



Seshasayee Paper and Boards Limited

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Erode - 638 007, Tamilnadu, India, Ph : 91 - 4288 - 240221 to 240228
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CIN : L21012TZ1960PLC000364

Ref: SH/ S-6/ 143

2021 07 25

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

Stock Code: SESHAPAPER

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

Stock Code : 502450

Dear Sir,

Sub: 61st Annual General Meeting (AGM) Proceedings

1. With regard to the 61st Annual General Meeting of the Company held on July 24, 2021, through Video Conference, we enclose the following for your reference and records:
2. A copy of the proceedings of the Meeting, in deference to Regulation 30 read with Schedule III - Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of transcript of meeting, in deference to General Circular No.14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs, Government of India.

Thanking you,

Yours faithfully

For Seshasayee Paper and Boards Limited

(K S KASI VISWANATHAN)
Managing Director

Encl: as above





Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

**Proceedings of the
61st Annual General Meeting of the Company
held on July 24, 2021 at 11:00 AM**

SESHASAYEE PAPER AND BOARDS LIMITED
CIN : L21012TZ1960PLC000364**Sixty First Annual General Meeting****Proceedings**

Date : Saturday, July 24, 2021
Time : 11.00 AM
Venue : Video Conference

PRESENT THROUGH VIDEO CONFERENCE

Sri N Gopalaratnam : Chairman
Sri V Sridar : Chairman, Audit Committee & Independent Director
Dr Nanditha Krishna : Independent Director
Dr S Narayan : Independent Director
Sri Mohan Verghese : Independent Director
Chunkath
Sri A L Somayaji : Independent Director
Sri Hans Raj Verma, IAS : Nominee Director of TIIC
Sri K S Kasi Viswanathan, : Managing Director
Sri V Pichai : Deputy Managing Director & Secretary
Sri Arun J Bijur : By invitation

Statutory Auditors :

Sri N R Suresh &
Sri N R Jayadevan : Partner, M/s Maharaj N R Suresh and Co LLP
Sri N Krishnamoorthy : Partner, M/s R Subramanian & Company LLP

Secretarial Auditor & Scrutiniser

Sri B Kalyanasundaram : B.K. Sundaram & Associates

Cost Auditor :

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

Internal Auditor :

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

Members present in person : 158 holding 2,37,81,957 Shares

I CHAIRMAN OF THE MEETING:

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

II QUORUM

The Chairman noted that 137 Shareholders were present in Video Conference (VC) at the beginning of the meeting. Requisite quorum being present, the Chairman called the meeting to order and welcomed the Shareholders present. The meeting commenced at 11.00 AM.

III INTRODUCTION

The Chairman introduced the Directors present at the meeting to the Shareholders. Chairman took the roll call and each Director present, identified himself / herself and registered their presence in the AGM held thro' VC.

The Chairman mentioned that Sri V Sridar, Chairman of Audit Committee and Stakeholders' Relationship Committee and himself as Chairman of CSR Committee are present at the meeting.

Chairman noted the presence Statutory Auditors, Secretarial Auditor, Cost Auditor and Internal Auditor.

Sri V Pichai, Deputy Managing Director & Secretary, provided the general instructions to the members regarding participation in the meeting.

IV REGISTERS

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

V NOTICE AND DIRECTORS' REPORT

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

VI CORPORATE VIDEO

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

VII CHAIRMAN'S SPEECH

The Chairman then addressed the Shareholders. The Chairman's address covered areas of Global / Indian Economy, status of Indian Paper Industry, near term challenges, measures taken to combat Covid-19, Company's performance and outlook for financial year 2021-22, etc.

VIII PRESENTATION BY MANAGING DIRECTOR

Sri K S Kasi Viswanathan, Managing Director, made a presentation on the performance of the Company and the key highlights for the Financial Year 2020-21.

IX AUDIT REPORT

Chairman informed the Shareholders that pursuant to Section 146 of the Companies Act, 2013, the Report of the Statutory Auditors, viz., M/s Maharaj N R Suresh and Company and M/s R Subramanian & Company LLP who were present through their respective partners, included in Pages 123 to 132 relating to Standalone Ind-AS Financial Statements and Pages 201 to 208 relating to Consolidated Ind-AS Financial Statements of the 61st Annual Report does not contain any qualifications, reservations or adverse comments. Thereupon, the Auditors' Report to Shareholders was taken as read.

X SECRETARIAL AUDIT REPORT

Chairman informed the Shareholders that the Company has obtained Secretarial Audit Report from M/s B K Sundaram & Associates, Practicing Company Secretaries, pursuant to Section 204 of the Companies Act, 2013 which is included in Pages 116 to 119 of the 61st Annual Report. He informed the Shareholders that there are no qualifications, observations or comments or other remarks mentioned in the Secretarial Audit Report.

XI INTRODUCTION TO RESOLUTIONS

The Chairman observed that there are five Resolutions proposed to be passed at this 61st Annual General Meeting - 4 Ordinary Resolutions and 1 Special Resolution. He briefly narrated the background and purpose of each of these Resolutions.

XII VOTING OPTIONS

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

XIII REMOTE E-VOTING

The Chairman mentioned that Remote e-voting facility had been offered pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The Company

engaged the services of National Securities Depository Limited (NSDL) for this purpose. The Remote e-voting commenced on 21st July 2021 (09.00 AM) and closed on 23rd July 2021 (05.00 PM).

XIV E-VOTING DURING AGM

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

XV SCRUTINISER

The Chairman mentioned that Sri B Kalyanasundaram, Practicing Company Secretary (Membership No. A 672) has been appointed as Scrutiniser for all the two modes of voting. He would furnish individual as well as combined report in respect of votes cast for all the eight Resolutions proposed at this meeting.

