of ₹ 21.0 crores availed in the form of Export Packing Credit, which is significantly less than the total Cash and Bank balances of ₹ 747 crores as on March 31, 2024. Hence the Company doesn't have any financial liability and allied risk on this account. The Company has not entered into any of the interest rate swaps.

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

	31-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
Variable Rate Borrowings	21.00	—
Fixed Rate Borrowings	—	—
	21.00	—

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

	31-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
i. Weighted average interest rate (%)	* 6.00	—
ii. Balance (₹ crores)	21.00	—
iii. % of Total Loan	100	—

* Net of Interest Equalisation Benefits

The Company is however exposed to the risk of interest rate fluctuations on the rate of return on fixed deposits of ₹ 721.72 crores as on 31.03.2024 (excluding accrued interest), maintained by the company with State Bank of India (SBI), HDFC Bank Limited and Kotak Mahindra Bank (Fixed Deposit balance as at 31.03.2023 – ₹ 519.90 crores).

Interest Rate Sensitivity analysis

	Impact on Profit before tax	
	31-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
Interest rates - increase by 50 basis points	(-) 0.001*	—
Interest rates - decrease by 50 basis points	0.001*	—

* The working capital availment of ₹ 21.0 crores in the form of Export Packing Credit outstanding only for 33 days in FY 2023-24.

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 \$ 9.67 Mn as on 31st March 2024 (Previous

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Year – US \$ 11.87 Mn) of which US \$ 0.70 Mn (Previous Year –US \$ 1.85 Mn) is hedged with forward contracts, leaving US \$ 8.97 Mn (Previous Year –US \$ 10.02 Mn) as unhedged.

The Company is also exposed to foreign currency risk on its Exports. As on March 31, 2024, the Company had Export Receivables in Foreign Currency amounting to US \$ 2.74 Mn. (Previous Year –US \$ 2.91Mn), of which US \$ 0.5 Mn (Previous Year –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 31-03-2024 Mn US \$	As at 31-03-2023 Mn US \$
Payment Obligations, towards Imports, hedged with Forward Contracts under		
- Fair Value Approach	0.70	1.85
- Cash Flow Approach	–	–
Export Realizations hedged with Forward Contract under		
- Fair Value Approach	0.50	–
- Cash Flow Approach	–	1.95

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, 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. (Refer Note No.3 for details on Investments)

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 counter party 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.

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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 counter parties 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 13% of the receivables as on 31.03.2024 (Previous Year 32%) 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 a premier Indian Insurance Company. 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-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
Expiring within one year	40.00	61.00
Expiring beyond one year	—	—
	40.00	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.

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 default in respect of above said borrowing facilities: NIL

The Company is not a Large Corporate as per the applicability criteria given under the Chapter XII of SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on 13th April 2022).

- ii) The table below summarises the maturity profile for the remaining contractual maturity period at the Balance Sheet date for its non-derivative financial assets and liabilities-

As at 31st March 2024

₹ crores

Particulars	0-1 year	1-3 years	More than 3 years	Total
Financial assets				
Trade receivables	119.00	–	–	119.00
Fixed deposit	597.17	141.15	–	738.32
Investments	–	–	188.68	188.68
Others	12.57	–	–	12.57
Financial Liabilities				
Trade payables	259.36	–	–	259.36
Borrowings	21.00	–	–	21.00
Others	21.80	–	17.60	39.40

As at 31st March 2023

₹ crores

Particulars	0-1 year	1-3 years	More than 3 years	Total
Financial assets				
Trade receivables	95.19	–	–	95.19
Fixed deposit	469.23	63.51	–	532.74
Investments	–	–	151.97	151.97
Others	7.75	–	105	112.75
Financial Liabilities				
Trade payables	232.97	–	–	232.97
Borrowings	–	–	–	–
Others	22.75	–	16.69	39.44

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36 (C) 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 31-03-2024	As at 31-03-2023
		₹ crores	₹ crores
Equity		1837.53	1576.29
Debt		21.00	–
Cash and Bank Balances **		746.88	558.18
Cash and Bank Balances (Net off Debt)		725.88	558.18
Total Capital (Equity - Net Cash and Bank Balance)		1111.65	1018.11
Net Debt to Capital Ratio		0%	0%
** Cash and Bank Balances break up :			
(i) Cash and Cash Equivalents	8	8.56	50.47
(ii) Bank balances other than (ii) above	9	598.54	445.48
(iii) Bank Deposits with more than 12 months Maturity	4	141.15	63.51
		<u>748.25</u>	<u>559.46</u>
Less : Unpaid Dividend account balance	9	1.37	1.28
		<u>746.88</u>	<u>558.18</u>

NOTE 36 (D): DIVIDEND

Dividend on equity shares paid during the year	37.84	15.76
Total	<u>37.84</u>	<u>15.76</u>

Proposed Dividend

The Board of directors at its meeting held on 27th April 2024 have recommended a payment of dividend of ₹ 5.00 per equity share of face value of ₹ 2 each for the financial year ended 31st March 2024. The same amounts to ₹ 31.53 crores.

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37 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 on 31-03-2024	As on 31-03-2023
	₹ crores	₹ crores
Gross Block	0.14	0.14
Cumulative Depreciation	0.03	0.02
Liability at the end of the year :		
Current	-	-
Non-Current	-	-
Payment during the year	-	0.02

38 Information on Related party Transactions as Required by Ind AS 24-Related Party Disclosure for the year ended 31st March 2024

Name of the Company	% of Holding As At 31-03-2024	% of Holding As At 31-03-2023
---------------------	-------------------------------------	-------------------------------------

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, IAS (Retd.) *
- Sri Mohan Verghese Chunkath, IAS (Retd.)
- Dr.(Tmt.) Nanditha Krishna
- Sri Hans Raj Verma, IAS
- Sri Ritto Cyriac, IFS
- Sri S Durgashankar ^
- Smt. Sheela Balakrishnan, IAS (Retd.) #

* Retired and ceased to be directors on 31.03.2024

^ Director effective from 04.11.2023

Director effective from 20.01.2024

SESHASAYEE PAPER AND BOARDS LIMITED

C) Key Managerial Personnel - Other Employees:

- Sri S Srinivas, Senior Vice President & CFO
- Sri K Narayanan, Company Secretary

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
- Aspick Green Tech Pvt Limited

E) Transaction details (net of Taxes):	Transaction amount		Amount outstanding on 31-03-2024
	2023-24	2022-23	
	₹ crores	₹ crores	
(a) Esvi International (Engineers & Exporters) Limited			Assets : Investments in: 0.01 crores Equity Shares (100%) ^^
- Investment made	-	-	
(b) Ponni Sugars (Erode) Limited :			Assets : Investments in: 0.24 crores Equity Shares (27.45%) ^^
- Purchase of Bagasse	23.86	26.55	
- Purchase of Sugar	0.07	0.08	
- Sale of fuel	1.58	9.12	
- Sale of paper, water and other material	0.37	0.13	Liabilities : 0.884 crores Equity Shares (14.02%) ^^
- Dividend paid	5.30	2.21	
- Dividend received	1.53	1.30	Payable : ₹ 1.30 crores ₹ 1.72 crs (31.03.2023)
- Other transactions (Net Debit)	0.29	0.16	
(c) Dhanashree Investments Private Limited			Liabilities : 0.295 crores Equity Shares (4.68%) ^^
- Rent and amenity charges	0.04	0.04	
- Dividend paid	1.77	0.74	Payable : ₹ 0.003 crores ^^

^^ No change when compared to the balance as on 31.03.2023

SESHASAYEE PAPER AND BOARDS LIMITED

E) Transaction details (net of Taxes): (Contd.)	Transaction amount		Amount outstanding on 31-03-2024
	2023-24	2022-23	
	₹ crores	₹ crores	
(d) Ultra Investments and Leasing Co. Private Limited			Liabilities : 0.093 crores
- Reimbursement of expenses	0.002	-	Equity
- Dividend paid	0.56	0.23	Shares (1.47%) ^^
(e) Time Square Investments Private Limited			Liabilities : 0.638 crores Equity
- Dividend paid	3.83	1.59	Shares (10.11%) ^^
(f) SPB Projects and Consultancy Limited			Assets :
- Reimbursement of expenses	0.01	0.01	Investments in:
- Engineering and Technical Consultancy paid	0.81	0.49	0.005 crores Equity
			Shares (16.67%) ^^
- Dividend paid	0.01	0.01	Liabilities : 0.0011 crores
			Equity
			Shares (0.02%) ^^
(g) SPB Equity Shares Trust (Refer Note 1.13)			Liabilities : 0.284 crores Equity
- Dividend paid	1.70	0.71	Shares (4.50%) ^^
- Transfer of Income	1.70	0.71	Receivables : ₹ 1.62 crores
			₹ 1.59 crs (31.03.2023)
(h) Aspick Green Tech Pvt Limited			
- Purchase of Spares	0.01	-	

^^ No change when compared to the balance as on 31.03.2023

SESHASAYEE PAPER AND BOARDS LIMITED

(i) 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 2023-24				
Short term employee benefits	2.89	2.81	-	1.27
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.19	0.18	-	0.03
Contribution to Provident Fund	0.12	0.11	-	0.06
	3.20	3.10	-	1.36
Payable as on 31-03-2024	1.06	0.97	-	0.31
Previous 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
	2.70	2.42	0.29	1.07
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

(j) Sitting fees and Commission to Non-Whole time Directors	2023-24	2022-23
	₹ crores	₹ crores
Sitting fees	0.46	0.42
Commission	0.84	0.70
	1.30	1.12
Payable at the end of the year	0.70	0.58

* Includes ₹ 0.08 crores of premium paid for FY 2023-24 for Mediclaim insurance policy taken by the Company for the benefit of Non-Executive Directors (Previous year ₹ 0.07 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

(k) Key Managerial Personnel - Other Employees :

	Sri S Srinivas Senior Vice President & CFO		Sri K Narayanan ^ Company Secretary	
	2023-24	2022-23	2023-24	2022-23
	₹ crores	₹ crores	₹ crores	₹ crores
Short term employee benefits	0.61	0.44	0.16	-
Post Employee benefits (gratuity) & Long term benefits	0.02	0.02	0.01	-
Contribution to Provident Fund	0.04	0.02	0.01	-
	0.67	0.48	0.18	-
Payable at the end of the year	0.13	0.07	0.01	-

^ Appointed w.e.from 14.08.2023.