XVI QUERIES AND REPLY

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

The Company had received requests from 7 shareholders, to be a 'Speaker Shareholder' for the purpose of AGM. Of them, 5 shareholders were actually present in the VC and raised their questions. The Company had also received queries from a shareholder by E-mail. The Company had also received few queries through the Chat option in the VC module.

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

XVII ANNOUNCEMENT OF VOTING RESULTS

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

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

XVIII CONCLUSION OF MEETING

The Chairman declared the meeting as closed by 13:35 hours.

XIX SCRUTINISER'S REPORT

The combined voting based on the Scrutiniser's Report in respect of the eight items of Resolutions, of which 4 are Ordinary Resolutions and 1 is Special Resolution :

Item No. of Notice and Description of Resolution(s)	Votes For					Votes Against				
	No. of Members		No. of votes		Vote %	No. of Members		No. of votes		Vote %
	Poll	e-voting	Poll	e-voting		Poll	e-voting	Poll	e-voting	
Adoption of Accounts, etc.	--	169	--	30976316	99.9997	--	1	--	100	0.0003
Declaration of Dividend for the year 2020-21.	--	170	--	30983666	99.9997	--	1	--	100	0.0003
Re-appointment of Sri V Pichai, director retiring by rotation in this AGM	--	162	--	30969105	99.9527	--	7	--	14645	0.0473
Appointment of Sri Hans Raj Verma as Nominee Director, not liable to retire by rotation.	--	164	--	30969361	99.9535	--	7	--	14405	0.0465
Remuneration to Cost Auditor.	--	168	--	30983566	99.9994	--	3	--	200	0.0006

Note : (a) Voting by 3 members is treated as invalid by the Scrutiniser, since the required copies of Board Resolutions / Power of attorney were not submitted w.r.t e-voting, for and on behalf of these 3 members. The voting by these 3 members not considered in the above table.

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

XX VOTING RESULTS

Accordingly all the 5 Resolutions proposed as Ordinary / Special Resolutions, as mentioned in the Notice for the 61st Annual General Meeting have been passed with overwhelming majority and in due compliance of relevant provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XXI DECLARATION

The following Resolutions have been duly passed by the Shareholders in terms of the voting done through Remote e-voting and voting at the AGM based on the Scrutiniser's Report on the Results of voting dated July 24, 2021 and these Resolutions shall be deemed to be passed at and on the date of the General Meeting, viz., July 24, 2021.

(i) Adoption of Audited Financial Statements (Including the Consolidated Financial Statements) of the Company for the year ended March 31, 2021 and Report of Directors and Auditors thereon.

"RESOLVED THAT the Audited Financial Statements (Including the Consolidated Financial Statements) of the Company for the financial year ended 31st March 2021 and Report of Directors' and Auditors' thereon, be and are hereby considered and adopted".

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

(ii) Declaration of Dividend

"RESOLVED THAT a dividend of ₹ 2.50 per fully paid up Equity Share of ₹ 2/- each, be and is hereby declared for payment to those Members of the Company whose names stood registered in the Register of Members, on July 14, 2021 and in respect of shares held in electronic form, to the beneficial owners, as per list furnished by National Securities Depository Limited / Central Depository Services (India) Limited, as on that date".

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

(iii) Re-appointment of Sri V Pichai, retiring by rotation in this AGM

"RESOLVED that Sri V Pichai, Deputy Managing Director & Secretary (DIN: 00263934), who retires by rotation, be and is hereby re-appointed as Deputy Managing Director & Secretary of the Company, liable to retire by rotation."

Declared that this Resolution has been passed by overwhelming majority as a Special Resolution.

(iv) Appointment of Sri Hans Raj Verma, IAS as Nominee Director, not liable to retire by rotation

"RESOLVED that Sri Hans Raj Verma, IAS (DIN: 00130877), who was nominated by Tamilnadu Industrial Investment Corporation Limited (TIIC) and thereupon appointed by the Board of Directors as an Additional Director of the Company with effect from June 15, 2021, pursuant to Section 161 of the Companies Act, 2013 and in respect of whom the

Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation”

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

(v) Remuneration to Cost Auditor

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2021-22, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

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

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

Place : Erode
Date : 24 07 2021

Sd/-
(N GOPALARATNAM)
Chairman



Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

Transcript of the
61st Annual General Meeting of the Company
held on July 24, 2021 at 11:00 AM



AGM – JULY 2021 - TRANSCRIPT

1 Welcome Address – Sri N Gopalaratnam, Chairman

Dear Shareholders

Good morning to all of you. I hope the shareholders are able to hear us and the audio and video are clear. I am N. Gopalaratnam, Chairman of Seshasayee Paper and Boards Limited and by virtue of the Articles of the Association of the Company, I am therefore the Chairman for this meeting.

I hope all of you and your family are in good health and keeping safe. I extend a very warm welcome to all of you for this 61st Annual General Meeting of the Company.

Like in last year, this meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. While this Video Conference gives me an opportunity to reach out to shareholders from far off geographical locations and therefore is a welcome mode for this meeting, I still miss the personal interaction and warmth of a physical meeting.

2 Introduction:

For safety reasons, each of us is in a different location. I am joining this AGM from the Corporate Office of the Company, at Erode. Before we start the main proceedings of the meeting, I request the other Board members, on the video conference, to introduce themselves.

Dr. S. Narayan : I am Dr S Narayan. I am joining this Annual General Meeting from my Residence in Coimbatore. Video Quality is excellent and I have received the agenda papers for the AGM. Namaskaram.

Chairman : Dr. S. Narayan is an Independent Director of the Board of the Company.

Mr. A L Somayaji : I am A.L.Somayaji. I am joining this meeting from my Office in Raja Annamalaipuram, Chennai. I have received all the paper and the quality of audio and video is good. Vanakkam.

Chairman : He is also an Independent Director of the Board.



V. Sridar : I am V. Sridar. Independent Director and Chairman of the Audit Committee. I am participating from my home in Bangalore. Audio and Video are clear.