39 EARNINGS PER SHARE

	Year ended 31-03-2024	Year ended 31-03-2023
Profit after Tax (₹ crores)	259.37	386.54
Weighted average no of Shares :		
Issued and paid-up Ordinary Shares as at beginning of the year	63068140	63068140
Less : Investment by SPB Equity Shares Trust in the shares of the Company (Refer Note 1.13)	2840905	2840905
Weighted average number of shares as at period end for basic and diluted EPS	60227235	60227235
Basic earnings per share (₹)	43.06	64.18
Diluted earnings per Share (₹)	43.06	64.18

40 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 ₹ 5.90 crores (Year ended March 31, 2023 ₹ 5.91 crores) for Provident Fund contributions and ₹ 0.28 crores (Year ended March 31, 2023 ₹ 0.22 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 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.

SESHASAYEE PAPER AND BOARDS LIMITED

40 EMPLOYEE BENEFITS (Contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	₹ crores	₹ crores	₹ crores	₹ crores
(i) Changes in Defined Benefit Obligations				
Present Value - opening balance	52.56	37.77	1.76	1.35
Current Service Cost	3.16	2.20	0.09	0.07
Past Service Cost	(-) 1.98	2.15	—	0.35
Interest Cost	3.73	2.52	0.12	0.09
Actuarial (Gain) / Loss	(-) 9.72	11.68	0.05	0.08
Benefits paid	(-) 1.36	(-) 3.76	(-) 0.13	(-) 0.18
Present value - closing balance	46.39	52.56	1.89	1.76
(ii) Changes in the Fair Value of Plan Assets				
Opening Balance	42.48	37.45	—	—
Expected Return	3.05	2.71	—	—
Actuarial (gain) / loss	0.02	0.07	—	—
Contributions by employer	1.14	6.01	0.13	0.18
Benefits paid	(-) 1.36	(-) 3.76	(-) 0.13	(-) 0.18
Closing Balance	45.33	42.48	—	—
Actual return	3.07	2.79	—	—
(iii) Amounts recognised in the Balance Sheet (as at year end)				
Present Value of Obligations	46.39	52.56	1.89	1.76
Fair Value of Plan Assets	45.33	42.48	—	—
Net Asset / (Liability) recognised	(-) 1.06	(-) 10.08	(-) 1.89	(-) 1.76
(iv) Expenses recognised in the Profit and Loss account statement.				
Current Service Cost	3.16	2.20	0.09	0.07
Past Service Cost	(-) 1.98	2.15	—	0.35
Interest on obligation	0.68	(-) 0.19	0.12	0.09
Total included in Employee benefit expense	1.86	4.16	0.21	0.51

SESHASAYEE PAPER AND BOARDS LIMITED

40 EMPLOYEE BENEFITS (Contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	₹ crores	₹ crores	₹ crores	₹ crores
(v) Expenses recognised in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial Gain and Losses arising from changes in experience adjustment	2.03	(-) 1.79	(-) 0.03	0.03
- Actuarial Gain and Losses arising from changes in financial Assumption	7.69	(-) 9.89	(-) 0.02	(-) 0.11
Return on plan assets	0.02	0.07	-	-
Net cost in Other Comprehensive Income	9.74	(-) 11.61	(-) 0.05	(-) 0.08
Asset information				
- Insurer managed	100%	100%	NA	NA
Principal actuarial assumptions				
Mortality	Indian assured Lives Mortality (2012 - 14)			
Discount rate(%)	7.00	7.19	7.00	7.19
Future Salary increase (%)	8.00	10.00	NA	NA
Expected Rate of return of plan assets (%)	7.00	7.19	NA	NA
Expected average remaining working lives of employees (years)	11.10	11.30	NA	NA
Expected contribution (₹ in crores)	4.50			

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.

SESHASAYEE PAPER AND BOARDS LIMITED

40 EMPLOYEE BENEFITS (Contd.)

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:"

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	₹ crores	₹ crores	₹ crores	₹ crores
Discount Rate				
- 0.5% Increase	44.57	50.25	1.81	1.68
- 0.5% decrease	48.33	55.05	1.97	1.83
Salary Growth Rate				
- 0.5% Increase	48.35	55.03	—	—
- 0.5% decrease	44.54	50.25	—	—
Attrition Rate				
- 0.5% Increase	46.31	52.20	—	—
- 0.5% decrease	46.47	52.95	—	—

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 ₹ 4.50 crores (Previous year Actual ₹ 1.14 crores).

**Consolidated Financial
Statements for the year ended
31st March 2024**

SESHASAYEE PAPER AND BOARDS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members M/s Seshasayee Paper and Boards Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of M/s.Seshasayee Paper and Boards Limited (“the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”)and its Associate which comprise the consolidated Balance Sheet as at 31st March 2024, and the consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of Material Accounting Policy Information 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 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated 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 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 statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 the 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
<p>1 Other Non-Current assets include ₹ 107 crores being amount paid in the previous and current year and outstanding as on 31.3.2024 for acquisition of assets of M/s Servalakshmi Paper Limited, Corporate debtor in liquidation (CD), on a going concern basis after being emerged as a sole successful bidder in the E-Auction and said e-auction sale having been approved by the Hon'ble NCLT vide its order dated 12.05.2023. Appeals challenging the Hon'ble NCLT order has been filed and are pending before the Hon'ble NCLAT. (Refer note 1.14, to the financial statements).</p> <p>We identified the above transaction as a key audit matter because the company and the external stakeholders focus on the above as a material on-going transaction.</p>	<ul style="list-style-type: none"> • We have verified the resolutions passed by the Board of Directors approving the participation in the e-auction sale, remittance of the said amount and for carrying the assets in the books of the Company. • We have verified the sale certificate issued by the official liquidator for transfer of assets of M/s Servalakshmi Paper Limited as a going concern for physical handing over of land and factory premises of the corporate debtor, following the order of Hon'ble NCLT approving the e-auction sale in favour of the company. • We have reviewed the management's evaluation of the outcome of the appeal challenging the Hon'ble NCLT order before Hon'ble NCLAT for recognition and measurement of the amounts paid as a Non-Current asset. • Based on the above audit procedures, we conclude that the company has complied with the provision of the Companies Act, 2013, requirement of SEBI and other regulators. The payment made is confirmed and the transaction is suitably presented in the financial statements.
<p>2 Revenue is recognized when the control of the products being sold has transferred to the customer. Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts, rebates accrual, involves judgement and estimates.</p> <p>This leads to risk of revenue being misstated due to inaccurate estimations over discounts and volume rebates and also recognition of revenue without complying with the delivery terms. (Refer Note 1.4 of the material accounting policy information).</p>	<ul style="list-style-type: none"> • We have assessed the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard). • We have evaluated the design, testing the implementation, and operating effectiveness of the Company's internal controls over recognition of revenue and computing discounts and volume rebates. • We have performed substantive testing (including for period end cut-off) by selecting samples of revenue transactions recorded for the year and agreeing to the underlying documents, which included sales invoices, e-way bills and transportation documents.

Key Audit Matters	Response to Key Audit Matters
<p>We identified the recognition of revenue from sale of products as a key audit matter because the company and the external stakeholders focus on revenue as a key performance indicator.</p>	<ul style="list-style-type: none"> • We have performed substantive testing by selecting samples of discounts and rebate accruals and disbursements to underlying documents; Performed an analytical review of discounts and rebate accruals with prior period to evaluate the historical accuracy and unusual items. • We have evaluated adequacy of disclosures given in Note to the financial statements. • Based on the audit procedures performed above, we conclude that there are no material discrepancies observed and revenue is recognized and disclosed in accordance with Ind AS 115.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements, standalone 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group, including its Associate, in accordance with the IND AS specified under section 133 of the Act and accounting principles generally accepted in India.

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 of the assets of the Group and its Associate 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its Associate are responsible for assessing the ability of the group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company 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 Responsibility 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 of the Company, 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 control 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 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 the 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 Holding Company and Subsidiaries and its Associates 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 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 we are the independent auditors. For the other entities 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 audits 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 regarding of the Holding Company and such other entities included in the

consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Financial statements/financial information of the subsidiary company (M/s Esvi International (Engineers & Exporters) Limited), whose financial statements / financial information reflect total assets of ₹ 2.87 crores as at 31st March, 2024, total revenues of ₹ 0.36 crores and net cash outflow amounting to ₹ 0.02 crores for the year ended on that date as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Company's share of Net Profit of ₹ 12.89 crores for the year ended March 31, 2024 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 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 amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, 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 and the financial statements / financial information certified by the Management.

The comparative financial information of the company for the year ended 31st March 2023 have been audited by another auditor. The report of the predecessor auditor on the comparative financial information dated 29th April 2023 expressed an unmodified opinion. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirement

1. 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 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, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the group company incorporated in India is disqualified as on 31st March, 2024 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 consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in the “**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 Auditor's 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 Group and its Associate has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - [Refer Note 35 to the consolidated financial statements]
 - ii. The Group and its Associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary and associate incorporated in India.
 - iv. (a) The respective managements of the Holding Company and its Subsidiary and Associate have represented that, to the best of their knowledge and belief, 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 Holding Company and its Subsidiary and Associate 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, 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 respective managements of the Holding Company and its Subsidiary and Associate and have represented that, to the best of their knowledge and belief, no funds have been received by the Holding Company and its 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 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 performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above contain any material misstatement.
 - v. (a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act as applicable to the extent it applies to payment of dividend.

SESHASAYEE PAPER AND BOARDS LIMITED

- (b) The Holding Company and its Subsidiary and Associate has not paid any interim dividend during the year.
- (c) As stated in Note 36 D to the Consolidated financial statement, 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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary and its associate which are companies incorporated in India whose financial statements have been audited under the Act, the company, subsidiary and its associate have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary and its associate did not come across any instance of audit trail feature being tampered with.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by auditors of the companies 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 these CARO reports.

For Suri & Co.

Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M

Partner

Membership No.229694

UDIN : 24229694BKARKT9920

Place : Chennai

Date : 27-04-2024

Annexure A to the Independent Auditors' report
(Referred to in our report of even date)

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 consolidated financial statements of M/s Seshasayee Paper And Boards Limited ("the Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") and its Associate as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its Subsidiary and its Associate which are companies incorporated in India responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Group Company's and Associate's internal

financial controls with reference to consolidated 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 issued by the Institute of Chartered Accountancy of India. 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 with reference to consolidated financial statements were 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 system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 auditor's 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 with reference to Financial Statements of the Group and its Associate.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 Group and its Associate has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to consolidated financial statements 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.

Other Matters

Our aforesaid reports under section 143(3) (i) of the act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it Subsidiary and Associate as at 31-03-2024 which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For Suri & Co.

Chartered Accountants
Firm Registration No. 004283S

Sanjeev Aditya M

Partner

Membership No.229694

UDIN : 24229694BKARKT9920

Place : Chennai

Date : 27-04-2024

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024

Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
		₹ crores	₹ crores
(A) ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	2	774.49	793.70
(b) Capital Work-in-Progress	2(A)	35.06	19.87
(c) Other Intangible Assets	2(B)	1.50	1.93
(d) Investment Property	2(C)	1.18	1.22
(e) Financial Assets			
(i) Investments	3	248.12	196.74
(ii) Other Financial Assets	4	153.77	176.30
(f) Goodwill on Consolidation		11.78	11.78
(g) Other Non-current Assets	5	115.75	19.06
Total Non-Current Assets		1341.65	1220.60
2 Current Assets			
(a) Inventories	6	287.91	240.88
(b) Financial Assets			
(i) Trade Receivables	7	119.20	95.36
(ii) Cash and Cash Equivalents	8	8.63	50.56
(iii) Bank balances other than (ii) above	9	599.83	446.70
(iv) Others	10	1.46	1.39
(c) Current Tax Assets (Net)	11	0.75	–
(d) Other Current Assets	12	31.98	23.34
Total Current Assets		1049.76	858.23
Total Assets		2391.41	2078.83
(B) EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	13	12.04	12.04
(b) Other Equity	14	1899.27	1623.32
Total Equity		1911.31	1635.36

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024 (Contd.)

Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
		₹ crores	₹ crores
II LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	17.60	16.69
(b) Provisions	16	20.32	21.88
(c) Deferred Tax Liabilities (net)	17	127.66	121.56
Total Non-current Liabilities		165.58	160.13
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	21.00	–
(ii) Trade Payables			
A) Total outstanding dues of Micro and Small Enterprises	19	19.01	8.00
B) Total outstanding dues of creditors other than Micro and Small Enterprises	19	240.35	224.98
(iii) Other Financial Liabilities	20	22.01	22.96
(b) Other Current Liabilities	21	7.79	5.99
(c) Provisions	22	4.36	12.85
(d) Current Tax Liabilities (net)	23	–	8.56
Total Current Liabilities		314.52	283.34
Total Equity and Liabilities		2391.41	2078.83

See accompanying Notes to the Consolidated Financial Statements.

For SURI & CO
Chartered Accountants
Regn. No.004283S

N GOPALARATNAM
(DIN NO. 00001945)
Chairman

A L SOMAYAJI (DIN No. 00049772)
MOHAN VERGHESE CHUNKATH (DIN No. 01142014)
DR NANDITHA KRISHNA (DIN No. 00906944)

SANJEEV ADITYA M
Membership No.229694
Partner
UDIN: 24229694BKARKT9920

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

Sri S DURGASHANKAR (Din No.00044713)
Smt SHEELA BALAKRISHNAN,(DIN No. 05180044)
HANS RAJ VERMA (DIN No. 00130877)

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

T RITTO CYRIAC (DIN: 07951031)
Directors

Chennai
April 27, 2024

S SRINIVAS
Sr. Vice President & CFO

K NARAYANAN
Company Secretary

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Note No.	Year ended 31-03-2024	Year ended 31-03-2023
		₹ crores	₹ crores
I Revenue from Operations	24	1801.83	2082.80
II Other Income	25	50.03	29.29
III Total Income (I+II)		1851.86	2112.09
IV Expenses			
Cost of Materials Consumed	26	1032.48	955.22
Purchase of Stock-in-Trade	27	26.60	24.30
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(-) 95.28	13.75
Employee Benefits Expense	29	92.88	97.90
Finance Cost	30	2.14	3.19
Depreciation and Amortisation Expenses	31	43.85	45.29
Other Expenses	32	405.23	457.50
Total Expenses (IV)		1507.90	1597.15
V Profit before Exceptional Items and Tax (III-IV)		343.96	514.94
VI Exceptional Items		-	-
VII Profit / (Loss) Before Tax (V+VI)		343.96	514.94
VIII Share of Profits / (Loss) of Associate		12.89	10.54
IX Tax Expenses	33		
(1) Current Tax		86.35	129.99
(2) Deferred Tax		(-) 0.27	(-) 0.34
		86.08	129.65
X Profit / (Loss) for the period from Continuing Operations (VII+VIII-IX)		270.77	395.83

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024
A) EQUITY SHARE CAPITAL

Particulars	No. of Shares		₹ Crores	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
		63067560	63067560	12.61
Balance at the beginning of the reporting year	—	—	—	—
Changes in Equity Share Capital due to prior period errors	63067560	63067560	12.61	12.61
Restated balance at the beginning of the current reporting period	—	—	—	—
Changes in Equity Share Capital during the year	63067560	63067560	12.61	12.61
Balance at the end of the reporting year	2840905	2840905	0.57	0.57
Less : Adjustment for shares held by SPB Equity Shares Trust (Refer Note No. 1.13)	60226655	60226655	12.04	12.04
Balance at the end of the reporting period after adjustment				

B) OTHER EQUITY ₹ crores

Particulars	Reserves and Surplus		Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium				
Balance as at April 01, 2023 (A)	37.16	3.60	1000.04	487.90	106.51	1623.32
Changes in accounting policy or prior period errors	—	—	—	—	—	—
Restated balance at the beginning of the current reporting period	37.16	3.60	1000.04	487.90	106.51	1623.32
Additions during the year						
Profit for the year	—	—	—	270.77	—	270.77
Items of OCI for the year (net of taxes)						
Remeasurement benefit of Defined Benefit Plans	—	—	—	7.25	—	7.25
Net Fair Value Gain on Investment in equity Instruments through OCI	—	—	—	—	30.80	30.80
Share in OCI of Associate	—	—	—	3.31	—	3.31
Items that will be reclassified to Profit or loss	—	—	—	—	—	—
Total Comprehensive Income for the Year 2023-24(B)	—	—	—	281.33	30.80	312.09
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.13) (C)	—	—	—	1.70	—	1.70
Reductions during the Year						
Dividends	—	—	—	—	—	—
Transfer to General reserve	—	—	(-) 100.00	37.84	—	37.84
Total (D)	—	—	(-) 100.00	137.84	—	—
Balance as at 31-03-2024 (A+B+C-D)	37.16	3.60	1100.04	633.09	137.31	1899.27

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024 (contd.)

₹ Crores

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve				
Balance as at April 01, 2022 (A)	37.16	3.60	900.04	215.76	98.08	(-) 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	(-) 11.93	1243.22
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	-	-	-	0.11	-	-	0.11
Items that will be reclassified to Profit or loss	-	-	-	-	(-) 0.47	-	(-) 0.47
Total Comprehensive Income for the Year 2022-23 (B)	-	-	-	387.20	8.43	(-) 0.47	395.16
Income from SPB Equity Shares Trust - Investment in Company Shares (Refer Note No.1.13) (C)	-	-	-	0.71	-	-	0.71
Reductions during the year							
Dividends	-	-	-	15.77	-	-	15.77
Transfer to General reserve	-	-	(-) 100.00	100.00	-	-	-
Total (D)	-	(-) 100.00	115.77	-	-	(-) 11.93	15.77
Balance as at 31-03-2023 (A+B+C-D)	37.16	3.60	1000.04	487.90	106.51	(-) 11.93	1623.32

For SURI & CO
Chartered Accountants
Regn. No.004289S

SANJEEV ADITYA M
Membership No.229694
Partner
UDIN: 24229694BKARKT9920

Chennai
April 27, 2024

N GOPALARATNAM
(DIN NO. 00001945)
Chairman

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

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

A L SOMAYAJI (DIN No. 00049772)

MOHAN VERGHESE CHUNKATH (DIN No. 01142014)

DR NANDITHA KRISHNA (DIN No. 00906944)

Sri S DURGASHANKAR (Din No.00044713)

Smt SHEELA BALAKRISHNAN,(DIN No. 05180044)

HANS RAJ VERMA (DIN No. 00130877)

T RITTO CYRIAC (DIN: 07951031)

Directors

S SRINIVAS

Sr. Vice President & CFO
K NARAYANAN
Company Secretary

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

	Refer Note	Year ended 31-03-2024	Year ended 31-03-2023	
		₹ crores	₹ crores	₹ crores ₹ crores
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		343.96		514.94
Adjustments for:				
Add:				
Property Plant and Equipment (PPE) discarded		0.05		0.06
Depreciation	31	43.85		45.29
Imputed Finance Charge on Interest Free Sales Tax Defferal Loan (IFSTD)	30	-		0.27
Finance charge on lease liability	30	-		-
Interest and financing charges	30	2.14	46.04	2.22 47.84
		390.00		562.78
Less:				
Interest income from Term Deposits	25	42.10		23.28
Dividend Income from Investments	25 (b)	1.76		1.27
Deferred income arising from government grant	25(C)	-		1.10
Interest income from Lease Deposits		-		-
Profit / (Loss) on sale of PPE		3.53		0.19
		47.39		25.84
Operating profit before working capital changes		342.61		536.94
Changes in working capital:				
(Increase) / Decrease in Inventories	6	(-) 47.03		(-) 116.76
(Increase) / Decrease in Trade Receivables	7	(-) 23.84		6.09
(Increase) / Decrease in Other Assets	e ^	(-) 1.53		(-) 2.12
Increase / (Decrease) in Liabilities and Provisions	h ^	27.63		33.55
		(-) 44.77		(-) 79.24
Income tax paid		(-) 95.67		(-) 129.15
Net cash from operating activities *		202.17		328.55

* Net of CSR Expenditure Outgo refer Note 34 (C) - ₹ 4.21 crores (Previous Year ₹ 3.42 crores)