Dr. Nanditha Krishna : Good Morning. I am Nanditha Krishna. I am an Independent Director. I am joining this meeting from my office in Chennai. I have received the papers and video and audio quality are very good.

Mr. Mohan Verghese Chunkath : I am Mohan Verghese Chunkath, Independent Director of the Company. I am joining this meeting from my residence in Chennai. I have received the papers. Video and Sound Quality are fine.

Mr. Hans Raj Verma, IAS, Addl. Chief Secretary and Chairman and Managing Director, TIIC : Good Morning. I am Hans Raj Verma. I am the Chairman & Managing Director, Tamil Nadu Industrial Investment Corporation. I am joining this AGM from my head office in Chennai. Video and Audio are good. Vanakkam.

Mr. K S Kasi Viswanathan, Managing Director of the Company : I am Kasi Viswanathan, the Managing Director of the Company. I am joining the meeting from our Corporate Office at Erode. Audio and Video are good at my end.

Mr. V Pichai, Deputy Managing Director & Secretary of the Company : I am V Pichai, the Deputy Managing Director & Secretary of the Company. I have received all the papers and I am joining this meeting from my residence at Chennai.

Mr. S Srinivas, Head (Finance) : I am Srinivas, Head (Finance) of the Company. I am joining this meeting from our Corporate Office in Erode. I am along with my Chairman and my Managing Director.

3 QUORUM

Chairman

Apart from our Directors, the Statutory Auditors, Cost Auditor, Internal Auditor, Secretarial Auditor of the Company and the Scrutiniser for the meeting, have also joined this meeting.

137 shareholders have joined the meeting thro' video conference.



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

I now request Mr. V Pichai, Deputy Managing Director & Secretary of the Company, to provide general instructions to the members regarding participation in this meeting.

4 INSTRUCTION TO MEMBERS:

Sri V Pichai, Deputy Managing Director & Company Secretary :

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

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

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

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



reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

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

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

Thank you Chairman.

5 VIDEO PRESENTATION:

Chairman

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

[Corporate Video was then played to all the participants.]

I hope that the Video was visible as well as quite audible and also hope that the video helped the Shareholders of the Company to understand and appreciate the Growth story of SPB and the continuous work done by SPB team in rural development and overall social upliftment.

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



6 CHAIRMAN'S ADDRESS:

I once again extend a warm welcome to the Shareholders, Auditors, my colleagues on the Board and other stakeholders of the Company to this 61st Annual General Meeting.

Covid-19

When I addressed you last year in August 2020, we didn't know what course the pandemic would take. Barring March'21 and part of April'21, bearish market conditions prevailed in the domestic paper industry. The last few months have been especially difficult with the virus surging in many parts of our country and impacting severely the domestic demand for paper. We are now warned about the impending threat of third wave striking us.

We all should be grateful to all front line workers, doctors, government officials, non-profit organisations and various other institutions who have been courageously fighting this pandemic over the last 18 months.

The encouraging news is that we all have adapted ourselves to find newer ways to conduct business. With the massive vaccination drive adopted by the Central and State Govts, nearly 7% of our population has been fully vaccinated and another 24% partially.

The dictum however is "More Jobs - More Jobs".

For the economy to return to near normalcy with educational institutions fully functional and travel, tourism and hospitality sectors to resume, we may have to wait for some more time. Meantime, we have to take appropriate precautions in conducting our business as well as social responsibilities.

Combating Covid-19

We, in SPB, have been undertaking a lot of initiatives to combat Covid-19 pandemic, in our Plants as well as in our neighbourhood. Our Company undertook a series of initiatives throughout the year, to help our employees, their families and those living around our Units to combat Covid-19 pandemic. The Company provided face masks, gloves and other protection materials free of cost to all



employees and nearby residents. In line with the Guidelines of Govt. of Tamilnadu, Kabasura Kudineer (a herbal medicinal drink) is being distributed, to all our employees and residents regularly. Rice, grocery, cooking oil, etc. were distributed to those residing in containment areas and to immigrant workmen.

Disinfectant is being sprayed every day all over the Plant, Residential Colony and nearby Villages. The Company also assisted in installation of Key Medical Equipment, Oxygen Storage System, etc. in nearby Govt. Hospitals. The Company has contributed Rs.1.5 Crores so far to the Tamil Nadu Govt in support of their efforts to combat Covid-19 pandemic.

The Company is also actively engaged with various regional institutions, both public and private, in fighting the pandemic and providing help to the needy.

The Company will continue to focus on taking all required steps to ensure well-being of its employees and the neighbourhood residents, at large.

Economy

Prospects on the Global Economy front, are improving for the world. But it is likely to be uneven and dependent on the effectiveness of vaccination programmes and public health policies. South Korea and USA are reaching pre-pandemic per capita income levels after about 18 months. Much of Europe is expected to take nearly 3 years to recover. Indian Economy may also take similar timeline to get back to pre-pandemic levels.

Review of 2020-21

Now coming to the year under review, we had a challenging year, both from the perspectives of Operational performance and Financial Performance.

The Annual Report and Audited Accounts for the year under review, have been with you for some time now. I trust you would have reviewed the same by now and you are happy with the results posted by the Company, amidst a challenging social and economic background, both in India and globally.



The lockdown imposed in multiple phases to contain the spread of COVID-19 pandemic, had affected the normal functioning of commercial establishments, schools, colleges and educational institutions. Slowdown in the Indian economy, coupled with poor offtake in export markets due to the pandemic situation, had resulted in significant reduction in demand for Printing and Writing Paper, key segment in which the Company operates. Due to these factors, Company witnessed huge drop in Revenue and profits during the financial year ended March 31, 2021.

The Total Income for the year for FY 2020-21 was just above Rs 800 crores as against Rs 1207 crores in the previous year.

Profit after tax for the FY 2020-21 was Rs 100.0 crores as against Rs 170.0 crores in the previous year.

As updated in the last AGM, the Company had prepaid all its Term Loans to Banks and the Company achieved NIL Debt Status in December 2019. The Company continued to remain a Debt Free Company throughout the financial year 2020-21. The strong Cash Flows and the Balance Sheet of the Company has allowed the Board of Directors to recommend a Dividend of 125% on face value, to maintain almost the same Dividend Payout Ratio as the previous year.

I have requested Mr. Kasi Viswanathan, Managing Director to make a short, slide presentation to you on the Company's performance and Key highlights during the Financial Year 2020-21. He will do so after my address.

Current Year

Now coming to the current year...

A strong second wave of Covid-19 pandemic and consequent staggered lockdowns in place have affected and halted the demand up-tick that was witnessed in the last quarter of FY 2020-21. Order inflow has once again been impacted due to the consequences of 2nd wave, with schools and colleges continuing to remain closed and work-from-home trend continuing in offices.



The unaudited financial results for the 1st quarter of this FY was approved and reported to Stock Exchanges yesterday. The results briefly, are:

	Units	Q1 21-22	Q1 20-21
Production	Tonnes	35289	27001
Revenue from Operations	Rs (Crores)	217.99	139.16
PBT	Rs (Crores)	25.17	27.57
PAT	Rs (Crores)	18.56	17.86

The shareholders will note that the company is yet to return to pre-Covid levels of revenue and profits. The impact of Covid-19 pandemic on Paper Industry has been severe and the Company has not been spared by the impact.

However, the Company's presence in a number of export markets and our wide portfolio of products have partially helped the Company negate the impact of the weak domestic demand and order inflow. Outlook for 2nd quarter doesn't look promising with domestic demand yet to pick-up.

We expect a stronger Q3 and Q4 with a large set of our population getting vaccinated by then and general economic mood turning positive.

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

What is worrisome, however, is the run-away cost increases in host of import materials, like coal, imported pulp & wastepaper, chemicals and shipping freight rates.

Against this backdrop, the Company has taken a lot of strategic initiatives with focus to realign the Company's focus to emerging global and regional trends.

Some of the key initiatives are:

1. Increasing the product range with capabilities to manufacture single-layer and multi-layer boards.
2. Launch of slew of New Products in non-printing and writing segment, like Kraft Paper for bags, food packaging, and corrugation packaging boards



3. Upgradation of key equipment to improve the quality of paper and the efficiency of operations

The project Mill Development Plan – III (MDP-III), currently in progress in Unit: Erode, has been the key driver in accomplishing the above said strategic initiatives.

With our vast background of experience and a sound balance sheet, we are confident of weathering the present storm. We will continue to focus on repositioning our product mix to the extent feasible to include more industrial grades.

Amidst all this, Company will continue to pay special attention to our rural development and social upliftment programs besides the sugarcane and tree farming initiatives and to the educational and health needs of the communities surrounding its production facilities.

Directorate

During the FY 2020-21, Tamilnadu Industrial Investment Corporation (TIIC) withdrew the nomination of Mrs. E Sundaravalli, IAS and in her place nominated Mrs. Sigy Thomas Vaidhyan, IAS (Managing Director, TIIC) as its Nominee Director on the Board of our Company. Mrs. Sigy Thomas Vaidhyan, IAS, was appointed as an Additional Director on the Board of the Company on November 7, 2020. She was later appointed by the Shareholders of the Company, vide Postal Ballot on December 22, 2020, as Nominee Director not liable to retire by rotation. Later in the month of June 2021, TIIC withdrew the nomination of Mrs. Sigy Thomas Vaidhyan, IAS and in her place, has nominated Mr.Hans Raj Verma, IAS (Managing Director, TIIC) as its Nominee Director on the Board of our Company.

Mr.Hans Raj Verma was appointed as an Additional Director on the Board of the Company. He retires at this Annual General Meeting under Section 161 of the Companies Act, 2013. He is proposed to be appointed as a Nominee Director of TIIC, not liable to retire by rotation, at this Annual General Meeting and the subject is included as item No. 4 of the Agenda of Notice of the Annual General Meeting.

Also, during the year, Tamilnadu Government withdrew the nomination of Mr.Deepak Srivatsava, IFS and in his place nominated



Dr. Shekhar Kumar Niraj, IFS, the Special Secretary to Government, Environment and Forests Department, as its Nominee Director on the Board of our Company.

Your Directors place on record the valuable services rendered by Mrs. E Sundaravalli, IAS, Mrs. Sigy Thomas Vaidhyan, IAS and Mr. Deepak Srivatsava, IFS, during their tenure as Directors of the Company.

Auditors :

M/s Maharaj N R Suresh & Co LLP, and M/s R Subramanian and Company LLP, Chartered Accountants continue to be the Statutory Auditors of the Company.

Acknowledgement :

My whole-hearted thanks are due to all the Shareholders for their sustained support to the Company.

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

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

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

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

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

Thank you Ladies and Gentlemen for your patient hearing.

7 MD'S PRESENTATION:

I will now request Mr. Kasi Viswanathan, Managing Director to make a short slide presentation on the performance review of the year 2020-21.



Sri K S Kasi Viswanathan, Managing Director.

Thank you Chairman and good afternoon to all the shareholders. I will now take you thro' what happened in FY 2020-21 and the key highlights of our Company.

[The Slide presentation made by Managing Director in the Annual General Meeting is attached as Annexure – I to this transcript.]

8 AUDITORS REPORTS

Chairman

I now request Mr. Pichai, Deputy Managing Director & Secretary of the Company, to provide a summary of the Auditors' Report. There seems to be some difficulty in connecting to Mr. Pichai.