^ - Refers to the Notes to Cash Flow Statement

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

	Refer Note	Year ended	
		31-03-2024	31-03-2023
		₹ crores	₹ crores
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	f [^]	(-) 39.84	(-) 31.98
Outflow towards "Right of Use" Assets	37	–	(-) 0.02
Investment in Equity Instruments	3	(-) 1.96	–
E-auction bid amount, paid in full, for acquisition of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation	4(c)	(-) 2.00	(-) 105.00
Sale of Property, Plant and Equipment		3.96	0.26
Dividend Income from Investments	25(b)	3.29	2.57
(Increase) / Decrease in Term Deposits	g [^]	(-) 230.77	(-) 260.92
Interest income from Term Deposits		42.10	23.28
Net cash used in investing activities		(-) 225.22	(-) 371.81
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	i [^]	–	(-) 4.37
Increase / (Decrease) in Secured Loans	i [^]	21.00	–
Dividend paid	14	(-) 37.84	(-) 15.76
Interest and financing charges	30	(-) 2.04	(-) 2.22
Net cash used in financing activities		(-) 18.88	(-) 22.35
Net increase / (Decrease) in cash and cash equivalents (I)		(-) 41.93	(-) 65.61
Cash and cash equivalents as at the beginning of the Year (II)		50.56	116.17
Cash and cash equivalents as at the end of the Year (I + II) **	8	8.63	50.56
** Includes following balances held in EEFC Accounts			
-- Amount in US \$ (Mn)		0.79	0.15
-- Equivalent amount in ₹ crores		6.59	1.23

[^] - 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 Statement of Cash flow has been prepared following the indirect method.
- c During the current year (and previous year), the Company did not have any change in assets / liabilities, arising from following activities, affecting the cashflows :
 - (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.
- d Refer Note No. 36(B)(3) for the amount of undrawn borrowing facilities.

SESHASAYEE PAPER AND BOARDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

	Refer Note	Year ended 31-03-2024	Year ended 31-03-2023
		₹ crores	₹ crores
e (Increase) / Decrease in Other Assets			
Changes as per Balance Sheet in:			
Other Non-Current Financial Assets	4	(-) 4.83	(-) 2.56
Other Non-Current Assets	5	10.31	(-) 13.08
Current Financial Assets - Others	10	(-) 0.07	5.86
Other Current Assets	12	(-) 8.64	6.95
		<u>(-) 3.23</u>	<u>(-) 2.83</u>
Add : Income From SPB Equity Shares Trust to be received	14	1.70	0.71
		<u>(-) 1.53</u>	<u>(-) 2.12</u>
f Purchase of Property, Plant and Equipment			
Additions as per Property, Plant and Equipment	2	(-) 24.65	(-) 24.93
Additions as per Intangible Assets	2B	-	(-) 1.03
Changes in Capital Work in Progress	2A	(-) 15.19	(-) 6.00
Additions as per Investment Property	2C	0.00	(-) 0.02
		<u>(-) 39.84</u>	<u>(-) 31.98</u>
g (Increase) / Decrease in Term Deposits			
Changes as per Balance Sheet in:			
Bank Deposits with more than 12 months Maturity	4(b)	(-) 77.64	(-) 28.60
Bank Balances other than Cash and Cash Equivalents	9	(-) 153.13	(-) 232.32
		<u>(-) 230.77</u>	<u>(-) 260.92</u>
h Increase / (Decrease) in Liabilities and Provisions			
Changes as per Balance Sheet in:			
Non-Current Other Financial Liabilities	15	0.91	1.14
Non-Current Provisions	16	(-) 1.56	3.28
Trade Payables	19	26.38	37.39
Other Current Financial Liabilities	20	(-) 0.95	(-) 6.94
Other Current Liabilities	21 a/b	1.80	0.21
Current Provisions	22	(-) 8.49	10.79
		<u>18.09</u>	<u>45.87</u>
Less: Remeasurement of Defined benefit plan		(-) 9.69	11.69
Add : Adjustment for Items that will be reclassified to P&L		(-) 0.05	(-) 0.63
Less: Interest Accrued but not due on Borrowings adjusted		(-) 0.10	-
		<u>27.63</u>	<u>33.55</u>

SESHASAYEE PAPER AND BOARDS LIMITED

NOTE NO 1:NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company Background

M/s.Seshasayee Paper and Boards Limited (CIN:L21012TZ1960PLC000364) – M/s.Esvi International (Engineers and Exporters Limited) its subsidiary (CIN:U51909TN1978PLC007495) and M/s.Ponni Sugars (Erode) Limited, its associate (CIN: L15422TN1996PLC037200) is 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 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. The Company had acquired the assets of M/s Servalakshmi Paper Limited under Insolvency and Bankruptcy code, as a going concern. This new unit is expected to have a capacity to produce 75000 tonnes of paper. The Unit is yet to commence its operations (Refer Note No.1.14).

Material Accounting Policies Information and Key Accounting Estimates and Judgements

A. Material Accounting Policies Information

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 Consolidated financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company and all values are rounded to the nearest crores, except where otherwise indicated.

Entity specific disclosure of material accounting policies where Ind AS permits options is disclosed hereunder.

The company has assessed the materiality of the accounting policy information which involves exercising judgements and considering both qualitative and quantitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Entity’s conclusion that an accounting policy is immaterial does not affect the disclosures requirements set out in the accounting standards.

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.

1.1 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

SESHASAYEE PAPER AND BOARDS LIMITED

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.

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 Statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

1.2 Current / Non-Current classification

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.

1.3 Property, Plant and Equipment (PPE)

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.

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.

- (i) 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.
- (ii) 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.
- (iii) 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 assets 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.

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- (iv) 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.
- (v) 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.

1.4 Revenue Recognition

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 considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government).

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.

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.

1.5 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.

1.6 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 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.

Export Benefits are recognized as Income in the year of exports. Entitlements pending realisation are disclosed under Other Financial Assets.

1.7 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 as current and non-current in the Balance Sheet as per actuarial valuation by the independent Actuary.

1.8 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.

1.9 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.

1.10 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.

i. Investments in Equity Instruments Investments in Equity Instruments in Subsidiary and Associates :

The Company has elected to carry investment in Equity Instruments in Subsidiary and Associates at cost in accordance with Paragraphs 10 of 'Ind AS27 – Separate Financial Statements'.

ii. Investments in Other Equity Instruments:

The Company has irrevocably designated to carry investment in Other Equity Instruments at Fair Value through Other Comprehensive Income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in Fair Value in Other Comprehensive Income pertaining to Investments in Equity Instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for Equity Instruments through Other Comprehensive Income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within Equity.

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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.

b. 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.

1.11 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.

1.12. 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

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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.

1.13 Treatment of shares held by SPB Equity Shares Trust

Pursuant to the Scheme of Amalgamation of SPB Papers Limited with the Company, 5,68,181 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.

1.14 Acquisition of the Assets of M/s Servalakshmi Papers Limited, Corporate Debtor in Liquidation, as a going concern

The Company participated and emerged as the sole successful bidder in the e-auction held on 19.09.2022, for the sale of assets of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate Debtor), on a Going Concern basis and the company had remitted the entire bid value of ₹ 105.0 crores in the month of October 2022.

The e-auction was for sale of assets of M/s.Servalakshmi Paper Limited (In Liquidation) (Corporate debtor) on a Going Concern basis, without liabilities, on "As is where is basis", "As is what is basis", "Whatever there is basis" and "Without any recourse basis", under the provisions of Insolvency and Bankruptcy Code, 2016 read with Regulation 32(e) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and pursuant to the directions contained in Order of Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT").

The Hon'ble NCLT, Chennai Bench vide its Order dated May 12, 2023 had approved the application filed by the Liquidator for confirmation of sale of assets of M/s.Servalakshmi Paper Limited (Corporate Debtor) (In Liquidation) as a Going Concern, in favour of M/s. Seshasayee Paper and Boards Limited (SPB) and dismissed / disposed of other appeals against the auction.

Consequent to the order of the Hon'ble NCLT dated 12.05.2023, the official liquidator of the Corporate Debtor has Issued Sale Certificate dated 24.05.2023 and has completed the physical handing over of the possession of land and factory premises located at Kodaganallur Village, Vaduganpatti Post, I.C.Pettai, Tirunelveli – 627 010 of Servalakshmi Paper Limited (In Liquidation) on 24.05.2023 to SPB, as per direction in the Order dated 12/05/2023 of Hon'ble NCLT, Chennai Bench and the company remitting additional ₹ 2.0 crores as per the directions in the said NCLT order.

Appeals challenging the aforesaid Hon'ble NCLT's Order have been filed in Hon'ble NCLAT, which are pending.

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The Board of Directors of the company in their meeting held on 21.03.2024 have approved carrying the assets of Servalakshmi Unit, comprising of land, building and Plant & Machinery, in the books of SPB and the Company has classified the amount of ₹ 107.0 crores as “Other Non-Current Assets” as on 31.03.2024.

1.15 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.

1.16 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.

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.