Chairman :

The Statutory Auditors, Maharaj N.R.Suresh & Co LLP and R.Subramanian & Company LLP and the Secretarial Auditor, B.K.Sundaram and Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2020-2021. There were no qualifications, observations or adverse comments on financial statements and matters. The Statutory Auditors' report on standalone financial statements and consolidated financial statements are available on Page numbers 123 and 201 of the annual report, respectively. Secretarial Auditor report is enclosed as Annexure 9 to the Board's report on Page number 116 of the annual report.

Thank you.

9 Resolution:

Chairman

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



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

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

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

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

The Financial Statements of the Company including the consolidated financial statements for the financial year ended March 31, 2021 including the reports of Board of Directors and Auditors have already been provided to the members.

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

The Board of Directors has recommended payment of Dividend of Rs. 2.50 per Equity Share of face value of Rs. 2 each, for the financial year 2020-21.

Item No. 3 of the Notice – Re-appointment of Sri V Pichai, director retiring by rotation in this meeting, as Deputy Managing Director & Secretary, by a Special Resolution

Item No. 4 of the Notice – Appointment of Sri Hans Raj Verma, IAS as Nominee Director, not liable to retire by rotation.

Tamil Nadu Industrial Investment Corporation (TIIC), an enterprise belonging to the Tamil Nadu Government, is the largest shareholder of the Company, since inception. TIIC has nominated its Chairman and Managing director, Sri Hans Raj Verma, IAS on the Board of the Company, as Nominee Director not liable to retire by rotation.

Item No. 5 of the Notice – Approval of remuneration payable to the Cost Auditor.



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

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

We have received requests from 7 shareholders to be "Speaker Shareholders". I will now call out their names one-by-one. The Speaker shareholders are requested to restrict their queries to the accounts for the FY 2020-21 and confine their observations / comments to preferably about 5 minutes. I need your co-operation.

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

10 Queries & Answers

Chairman

Now, I am opening the floor for Q&A.

Now we request Mr. Santosh Kumar Saraf (Speaker Shareholder No. 1), DIP Client ID 12067800 18019, to unmute himself and kindly proceed with the question.

SPEAKER SHAREHOLDER NO. 1 : My Dear beloved Chairman and Directors. My Name is Mr. Santosh Kumar Saraf and I am from Kolkatta.

Sir I hope all our directors and management personals and all employees along with all other stakeholders are safe and healthy in this pandemic situation.

I would like to thank and congratulate the Board members and CFO and all key managerial person for their all-round achievements through the year in spite of the business difficulties faced due to COVID pandemic and declare a very reasonable dividend @ Rs. 2.50/-per share for the year ended 31st March 2021.



Once again I would to thank to all persons of company for receiving Awards and Recognitions from various institutions during the year 2020-21.

What steps are taken by the management to minimize the impact and effect on business income & business operation and steps are taken for cost cutting in COVID19?

What is Capex Plan of management for next 5 years to increase growth and income of Company?

Kindly let me that steps are taken to install solar power panels on roof of plants and offices to reduce power cost and depend on supplier and to attain carbon neutrality at earliest.

Kindly let me know the steps are taken to reduce use of fresh water and recycle and reuse of the water.

Kindly let me know what steps are being taken to reduce or stop the use of single use plastic.

Let know the % of employees including casual employee and their family who are Vaccinated, Has company reimbursed the money paid for vaccine by employee and their family for vaccine in Private Hospitals.

I want to visit our Plant after Covid19 pandemic fear over and Chairman Kindly send me your Visiting card along with Mobile no. if possible.

I request you to continue the VC/OAVM meeting in next year to ensure Pan India shareholders participation and it is also less expensive and less risky.

Lastly Sir I wish for all our Board of directors, managerial persons, employees and all other stakeholders and their families happiness, wellness and prosperity in the year 2021.

Chairman

Thank you Mr. Santosh Kumar Saraf. If you are thro', I would like to call upon the next shareholder. What I will do is, I will consolidate these queries and I will answer them all at the end.



Now we request Mr. Surendra Nath Kapoor (Speaker Shareholder No. 2), DIP Client ID IN300966 10765944, to unmute himself and kindly proceed with the question.

SPEAKER SHAREHOLDER No. 2 : Mr. Surendra Nath Kapoor from Kolkatta. Namaskaram to the Board. Congratulations on putting up a good show in Covid year. Every aspect of the Company was explained by Mr. Viswanathan in his presentation, for the last year and for the recently concluded quarter.

We receive Chairman's letter on quarterly basis. I humbly request the company to organise conference call, explaining the financial highlights. Annual presentation is very good and well documented. Lot of companies are doing this on regular basis.

On Product Mix, there has been huge inventory build-up, because of poorer business sentiments and Covid impact. What steps are the management contemplating and how do the product mix change or the introduction of new segments is going to change this problem, since this is now persistent over a period of time.

We are having an integrated manufacturing facility. So, post upgradation, what are the material benefits that will result as a reduction in cost per tonne. You may quantify the payback period and how much money has been invested as of now, since Capital Work In Progress does not indicate a major amount.

On Industrial Grade part, what is the current mix and what are envisaging for 3-5 years, down the line.

On Raw Material and cost of Power & Fuel – Your presentation showed clearly on how we are discharging water to sugarcane field and then creating energy. What is our current mix of fuel and power. Do we also work on exchange of bagasse with Coal like other sugar companies. Kindly explain the same.

On Raw Material – I would like to know the key constituents and how are we insulated from the vagaries of the market.

On March Quarter – What was the key reason for margin depression? What was the key reason for the lower margin in 4th quarter in particular. If you could explain more on the same.



In Annual Report, you have mentioned about Petroleum Products trading. How is this gelling with our Business. How does this add or create value for us.

We did 1 shut down for Paper Machine. Has it served the purpose, for which it was done.

This year, taking in to account, how Covid has affected drastically, what is the strategy change, if any, the company is contemplating concerning external vagaries.