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 Statement 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.

g. Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

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2. PROPERTY, PLANT AND EQUIPMENT

₹ crores

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 31.03.2024	As at 31.03.2023
Land	4.34	–	–	4.34	–	–	–	–	4.34	4.34
Buildings										
- Free Hold	116.94	1.35	0.02	118.27	31.01	3.20	–	34.21	84.06	85.93
- Right of Use Assets	0.14	–	–	0.14	0.02	0.01	–	0.03	0.11	0.12
Plant and Equipment	913.74	22.63	0.41	935.96	214.95	39.37	0.01	254.31	681.65	698.79
Furniture and Fixtures	2.25	0.04	–	2.29	0.58	0.07	–	0.65	1.64	1.67
Vehicles	3.03	0.33	0.18	3.18	1.72	0.23	0.12	1.83	1.35	1.31
Office Equipment	4.75	0.30	0.02	5.03	3.21	0.49	0.01	3.69	1.34	1.54
	1045.19	24.65	0.63	1069.21	251.49	43.37	0.14	294.72	774.49	793.70

₹ 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	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

- (i) Refer Note No 35(b) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
- (ii) Refer Note No 36(B) (3) (i) for charge created on Property, Plant and Equipment
- (iii) Amount written off on reduction of capital or revaluation of assets - NIL (Previous Year - NIL)
- (iv) Asset has been acquired through business combinations - NIL (Previous Year - NIL)
- (v) Impairment losses or reversals of assets - NIL (Previous Year - NIL)

SESHASAYEE PAPER AND BOARDS LIMITED

2 (A) CAPITAL WORK-IN-PROGRESS

₹ crores

Description	Net Carrying Amount	
	As at 31-03-2024	As at 31-03-2023
Opening Balance	19.87	13.87
Add: Additions to Capital Work-In-Progress during the year ^{^^}	39.84	31.96
Less: Assets Capitalised during the year ^{**}	24.65	25.96
Closing Balance	35.06	19.87

Refer 34 (B) for Ageing of Capital Work in Progress

^{**} Includes Intangible assets capitalised during the year (Refer Note No. 2B)

^{^^} Pre operative expenses capitalised during the year - Nil (Previous Year -Nil)

2(B) OTHER INTANGIBLE ASSETS

₹ crores

Description	Gross carrying Amount				Amortisation				Net Carrying Amount	
	As at 01-04-2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 01-04-2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Computer Software	2.80	-	-	2.80	1.21	0.38	-	1.59	1.21	1.59
Technical Know-How	1.41	-	-	1.41	1.07	0.05	-	1.12	0.29	0.34
	4.21	-	-	4.21	2.28	0.43	-	2.71	1.50	1.93

₹ 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

SESHASAYEE PAPER AND BOARDS LIMITED

2 (C) INVESTMENT PROPERTY

₹ crores

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Additions during the year	Deductions/ Adjustments	As at 31-03-2024	As at 31.03.2024	As at 31.03.2023
Land	0.05	–	–	0.05	–	–	–	–	0.05	0.05
Buildings	1.26	–	–	1.26	0.14	0.02	–	0.16	1.10	1.12
Plant and Equipment	0.16	–	–	0.16	0.11	0.02	–	0.13	0.03	0.05
Furniture and Fixtures	0.03	–	–	0.03	0.03	–	–	0.03	–	–
	1.50	–	–	1.50	0.28	0.04	–	0.32	1.18	1.22

₹ 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	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

i) Fair value as on 31-03-2024 is ₹ 54.20 Crores (Previous Year ₹ 37.43 Crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	No of shares	Face Value ₹	As at 31-03-2024 ₹ crores	As at 31-03-2023 ₹ 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	93.01	78.34
(ii) Others				
Investments Measured at Fair Value through Other Comprehensive Income				
Housing Development Finance Corporation Limited (Previous Year 265830 shares of Face Value of ₹ 2 each)**	0	2	-	69.79
HDFC Bank Limited (Previous Year 5000 shares of Face Value of ₹ 1 each)**	451594	1	65.39	0.81
** Change on account of Merger of Housing Development Finance Corporation Limited with HDFC Bank Limited.				
High Energy Batteries (India) Limited (Previous Year - 1414555 Shares of face value ₹ 2 each; current year addition of 35095 shares at a cost of ₹ 1.96 crores)	1449650	2	87.14	45.51
Tamilnadu Newsprint and Papers Limited	100000	10	2.47	2.18
Total Quoted Equity Shares			<u>248.01</u>	<u>196.63</u>
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			<u>0.11</u>	<u>0.11</u>
Total Investments In Equity Instruments			<u>248.12</u>	<u>196.74</u>
# Carrying amount includes the following:				
Goodwill			4.49	4.49
Share of Profit for the year			16.20	10.64
Aggregate amount of :				
Quoted Investments - Cost			26.58	24.62
Quoted Investments - Market value			250.09	211.90
Unquoted Investments - 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 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
4 OTHER FINANCIAL ASSETS		
(Non-Current)		
a) Security Deposit	12.62	7.79
b) Bank Deposits with more than 12 months Maturity **	141.15	63.51
c) Amount paid for acquisition of Assets of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation, on a going concern basis #	—	105.00
	153.77	176.30
# Refer Note 1.14		
** Includes ₹ 6.06 crores bank deposits designated as Margin Money against the Letters of Credit / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 15.39 crores)		
5 OTHER NON-CURRENT ASSETS		
Capital Advances	2.32	14.06
Prepaid expenses	0.34	0.56
Charges paid under Protest @	6.09	4.44
Amount paid for acquisition of Assets of M/s Servalakshmi Paper Limited, Corporate Debtor in liquidation, on a going concern basis #	107.00	—
# Refer Note 1.14		
	115.75	19.06
@ Includes		
- Energy Charges paid under protest to TNERC (Refer Note No. 35(A)(a)(iv))	2.00	2.00
- Duties & Taxes paid under protest (Refer Note No. 35(A)(a)(i))	2.18	0.52
- 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	0.81
6 INVENTORIES		
Raw Materials *	91.39	123.25
Work- in- Progress	9.61	6.02
Finished Goods	91.57	—
Stock-in-Trade	0.58	0.46
Stores and Spares (Note 1)	20.10	18.43
Chemicals, Fuels and others ^ (Note 2)	74.66	92.72
	287.91	240.88
* Includes Material In Transit	12.05	1.62
^ Includes Material In Transit	2.85	2.78
* Includes Material with Agent appointed by the Company	12.24	18.44
^ Includes Material with Agent appointed by the Company	44.76	50.40

(For method of valuation, please refer to Note No.1.5)

(Please refer Note No.36(B)(3)(i) for security created on Inventories)

*Note 1: The Inventory is net of provisions for non-moving inventory of ₹ 0.80 crores (Previous Year ₹ 0.50 crores)

^Note 2: The Inventory is net of provisions for non-moving inventory of ₹ 0.75 crores (Previous Year ₹ 0.55 crores)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
7 TRADE RECEIVABLES		
a) Considered Good - Secured	15.60	30.53
b) Considered Good - Unsecured	103.60	64.83
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
	* 119.20	95.36
	12.70	22.53

* Unadjusted credits, adjustable against Trade Receivables, grouped under Trade Payables

(Please refer Note No.36(B)(3)(i) for security created on Receivables)

Trade Receivables Ageing Schedule : As at 31-03-2024

₹ crores

Particulars	Not Due	Outstanding from 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	105.29	13.35	0.34	0.15	0.04	0.03	119.20
(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
	105.29	13.35	0.34	0.15	0.04	1.96	121.13
Less : Allowance for bad and doubtful debts							1.93
							119.20

Ageing Schedule : As at 31-03-2023

₹ crores

Particulars	Not Due	Outstanding from 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
	90.78	4.08	0.33	0.06	0.08	1.96	97.29
Less : Allowance for bad and doubtful debts							1.93
							95.36

Unbilled dues - NIL (Previous Year - NIL)

Refer Note 38 for dues from Related Parties

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
8 CASH AND CASH EQUIVALENTS		
Balances with banks	8.33	25.30
Term deposits with original maturity of less than 3 months	–	25.03
Cash on hand	0.30	0.23
	<u>8.63</u>	<u>50.56</u>
9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	1.37	1.28
Term deposits with original maturity for more than 3 months but less than 12 months *	598.46	445.42
	<u>599.83</u>	<u>446.70</u>
* Includes ₹ 212.06 crores bank deposits designated as Margin Money against the Letter of Credits / Bank Guarantees issued by Company's Bankers (Previous Year - ₹ 205.51 crores)		
10 OTHER CURRENT FINANCIAL ASSETS		
a) Export Incentive Receivable ^	1.43	1.33
b) Derivative Asset / (Liability)	0.03	0.06
	<u>1.46</u>	<u>1.39</u>
^ Includes scrips / scrolls received pending utilisation		
11 CURRENT TAX ASSET (NET)		
Income tax (Net of provisions)**	0.75	–
	<u>0.75</u>	<u>–</u>
** Net off ₹ 5.76 crores, provision for uncertainty expected in allowance of incomes claimed as not taxable.		
12 OTHER CURRENT ASSETS		
A. Advances other than Capital Advances:		
a) Advances for purchase of goods and services	11.79	10.71
b) Advance to Employees	2.41	5.81
B. Others		
a) Prepaid expenses	2.15	2.55
b) Balance with Government Authorities		
- GST Receivable	12.50	1.27
c) Other receivable #	3.13	3.00
	<u>31.98</u>	<u>23.34</u>
# includes refund receivable under the erstwhile VAT Act	0.76	0.76
# includes dues from SPB Equity Shares Trust	1.62	1.59

13 EQUITY SHARE CAPITAL ₹ crores

	As at 31-03-2024	As at 31-03-2023
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.1.13)	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 31-03-2024		As at 31-03-2023	
	No of Shares	₹ crores	No of Shares	₹ crores
At the beginning of the year	63068140	12.61	63068140	12.61
Change during the year	-	-	-	-
At the end of the year	63068140	12.61	63068140	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.

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c) Details of shareholders holding more than 5% Equity Shares in the Company

Name of Share Holders	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
(a) Tamilnadu Industrial Investment Corporation Limited	9000000	14.27	9000000	14.27
(b) Ponni Sugars (Erode) Ltd (Associate)	8840905	14.02	8840905	14.02
(c) Synergy Investments Pte Ltd	7738475	12.27	7738475	12.27
(d) Time Square Investments (P) Ltd	6378284	10.11	6378284	10.11
(e) Atyant Capital India Fund I	3383140	5.36	3383140	5.36

d) Shareholding of Promoters

S. No	Promoter name	As at 31-03-2024			As at 31-03-2023		
		No. of Shares	% of total shares	Change in %	No. of Shares	% of total shares	Change in %
1	Ponni Sugars (Erode) Limited	8840905	14.018	-	8840905	14.018	-
2	Synergy Investments Pte Limited	7738475	12.270	-	7738475	12.270	-
3	Time Square Investments Private Limited	6378284	10.113	-	6378284	10.113	0.05
4	Dhanashree Investments Private Limited	2951290	4.680	-	2951290	4.680	-
5	Ultra Investments and Leasing Co.Pvt Ltd	926480	1.469	-	926480	1.469	-
6	High Energy Batteries (India) Limited	51645	0.082	-	51645	0.082	-
7	SPB Projects and Consultancy Limited	11360	0.018	-	11360	0.018	-
8	N Gopalaratnam	78155	0.124	-	78155	0.124	-
9	K S Kasi Viswanathan	2910	0.005	-	2910	0.005	-
		26979504	42.779	-	26979504	42.779	0.05

The above % holdings of Share Capital and the reconciliation of Share Capital is presented without netting off the shares held by SPB Equity Shares Trust.

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14 OTHER EQUITY

₹ Crores

Particulars	Reserves and Surplus				Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as at April 01, 2023 (A)	37.16	3.60	1000.04	487.90	106.51	0.04	(-) 11.93	1623.32
Additions during the year								
Profit for the year	-	-	-	270.77	-	-	-	270.77
Items of OCI for the year (net of taxes)								
Remeasurement of Defined Benefit Plans	-	-	-	7.25	-	-	-	7.25
Net Fair Value Gain on Investment in Equity Instruments through OCI	-	-	-	-	30.80	-	-	30.80
Share in OCI of Associate	-	-	-	3.31	-	-	-	3.31
Items that will be reclassified to Profit or loss	-	-	-	-	-	(-) 0.04	-	(-) 0.04
Total Comprehensive Income for the FY 2023-24 (B)	-	-	-	281.33	30.80	(-) 0.04	-	312.09
Income from SPB Equity Shares Trust (Refer Note No.1.13) (C)	-	-	-	1.70	-	-	-	1.70
Reductions during the Year								
Dividend	-	-	-	37.84	-	-	-	37.84
Transfer to General reserve	-	-	(-) 100.00	100.00	-	-	-	-
Total (D)	-	-	(-) 100.00	137.84	-	-	-	37.84
Balance As at 31-03-2024 (A+B+C-D)	37.16	3.60	1100.04	633.10	137.31	-	(-) 11.93	1899.28

14 OTHER EQUITY (Contd.) ₹ Crores

Particulars	Reserves and Surplus			Equity Instruments through OCI	Cash Flow hedge Reserve	SPB Equity Shares Trust (Refer Note No.1.13)	Total
	Capital Reserve	Securities Premium	General Reserve				
Balance as at April 01, 2022 (A)	37.16	3.60	900.04	215.76	98.08	(-) 11.93	1243.22
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	-	-	-	0.11	-	-	0.11
Items that will be reclassified to Profit or Loss	-	-	-	-	(-) 0.47	-	(-) 0.47
Total Comprehensive Income for the FY 2022-23 (B)	-	-	-	387.20	8.43	(-) 0.47	395.16
Income from SPB Equity Shares Trust (Refer Note No.1.13) (C)				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 31-03-2023 (A+B+C-D)	37.16	3.60	1000.04	487.90	106.51	(-) 11.93	1623.32

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 primarily represents gain on Business Combination 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.

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
15 OTHER FINANCIAL LIABILITIES		
(Non-Current Financial Liabilities)		
Security deposits	17.60	16.69
	17.60	16.69
16 PROVISIONS		
(Non-Current Liabilities)		
a) Provision for Employee Benefits:		
Provision for Leave Encashment and Retirement Benefit	12.21	13.77
b) Others:		
Provision for Generation tax *	8.11	8.11
	20.32	21.88

* Provisions made during the Year ₹ 1.08 crores

(Previous Year ₹ 1.31 crores)

* Settled during the Year ₹ 1.08 crores

(Previous Year ₹ 1.31 crores)

17 DEFERRED TAX LIABILITY (NET) ₹ crores

Particulars	As at 01-04-2023	Recognised in		As at 31-03-2024
		Statement of P&L during 2023-24	OCI 2023-24	
Deferred Tax Liabilities				
Difference between WDV of PPE as per the books of accounts and Income Tax Act, 1961.	127.03	(-) 0.44	-	126.59
Deferred Tax Assets				
Expenses allowable for tax purpose on payment basis	(-) 6.98	0.17	-	(-) 6.81
Taxes on Items of Other Comprehensive Income	1.50	-	6.38	7.88
Income Tax relating to Items that will be reclassified to Profit or loss	0.01	-	(-) 0.01	-
Deferred Tax Liability	121.56	(-) 0.27	6.37	127.66

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17 DEFERRED TAX LIABILITY (NET) (Contd.)

₹ 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 claimed 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

**As at
31-03-2024
₹ crores**

As at
31-03-2023
₹ crores

18 BORROWINGS

Secured

From Banks

Export Packing Credit from HDFC Bank	21.00	-
	21.00	-

Please refer Note No.36(B)(3)(i) for security details for the Short-term Borrowings)

19 TRADE PAYABLES

a) Total outstanding dues of Micro and Small Enterprises	19.01	8.00
b) Total Outstanding dues of creditors other than Micro and Small Enterprises	240.35	224.98
	259.36	232.98

* For dues to Related Parties - (refer note 38)

- 19 (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.
- 19 (ii) Disclosure requirement as required under Micro, Small and Medium Enterprises Development Act, 2006 is as follows

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	FY 2023-24	FY 2022-23
a) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.	19.01	8.00
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

19 (iii) - Trade Payables - Ageing Schedule as on 31-03-2024

₹ 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)	19.01	-	-	-	-	19.01
(ii) Others	210.77	28.55	0.53	0.37	0.13	240.35
(iii) Disputed dues - MSE	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	229.78	28.55	0.53	0.37	0.13	259.36

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

* 'Not due' includes 'unbilled and accrued expenses / liabilities' as on 31.03.2024 ₹ 84.13 crores
(As on 31.03.2023 - ₹ 59.02 crores.)

SESHASAYEE PAPER AND BOARDS LIMITED

	As at 31-03-2024	As at 31-03-2023
	₹ crores	₹ crores
20 OTHER FINANCIAL LIABILITIES		
(Current)		
Interest Accrued but not due	0.10	–
Unpaid Dividends *	1.37	1.28
Others:		
- Payable for capital expenditure	0.97	0.99
- Security Deposit	2.25	2.05
- Retention Monies	6.73	8.62
- Employees dues	10.59	10.02
	22.01	22.96
* Due for transfer to IEPF as at the end of the year - Nil (Previous Year - Nil)		
21 OTHER CURRENT LIABILITIES		
Other liabilities:		
(a) Advances received from Customers #	2.02	1.60
(b) Statutory Liabilities	5.77	4.39
	7.79	5.99
# Revenue recognised during the year from the Opening Advances ₹ 1.60 crores (Previous Year ₹ 1.19 crores)		
22 PROVISIONS		
Provision for Employee Benefits:		
Provision for Gratuity, Leave Encashment and Retirement Benefit	4.36	12.85
	4.36	12.85
23 CURRENT TAX LIABILITIES		
Income Tax (net) **	–	8.56
	–	8.56

** Balance as on 31.03.2023 includes ₹ 5.76 crores provision for uncertainty expected in allowance of incomes claimed as not taxable.

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2024		Year ended 31-03-2023	
	₹ crores	₹ crores	₹ crores	₹ crores
24 REVENUE FROM OPERATIONS				
A) REVENUE FROM SALE OF PRODUCTS				
Paper and Paper Boards				
India	1535.96		1642.90	
Rest of the World	216.80		379.84	
		1752.76		2022.74
Stock in Trade				
India		27.31		28.78
Service - Rent				
India		0.27		0.27
		1780.34		2051.79
Break-up of Revenue from Sale of Products and Services - Transacted Price and adjustments				
Sales Value at Transacted price		1885.38		2162.02
Less : Adjustments:				
Cash Discount		38.79		47.97
Other Discounts / Incentives		66.25		62.26
		105.04		110.23
		1780.34		2051.79
B) OTHER OPERATING INCOME				
Export Benefits / Incentives		4.68		8.22
Sale of Scrap and Others		16.81		22.79
		21.49		31.01
		1801.83		2082.80
25 OTHER INCOME				
(a) Interest Income				
- On financial assets carried at Amortised Cost		44.35		24.05
(b) Dividend Income from Equity Investments measured at fair value through OCI		1.76		1.27
(c) Government Grant		-		1.10
(d) Net Exchange Gain		0.02		-
(e) Others		3.90		2.87
		50.03		29.29

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2024		Year ended 31-03-2023	
	₹ crores	₹ crores	₹ crores	₹ crores
26 COST OF MATERIALS CONSUMED				
Raw material				
i) Wood	425.50		344.02	
ii) Bagasse	26.78		26.55	
iii) Purchased Pulp	159.81		114.99	
iv) Waste Paper	65.02		102.29	
	<u>677.11</u>		<u>587.85</u>	
Feeding and other Charges	8.55		9.28	
		685.66		597.13
Chemicals, Stores & Spares @		312.12		322.47
Packing Materials		34.70		35.62
		<u>1032.48</u>		<u>955.22</u>
@ Includes provision for non-moving inventory - ₹ 0.50 crores (Previous Year ₹ 0.60 crores)				
@ Reversal of Write down of inventory - Nil (Previous Year ₹ Nil)				
27 PURCHASE OF STOCK-IN-TRADE				
Notebook & Paper		0.93		0.25
Petroleum Products		25.67		24.05
		<u>26.60</u>		<u>24.30</u>
28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS				
Opening stock				
- Finished goods	-		11.07	
- Work-in-Progress	6.02		5.44	
- Stock-in-Trade	0.46		3.72	
		<u>6.48</u>		<u>20.23</u>
Closing stock				
- Finished goods	91.57		-	
- Work-in-Progress	9.61		6.02	
- Stock-in-Trade	0.58		0.46	
		<u>101.76</u>		<u>6.48</u>
		<u>(-) 95.28</u>		<u>13.75</u>
29 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages		76.66		78.62
Contribution to Provident & other Funds (Refer Note No.1.7)		8.32		10.86
Staff welfare Expenses		7.90		8.42
		<u>92.88</u>		<u>97.90</u>