Our dependence on Wiring and Printing segment has been higher. What steps are we taking in this account.

Thank you for the presentation and wish good health for everybody. All the Best. Stay Health and stay safe.

Chairman

Thank you Mr. Surendra Nath Kapoor. You have asked a number of questions. I will try answering these questions at the end.

Now we request Mr. S.Ramasundaram, Folio No R05031 to unmute himself and kindly proceed with the question.

Since Ramasundaram did not join, we move to the next shareholder.

Chairman

Now I can call upon the 3rd shareholder Dr. Deval Yogendra Vashistha, DP Client ID. IN30302852642815 to unmute himself and kindly proceed with the question.

Shareholder No. 4 Dr. Deval Yogendra Vashistha :

Thanks to Management for Good Performance in a difficult year. Rs 100 crs PAT on a sale of Rs 800 crs is a decent no. and thanks to Management for a good performance.

I see from your 10 year highlights that 2018-19 is the best year financial performance. When do you expect that performance to return?. Will that kind of superior margins ever return.

Even in a difficult year, SPB profits are way higher than your peers like West Coast Paper and TNPL. You fare better on Peer Comparison. How do you differentiate SPB to deliver such superior profits continuously.



I read from your annual report that the project at Rs 300 crs would be completed in the current year. What is the next growth project SPB is planning to take..

As Mr. Kasi mentioned, you are working on New Product initiatives on High Strength Kraft Paper and Multilayer Paper. I am from the Research background. I would like to know as to what kind of research and development happens in the Paper Industry and can you update on specific R&D initiatives of the company, on more technical grade paper.

Thank you Chairman for the opportunity given to small shareholders like us.

Chairman

Thanks Mr. Vashistha for your participation and thanks for your compliments. Now I can call upon the 4th shareholder Mr. Shlok Dave, DP Client ID 1208160023214965 to unmute himself and kindly proceed with the question.

Mr. Shlok Dave has not joined.

Now we request Mr. Mani Sundaram, Folio No. M4090 to unmute himself and kindly proceed with the question.

Though Mr. Mani Sundaram joined the meeting, his voice was very feeble and we could not hear his questions.

Now we request Mr. Vaibhav Badjatya, DP Client ID No. 12081600 02757076 to unmute himself and kindly proceed with the question.

Shareholder No. 7 - Mr. Vaibhav Badjatya

I would like to congratulate the management for the way AGM is conducted. Your AGM is one of the best that I have attended in the micro and small companies. I would like to wish all the employees and the management good health. I would like to ask few questions, which I have not sent earlier.

Why Indian Paper Industry is highly fragmented? What is the reason that other countries created scale benefits with mega size plants but in India, industry is still fragmented? We can understand the fragmentation for Agro Waste based mills due to catchment area



limitations but what explains fragmentation in waste paper based mills?

Has COVID induced structural changes in the Industry? e.g. Due to newspaper sales decline, is the waste paper availability and thus prices impacted? Will it threaten the waste paper based mills survival structurally?

How do you evaluate the trend of the prices? What are the factors that you consider? What is your structure and manner of thinking as to where the pricing is going.

On Raw Material, particularly on waste paper, some of the pricing movements internationally as well as in domestic market has been very unpredictable. How management thinks and forecasts as to where the prices are going? How our margins can evolve?

Chairman

7 shareholders have requested to be speaker shareholders. 5 shareholders have asked their queries, which I think we will go thro' and I will respond to them.

Queries have been fairly large in number and wide in scope and touching various points of manufacture, distribution and cost. But nevertheless, let me do some justice to it.

First on questions from Mr. Saraf. Thank you Mr. Saraf for your compliments. I must tell you that we are already carbon neutral. This is mainly because of the plantations that we create. We plant 13-14 crore wood saplings every year. Our idea is to be wood positive. We have been able to achieve this in the last 6-7 years.

My CAPEX plan for next 5 years will be drawn up after the completion of MDP-III, which may be completed by March 2022, subject of course to the impact of Covid 3rd wave. We might next concentrate on our 2nd unit in Tirunelveli, for further investments.

We are consistently reducing fresh water. We were consuming 60 cu.metre of water per t of paper some time ago. Today we are consuming only 40 Cu.metre at Erode. Our consumption is hardly 12-13 cu.metres at our unit 2, since there is no pulping unit. So depending on the product that you have, the no. of machines that you have, water consumption varies. We are taking active steps



every year to bring down water consumption. We will see as to how to reduce fresh water drawal further.

On vaccination, nearly 95% of our employees have been vaccinated. Around 70% of our contractors have been vaccinated. When the vaccination commenced, enough vaccines were available. Now availability is issue from Government. We have now started to work with private hospitals to get people vaccinated at Company's cost. About 800 people have got vaccinate as such. Company is not charging anyone. Company is paying upfront.

You are welcome to visit our plant.

On continuing AGM in next year thro' VC, let us see how the situation progresses and what rules MCA issues, once Covid weakens. We are also equally happy with VC since we are able to connect to distant shareholders. If I have not answered any of your questions, please write to us back.

Mr. Surendranath Kapoor has asked a lot of questions. We write to shareholders at the end of every quarter, as to what is the performance. We also give nos. and views about current quarter. Most of the questions that you raise have been answered in my quarterly newsletters. We will try and make newsletters exhaustive. I will examine your suggestion on quarterly conference call.

So far, we have been mostly on Printing and Writing Paper. That is our main grade. Not only because it is a very important grade from social point of view in promoting literacy, it also gives the maximum return. We are developing alternate products. Some are under development and some are under filed trials.

On MDP-III, we have spent about Rs 150 crores out of our own internal accruals.

Coal vs Bagasse – We get Bagasse released from our Associate Company Ponni Sugars and Bagasse procurement is based on relative calorific values of Coal and Bagasse.

On Q4 and Q1, higher top line vs bottom line, we will go thro' and get back to you.

On petroleum products, we are trading because of retail outlet of Indian Oil, because of expectation from people for unadulterated fuel



and right quantity. There is no great investment. We have been operating this retail outlet for 15 years and we have been making reasonable profit. This is mainly to serve the community.

What we have done last year – because of lack of market orders, we have utilised this time for upgradation works and manufacture and storage of pulp board, for use at the time of shortage of pulp. This will help during the shuts scheduled in pulp mill / recovery boilers. Our Strategy has helped in pulp availability during the shuts.

Our dependence on Printing and Writing is high and that is where our margins are high. This segment is not going to be permanently under stress. Lot of efforts have been taking by the Government on education; new education policy has been developed. Worldwide, India is considered to be the main country for printing and writing paper. This is not the end of the growth of Printing and Writing Paper.

For 2-3 years, the impact of Covid will be there. We are now creating alternate products, just to be in those markets. We already have a large product mix and we are expanding this further to include Kraft and multi-layer boards. Product mix will be altered depending on demand.

Since you have a lot of question, you may kindly consolidate your thinking and send a letter to us.

Now to Mr. Vashistha's questions – Even last year, our margins were quite good. Our top line and bottom-line have come down. But margins were good. I think the impact of Covid is going to be there for at-least another 2-3 years.

Even if the demand comes back, the costs are going up significantly. Mr. Kasi has presented the significant increase in freight rates.

We have not allowed the machines to shut as much as the others were doing. We use them somewhat beneficially to produce pulp board. Definitely the strategies have helped in delivering superior profits.

On next Growth project of SPB – Covid has given confusing trends. We have to wait for 3-4 months. Anyway, our next growth strategy will be in Unit – Tirunelveli.



On the research side, Paper Industry has got a centralised research facility at Central Pulp and Paper Research Institute at Saharanpur. That is where most of the fundamental work is going on. Product optimisation and development of new products are more application oriented. We don't do fundamental research in paper units.

We have received some questions from Mr. Shlok Dave by e-mail.

Can you please provide commentary on the situation on the ground as of now? How is the channel inventory? How is the demand environment?

Demand is more muted now. In fact, Our sales was more than 100% of our capacity in March. April it came down to 70%; May at 42%; June picked up and moved to 70%. Currently we would be at about 80%. Our Production levels are around 85-90%.

Similarly Sales realisation has also started coming down. We have been impacted by significant increase in cost of input materials like wood, pulp, coal, waste paper. On top of it, there is lack of demand. We have a lot of challenges.

2. What can be the peak revenue and margins of the current installed capacity assuming 55-60/kg realisations for the writing and printing paper and 35-40/kg realisations for packaging paper etc? What is the similar potential for new capacities under construction?

On completion of MDP-III, we might be at Rs 1500 crores with better margins.

3. Can you guide for the peak debt and interest levels? Also, what's a good assumption for depreciation post expansion?

We continue to be self-sufficient on working capital. Till date, project spend has been met thro' internal financing. Our debt would be only on Term Loan for MDP-III, which would be about Rs 70-80 crores in Q4 of current financial year.

Our peak interest cost would be about Rs 10.0 crs p.a.

Post expansion, depreciation would be about Rs 55.0 crs p.a.

4. Can you please provide an approximate amount for maintenance capex every year on the expanded capacity?



Our annual Repairs & Maintenance spend is expected to be about Rs. 36.0 crores p.a.

Our normal capital addition would be about Rs 10-20 crores p.a.

Now to Mr. Vaibhav's questions – Reasons applicable to agro industries is also applicable to the integrated wood mills. We have a very poor raw material base. Our access to good quality raw materials is a problem. Wood based Paper units individually meets 95% of its wood requirements thro' Tree farming. These happen in small scale in marginal farmers lands. Their prices are exorbitant when compared with international prices. We spend about 120 US \$ per t of wood in India, whereas outside India, it is about US \$ 60. Proposal for allocation of waste land to paper mills for wood plantation, has been pending with various Governments for a long time.

Collection of waste paper is poor in India. Our collection rate is less than 30% whereas internationally, it is about 60-70%.

I don't think Covid is going to create permanent damage to us.

Prices of waste paper is high now mainly because of higher shipping costs.

On what drives the prices of finished product – Our pricing is dependent on costs. If cost goes up, we try our best to increase prices. Cost of imported paper into India is another factor, mainly due to lot of FTAs with Zero duty. We have to watch the market very carefully.

We have received few questions on chat.

We are also trying to diversify because of pressure of demand on Printing and Writing Paper.

On MDP-III project debt, we would like to utilise the debt as a last resort.

We are changing our product mix to meet the growing demands in packaging grades. Our product mix will include industrial grades.

On stressed assets, we have to see the quality of assets and how compatible it is with our line of business.



On succession planning, higher age is not a factor of concern. It is important to see whether the company is progressing. I have told in last AGM that we would need another 2 years. We are working on this.

Price increases is a must. Once demand for paper is back, we will review.

China has banned the import of unsorted waste paper. Pulp prices have gone up due to a variety of global factors, like availability issues and freight rates.

Our non-core investments, our investments are in strategic and we focus on helping them grow. We don't have any plans of monetising them.

Consolidation of sector may not happen because of variation in age and products. Ownership may change but consolidation is difficult.

I think, I have exhausted all the questions. If any question is omitted, you may write back to our offices and then, we will definitely provide clarifications.

With that, we conclude the Question session from all the shareholders.

11 Concluding Remarks

Members may note that the voting on the NSDL platform will continue to be open for 15 more minutes after the closure of the meeting. As of now, about 158 shareholders are present or participating in this meeting and have remained so in most part of this meeting. I am thankful to the shareholders for their sustained interests.

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

I also hereby authorise Mr. V Pichai, the Deputy Managing Director & Company Secretary, to declare the result of the voting and place the results on the website of the Company at the earliest.