SESHASAYEE PAPER AND BOARDS LIMITED

	Year ended 31-03-2024		Year ended 31-03-2023	
	₹ crores	₹ crores	₹ crores	₹ crores
30 FINANCE COSTS				
Interest on financial liabilities carried at amortised cost (Effective interest rate method)				
- Interest on borrowings	0.11		-	
- Interest on interest free Sales tax loan	-		0.27	
Interest on Security Deposits measured at Amortised Cost	2.03		1.85	
Interest - Income Tax	-		0.70	
Other borrowing costs	-		0.37	
	<u>2.14</u>		<u>3.19</u>	
31 DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation on Property, Plant and Equipment (Refer Note No. 2)	43.37		44.91	
Amortisation on Intangible assets (Refer Note No. 2(B))	0.44		0.34	
Depreciation on investment property (Refer Note No. 2(C))	0.04		0.04	
	<u>43.85</u>		<u>45.29</u>	
32 OTHER EXPENSES				
Power and Fuel				
(i) Purchased Power	71.63		64.27	
(ii) Consumption of Fuel	185.46		216.91	
(iii) Generation Tax	1.09		1.31	
	<u>258.18</u>		<u>282.49</u>	
Repairs and Maintenance				
- Buildings	8.10		8.65	
- Plant & Machinery	45.13		44.06	
- Others	2.83		3.64	
	<u>56.06</u>		<u>56.35</u>	
Insurance	4.68		5.09	
Rent, Rates and Taxes	3.54		2.03	
Selling and Distribution Expenses	52.59		80.46	
Net foreign exchange loss	-		1.52	
Auditors' remuneration (Refer Note No. 34 (A))	0.37		0.53	
Corporate Social Responsibility expenses (Refer Note No. 34 (D))	4.21		3.42	
Miscellaneous	25.60		25.61	
	<u>405.23</u>		<u>457.50</u>	

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
33 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	86.35	129.99
	<u>86.35</u>	<u>129.99</u>
Deferred Tax comprises:		
Deferred Tax Liability on account of depreciation	(-) 0.44	0.21
Disallowance of expenses Under Section 43B and other Temporary difference	0.17	(-) 0.76
Deferred Tax Asset on account of Interest Free Sales Tax Loan	-	0.21
	<u>(-) 0.27</u>	<u>(-) 0.34</u>
Total Tax Expense	<u>86.08</u>	<u>129.65</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	343.96	514.94
Current tax expenses on Profit Before Tax at the enacted income tax rate in India	86.57	129.60
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Tax on CSR activities	1.06	0.86
Tax On Dividend deducted u/s 80 M	(-) 0.44	(-) 0.32
Tax on Deduction U/S 80 IA		
Tax on difference in Depreciation	-	-
Other Differences	(-) 1.11	(-) 0.49
	<u>(-) 0.49</u>	<u>0.05</u>
Total Tax for the Year	<u>86.08</u>	<u>129.65</u>
Effective rate of tax	<u>25.03%</u>	<u>25.18%</u>
* Rate as per section 115 BAA of Income Tax Act, 1961.		
(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	(-) 2.44	4.70
Income Tax on Net Fair Value Gain/ (Loss) on Investment in Equity Instruments	(-) 3.94	(-) 2.78
B Items that will be reclassified to Profit or Loss	0.01	0.16
	<u>(-) 6.37</u>	<u>2.08</u>

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
34 (A) PAYMENT TO AUDITORS		
Statutory Audit fees	0.27	0.27
Taxation Matters	0.02	0.15
Certification work	0.08	0.08
Reimbursement of expenses	-	0.03
Total payment to Auditors	0.37	0.53

34 (B) CWIP AGEING SCHEDULE

CWIP ageing Schedule as on 31-03-2024 :

₹ 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	30.75	4.31	0.00	-	35.06
2	Projects temporarily suspended	-	-	-	-	-
		30.75	4.31	0.00	-	35.06

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	-	-	-	-	-
		14.82	5.04	0.01	-	19.87

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

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
34 (C) CORPORATE SOCIAL RESPONSIBILITY EXPENSES		
Disclosure with regard to CSR activities		
(i) Gross amount required to be spent by the Company during the year	4.21	3.12
(ii) amount of expenditure incurred	4.21	3.42
(a) Construction/acquisition of any asset	0.29	0.57
(b) On purposes other than (ii) (a) above	3.92	2.85
(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	0.83	0.50
b) Providing infrastructure facilities in nearby villages	0.29	0.47
c) Supply of drinking water to nearby villages	1.30	1.42
d) Covid-19 relief activities	0.23	0.30
e) Others	1.56	0.73
(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

34. (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 account.

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 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 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 persons or entities, including foreign entities ("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company, subsidiary and associate 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.

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c. Fair value of investment property

Fair value as on 31-03-2024 is ₹ 54.20 Crores (Previous Year ₹ 37.43 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 and Right of use Assets	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.
12	Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate	NIL
13	Buy back of shares during preceding 5 Previous Years as at which the Balance Sheet is prepared	NIL
14	Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.	NIL
15	Shares allotted as fully paid up pursuant to contracts without payment being received in cash, during preceding 5 Previous Years.	NIL
16	Shares allotted as fully paid up by way of bonus shares, during preceding 5 Previous Years.	NIL

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	Year ended 31-03-2024	Year ended 31-03-2023
	₹ crores	₹ crores
35 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)	7.05	7.44
(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.	29.49	27.28
(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	11.72	15.01
(vi) Demand raised by GST and Central Excise Department - 5 years Audit observations on Input tax credit disputed, Applicability of RCM on Import of Service and Dispute on GST on Canteen Services	8.13	-
(vii) 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	43.13	3.19
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	0.28	0.67
(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	40.22	50.65
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for	1.88	0.75

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36 (A) CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ crores

	Refer Note	Fair Value Hierarchy	Non Current		Current	
			As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
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)	Level-1	155.00	118.29	-	-
Investments in Unquoted equity shares	3(A)(b)	Level-3	0.11	0.11	-	-
Financial Assets measured at cost / amortised cost						
Trade Receivables	7		-	-	119.20	95.36
Cash and Cash Equivalents	8		-	-	8.63	50.56
Bank balances other than Cash And Cash Equivalents	9		-	-	599.83	446.70
Other Financial Asset	4/10	Level-1, 3	153.77	176.30	1.46	1.39
Financial Liabilities measured at Fair Value through Profit and Loss						
			-	-	-	-
Financial Liabilities measured at cost / amortised cost						
Borrowings from Banks	18		-	-	21.00	-
Trade Payables	19		-	-	259.36	232.98
Other Financial Liabilities						
Interest accrued	14/20		-	-	0.10	-
Unpaid / Unclaimed Dividend			-	-	1.37	1.28
Payable towards capital expenditure			-	-	0.96	0.99
Security Deposit		Level-1	17.59	16.69	2.25	2.05
Retention Monies			-	-	6.73	8.62
Employees Dues			-	-	10.59	10.02

* Investments in these equity shares are not held for trading. Upon the application of Ind AS 109-Financial instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these Investments in the Profit or Loss may not be indicative of the performance of the Company.

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 counter parties.

36 (B) 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 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. 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'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, 2024 and has working capital borrowings only to the extent of ₹ 21.0 crores availed in the form of Export Packing Credit, which is significantly less than the total Cash and Bank balances of ₹ 747 crores as on March 31, 2024. Hence the Company doesn't have any financial liability and allied risk on this account. The Company has not entered into any of the interest rate swaps.

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

	31-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
Variable Rate Borrowings	21.00	—
Fixed Rate Borrowings	—	—
	21.00	—

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

	31-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
i. Weighted average interest rate (%)	* 6.00	—
ii. Balance (₹ crores)	21.00	—
iii. % of Total Loan	100	—

* Net of Interest Equalisation Benefits

The Company is however exposed to the risk of interest rate fluctuations on the rate of return on fixed deposits of ₹ 721.72 crores as on 31.03.2024 (excluding accrued interest), maintained by the company with State Bank of India (SBI), HDFC Bank Limited and Kotak Mahindra Bank (Fixed Deposit balance as at 31.03.2023 – ₹ 519.90 crores).

Interest Rate Sensitivity analysis

	Impact on Profit before tax	
	31-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
Interest rates - increase by 50 basis points	(-) 0.001*	—
Interest rates - decrease by 50 basis points	0.001*	—

* The working capital availment of ₹ 21.0 crores in the form of Export Packing Credit outstanding only for 33 days in FY 2023-24.

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 \$ 9.67 Mn as on 31st March 2024 (Previous

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Year – US \$ 11.87 Mn) of which US \$ 0.70 Mn (Previous Year –US \$ 1.85 Mn) is hedged with forward contracts, leaving US \$ 8.97 Mn (Previous Year –US \$ 10.02 Mn) as unhedged.

The Company is also exposed to foreign currency risk on its Exports. As on March 31, 2024, the Company had Export Receivables in Foreign Currency amounting to US \$ 2.74 Mn. (Previous Year –US \$ 2.91Mn), of which US \$ 0.5 Mn (Previous Year –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 31-03-2024 Mn US \$	As at 31-03-2023 Mn US \$
Payment Obligations, towards Imports, hedged with Forward Contracts under		
- Fair Value Approach	0.70	1.85
- Cash Flow Approach	–	–
Export Realizations hedged with Forward Contract under		
- Fair Value Approach	0.50	–
- Cash Flow Approach	–	1.95

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, 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. (Refer Note No.3 for details on Investments)

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 counter party 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.

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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 counter parties 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 indentor is analysed individually for creditworthiness. Each indentor places security deposit in the Company, based on the quota allocated to him. Though the invoices are raised on the individual customer, the indentor 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 indentor. Over 13% of the receivables as on 31.03.2024 (Previous Year 32%) 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 a premier Indian Insurance Company. 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-Mar-2024	31-Mar-2023
	₹ crores	₹ crores
Expiring within one year	40.00	61.00
Expiring beyond one year	—	—
	40.00	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.

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 default in respect of above said borrowing facilities: NIL

The Company is not a Large Corporate as per the applicability criteria given under the Chapter XII of SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as updated on 13th April 2022).

- ii) The table below summarises the maturity profile remaining contractual maturity period at the Balance Sheet date for its non-derivative financial assets and liabilities-

As at 31st March 2024

₹ crores

Particulars	0-1 year	1-3 years	More than 3 years	Total
Financial assets				
Trade receivables	119.20	-	-	119.20
Fixed deposit	598.46	141.15	-	739.61
Investments	-	-	248.12	248.12
Others	12.62	-	-	12.62
Financial Liabilities				
Trade payables	259.36	-	-	259.36
Borrowings	21.00	-	-	21.00
Others	22.01	-	17.60	39.61

As at 31st March 2023

₹ crores

Particulars	0-1 year	1-3 years	More than 3 years	Total
Financial assets				
Trade receivables	95.36	-	-	95.36
Fixed deposit	470.45	63.51	-	533.96
Investments	-	-	196.74	196.74
Others	7.79	-	105.00	112.79
Financial Liabilities				
Trade payables	232.98	-	-	232.98
Borrowings	-	-	-	-
Others	22.96	-	16.69	39.65

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36 (C) 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 31-03-2024	As at 31-03-2023
		₹ crores	₹ crores
Equity		1911.30	1635.34
Debt		21.00	–
Cash and Bank Balances **		748.24	559.49
Cash and Bank Balances (Net off Debt)		727.24	559.49
Total Capital (Equity - Net Cash and Bank Balance)		1184.07	1075.87
Net Debt to Capital Ratio		0%	0%
** Cash and Bank Balances break up :			
(i) Cash and Cash Equivalents	8	8.63	50.56
(ii) Bank balances other than (ii) above	9	599.83	446.70
(iii) Bank Deposits with more than 12 months Maturity	4	141.15	63.51
		<u>749.61</u>	<u>560.77</u>
Less : Unpaid Dividend account balance	9	1.37	1.28
		<u>748.24</u>	<u>559.49</u>

NOTE 36 (D): DIVIDEND

Dividend on equity shares paid during the year	37.84	15.76
Total	<u>37.84</u>	<u>15.76</u>

Proposed Dividend

The Board of directors at its meeting held on 27th April 2024 have recommended a payment of dividend of ₹ 5.00 per equity share of face value of ₹ 2 each for the financial year ended 31st March 2024. The same amounts to ₹ 31.53 crores.

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37 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 on 31-03-2024	As on 31-03-2023
	₹ crores	₹ crores
Gross Block	0.14	0.14
Cumulative Depreciation	0.03	0.02
Liability at the end of the year :		
Current	-	-
Non-Current	-	-
Payment during the year	-	0.02

38 Information on Related party Transactions as Required by Ind AS 24-Related Party Disclosure for the year ended 31st March 2024

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, IAS (Retd.) *
- Sri Mohan Verghese Chunkath, IAS (Retd.)
- Dr.(Tmt.) Nanditha Krishna
- Sri Hans Raj Verma, IAS
- Sri Ritto Cyriac, IFS
- Sri S Durgashankar ^
- Smt. Sheela Balakrishnan, IAS (Retd.) #

* Retired and ceased to be directors on 31.03.2024

^ Director effective from 04.11.2023

Director effective from 20.01.2024

Key Managerial Personnel - Other Employees:

- Sri S Srinivas, Senior Vice President & CFO
- Sri K Narayanan, Company Secretary

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
- Aspick Green Tech Pvt Limited

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C) Transaction details (net of Taxes):

	Transaction amount		Amount outstanding on 31-03-2024
	2023-24	2022-23	
	₹ crores	₹ crores	
(a) Dhanashree Investments Private Limited			Liabilities :
- Rent and amenity charges	0.04	0.04	0.295 crores Equity Shares (4.68%) ^^
- Dividend paid	1.77	0.74	Payable : ₹ 0.003 crores ^^
(b) Ultra Investments and Leasing Co. Private Limited			Liabilities :
- Reimbursement of expenses	0.002	-	0.093 crores Equity Shares (1.47%) ^^
- Dividend paid	0.56	0.23	
(c) Time Square Investments Private Limited			Liabilities :
- Dividend paid	3.83	1.59	0.638 crores Equity Shares (10.11%) ^^
(d) SPB Projects and Consultancy Limited			Assets :
- Reimbursement of expenses	0.01	0.01	Investments in:
- Engineering and Technical Consultancy paid	0.81	0.49	0.005 crores Equity Shares (16.67%) ^^
- Dividend paid	0.01	0.01	Liabilities : 0.0011 crores Equity Shares (0.02%) ^^
(e) SPB Equity Shares Trust (Refer Note 1.13)			Liabilities :
- Dividend paid	1.70	0.71	0.284 crores Equity Shares (4.50%) ^^
- Transfer of Income	1.70	0.71	Receivables : ₹ 1.62 crores ₹ 1.59 crs (31.03.2023)
(f) Aspick Green Tech Pvt Limited			
- Purchase of Spares	0.01	-	

^^ No change when compared to the balance as on 31.03.2023

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C) Transaction details (net of Taxes): (Contd.)

(g) Remuneration to Whole-time Directors :

	Sri N Gopalaratnam Chairman	Sri K S Kasi Viswanathan Managing Director	Sri V Pichai * Deputy Managing Director and Secretary	Sri Ganesh Balakrishna Bhadti # Director (Operations)
	₹ crores	₹ crores	₹ crores	₹ crores
Current Year 2023-24				
Short term employee benefits	2.89	2.81	-	1.27
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	0.19	0.18	-	0.03
Contribution to Provident Fund	0.12	0.11	-	0.06
	3.20	3.10	-	1.36
Payable as on 31-03-2024	1.06	0.97	-	0.31
Previous 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
	2.70	2.42	0.29	1.07
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

(h) Sitting fees and Commission to Non-Whole time Directors	2023-24 ₹ crores	2022-23 ₹ crores
Sitting fees	0.46	0.42
Commission	0.84	0.70
	1.30	1.12
Payable at the end of the year	0.70	0.58

* Includes ₹ 0.08 crores of premium paid for FY 2023-24 for Mediciam insurance policy taken by the Company for the benefit of Non-Executive Directors (Previous year ₹ 0.07 crores)

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C) Transaction details (net of Taxes): (Contd.)

(i) Key Managerial Personnel - Other Employees :

	Sri S Srinivas Senior Vice President & CFO		Sri K Narayanan ^ Company Secretary	
	2023-24	2022-23	2023-24	2022-23
	₹ crores	₹ crores	₹ crores	₹ crores
Short term employee benefits	0.61	0.44	0.16	-
Post Employee benefits (gratuity) & Long term benefits	0.02	0.02	0.01	-
Contribution to Provident Fund	0.04	0.02	0.01	-
	0.67	0.48	0.18	-
Payable at the end of the year	0.13	0.07	0.01	-

^ Appointed w.e.from 14.08.2023.

39 EARNINGS PER SHARE

	Year ended 31-03-2024	Year ended 31-03-2023
Profit after Tax (₹ crores)	270.77	395.84
Weighted average no of Shares :		
Issued and paid-up Ordinary Shares as at beginning of the year	63068140	63068140
Less : Investment by SPB Equity Shares Trust in the shares of the Company (Refer Note 1.13)	2840905	2840905
Weighted average number of shares as at period end for basic and diluted EPS	60227235	60227235
Basic earnings per share (₹)	44.96	65.72
Diluted earnings per Share (₹)	44.96	65.72

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40 Additional information on Net Assets and share of profits and other comprehensive income for year ended 31-03-2024

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	0.14	2.64	0.02	0.05	–	–	0.02	0.05
Associate								
- Ponni Sugars (Erode) Limited	4.87	93.01	4.76	12.89	8.01	3.31	5.19	16.20

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 ₹ 5.90 crores (Year ended March 31, 2023 ₹ 5.91 crores) for Provident Fund contributions and ₹ 0.28 crores (Year ended March 31, 2023 ₹ 0.22 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 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).

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41 EMPLOYEE BENEFITS (Contd.)

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	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	₹ crores	₹ crores	₹ crores	₹ crores
(i) Changes in Defined Benefit Obligations				
Present Value - opening balance	52.56	37.77	1.76	1.35
Current Service Cost	3.16	2.20	0.09	0.07
Past Service Cost	(-) 1.98	2.15	—	0.35
Interest Cost	3.73	2.52	0.12	0.09
Actuarial (Gain) / Loss	(-) 9.72	11.68	0.05	0.08
Benefits paid	(-) 1.36	(-) 3.76	(-) 0.13	(-) 0.18
Present value - closing balance	46.39	52.56	1.89	1.76
(ii) Changes in the Fair Value of Plan Assets				
Opening Balance	42.48	37.45	—	—
Expected Return	3.05	2.71	—	—
Actuarial (gain) / loss	0.02	0.07	—	—
Contributions by employer	1.14	6.01	0.13	0.18
Benefits paid	(-) 1.36	(-) 3.76	(-) 0.13	(-) 0.18
Closing Balance	45.33	42.48	—	—
Actual return	3.07	2.79	—	—

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41 EMPLOYEE BENEFITS (Contd.)

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	₹ crores	₹ crores	₹ crores	₹ crores
(iii) Amounts recognised in the Balance Sheet (as at year end)				
Present Value of Obligations	46.39	52.56	1.89	1.76
Fair Value of Plan Assets	45.33	42.48	—	—
Net Asset / (Liability) recognised	(-) 1.06	(-) 10.08	(-) 1.89	(-) 1.76
(iv) Expenses recognised in the Profit and Loss account statement.				
Current Service Cost	3.16	2.20	0.09	0.07
Past Service Cost	(-) 1.98	2.15	—	0.35
Interest on obligation	0.68	(-) 0.19	0.12	0.09
Total included in Employee benefit expense	1.86	4.16	0.21	0.51
(v) Expenses recognised in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial Gain and Losses arising from changes in experience adjustment	2.03	(-) 1.79	(-) 0.03	0.03
- Actuarial Gain and Losses arising from changes in financial Assumption	7.69	(-) 9.89	(-) 0.02	(-) 0.11
Return on plan assets	0.02	0.07	—	—
Net cost in Other Comprehensive Income	9.74	(-) 11.61	(-) 0.05	(-) 0.08
Asset information				
- Insurer managed	100%	100%	NA	NA
Principal actuarial assumptions				
Mortality	Indian assured Lives Mortality (2012-14)			
Discount rate(%)	7.00	7.19	7.00	7.19
Future Salary increase (%)	8.00	10.00	NA	NA
Expected Rate of return of plan assets (%)	7.00	7.19	NA	NA
Expected average remaining working lives of employees (years)	11.10	11.30	NA	NA
Expected contribution (₹ in crores)	4.50			

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41 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:

General description	Post employment benefit			
	Gratuity - Funded plan		Retirement benefit Scheme -Non Funded plan	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	₹ crores	₹ crores	₹ crores	₹ crores
Discount Rate				
- 0.5% Increase	44.57	50.25	1.81	1.68
- 0.5% decrease	48.33	55.05	1.97	1.83
Salary Growth Rate				
- 0.5% Increase	48.35	55.03	—	—
- 0.5% decrease	44.54	50.25	—	—
Attrition Rate				
- 0.5% Increase	46.31	52.20	—	—
- 0.5% decrease	46.47	52.95	—	—

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 ₹ 4.50 crores (Previous year Actual ₹ 1.14 crores).