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

We had 158 members participating today in this 61st Annual General Meeting. We are grateful to all our shareholders from across the country who have participated in this AGM, thro' video conferencing. Thank you all for attending the meeting and I hereby declare the proceedings as closed. Kindly Take Care for your health and Stay Safe. Thank you for your sustained support to the Company.

* * * * *



Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

61st Annual General Meeting

July 24, 2021

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About SPB

- ❖ **Two manufacturing units, both in Tamilnadu :**
 - **One at Erode in Namakkal district and**
 - **The other at Mukkudal in Tirunelveli (TVL) district**
- ❖ **Wide range of products - Printing and writing papers, colour printing, copier papers, posters, Book printing, pulp boards etc**
- ❖ **Total production capacity – 2,00,000 t per annum**
- ❖ **Unit : Erode – Integrated pulp and paper mill - 1,30,000 t per annum**
- ❖ **Unit : TVL - Based on Deinked pulp and external pulp - 70,000 tpa**
- ❖ **Export - 15 to 20 % of production - to over 20 countries including US**

Highlights

Financial year : 2020-21

Key points – Quarter - I of 2020-21

- **Due to Covid 19, both units locked down operations on March 24, 2020 (mid-night)**
- **Unit : Erode – Recommended operations on April 13, 2020.**
- **Unit : Tirunelveli – Recommended operations on April 27, 2020**
- **Markets, schools remained closed**
- **Poor Order flow**
- **Net Sales Realisation (NSR) dropped**
- **Reduced Production**

Key points – Quarter - II of 2020-21

- **Market continued to be tough**
- **High Closing Stock. “Stock without order” increased**
- **Pressure on Selling price**
- **Lean time utilised to upgrade paper machines**
- **Commenced manufacture of pulp board to be used during the proposed pulp mill/recovery complex shut**

Key points – Quarter - III of 2020-21

- **Marginal improvement in Sales**
- **However, pressure on Selling price continued**
- **Education sector continued to remain closed**
- **Dearth of orders from the publishing industry**
- **Directive from GOI to PSUs / Banks / Departments to skip the printing of calendars and diaries**
- **Scarcity of containers and high logistics costs affected both exports and imports**

Key points – Q - IV 2020-21

- Significant pick up in demand witnessed in Q4
- Prices increased in both Domestic and Export market
- Paper despatches improved
- Paper inventory reduced by over 14000 t in Q4
- New products (Multi-layer boards and Kraft for bags and packaging) developed

Operations

	2020-21	2019-20
Production (t)	170138	197547
Total Sales (t)	139005	187271
Export Sales (t)	27983	36413
Export as a % on Total Sales	20%	19%
Closing Stock of Paper (t)	35225	9832

Financials

	2020-21	2019-20
	Rs. Crs	Rs. Crs
Total Income	801.11	1206.71
EBIDTA	126.87	289.57
Depreciation	37.60	35.00
PBT	86.36	247.68
PAT	100.27	173.46

Board of Directors have recommended a dividend of Rs 2.50 per Equity share of Rs 2 each

Highlights

April – June , 2021

(Q1 2021-22)

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Highlights

- Operations affected by Covid-19 particularly in May/June
- Poor domestic Order flow. Export order flow was better
- Significant cost increase - Key Input materials like Coal, chemicals, packing materials, imported pulp, wastepaper etc
- Exports in Q-I accounted for 35% of Total Q-I Sales
- Q1 prices – Better than Q3/Q4 of previous year particularly for Exports
- Export Price increase partially negated by increase in logistics cost.
- Container availability – Still not normal

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Ocean Freight Movement

OCEAN FREIGHT INCREASE OVER THE LAST ONE YEAR				
Country	Port	2020-21	2021-22	% Increase
		Q1	Q1	
		USD PMT	USD PMT	
USA East Coast	Newark	97	197	103
USA West Coast	Long Beach	83	354	325
Srilanka	Colombo	19	50	360
Middle East (UAE)	Jebel Ali	14	46	220
Kenya (E Africa)	Mombasa	36	135	274
Tanzania (E Africa)	Dar Es Salaam	34	135	296
Nigeria (W Africa)	Apapa	100	227	127
Ghana (W Africa)	Tema	56	173	209

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Q1-2021-22 Performance

		Q1 2021-22	Q-1 2020-21
Production	(t)	35289	27001
Sales	(t)	35893	22293
Total Income	Rs. Crs	222.37	145.18
EBIDTA	Rs. Crs	35.68	37.44
PBT	Rs. Crs	25.17	27.57
PAT	Rs. Crs	18.56	17.86

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New products development

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New Products

- ❖ High strength Kraft paper to produce Paper bags, envelopes etc supplied to market – Gaining acceptance
- ❖ Multi-layer - Cup Stock , Carton Boards, wedding cards and high strength high gsm kraft manufactured – Market feed back encouraging.

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Status of Project - Mill Development plan III (MDP-III)



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- Our Company has embarked on a Mill Development Plan III (MDP III) at Unit : Erode.
- Estimated Project Cost - Rs 315 Crores
- Objective is to increase :
 - Unbleached Wood Pulp production from 1,34,000 tpa to 1,54,000 tpa
 - Paper production from 1,32,000 to 1,65,000 tpa



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- ❖ **Project commenced on July 01, 2019 and was scheduled to be completed before March 31, 2021.**
- ❖ **In view of Covid-19, Project is getting delayed.**
- ❖ **Revised Project completion – March 31, 2022.**

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Recognition and Awards

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Recognition and Awards

- ❖ CII SR EHS Award for year 2020 in appreciation of good EHS practices of the company
- ❖ Star award by National safety council - Tamilnadu chapter
- ❖ Company continues to enjoy “Star Export House” status from Director General of Foreign Trade, Govt of India

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