



Seshasayee Paper and Boards Limited

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CIN : L21012TZ1960PLC000364

Ref: SH/ S-6/ 880

2020 08 09

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: 60th Annual General Meeting (AGM) Proceedings

With regard to the 60th Annual General Meeting of the Company held on August 08, 2020, thro' Video Conference, we enclose the following for your reference and record :

- (i) 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.
- (ii) 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, Govt. of India.

Thanking you,

Yours faithfully

For Seshasayee Paper and Boards Limited

(V PICHAI)

Deputy Managing Director & Secretary

Encl: as above





Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

**Proceedings of the
60th Annual General Meeting of the Company
held on August 8, 2020 at 11:00 AM**

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

Date : Saturday, August 08, 2020
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
Tmt. E Sundravalli, 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 : Partner, M/s Maharaj N R Suresh and Co.
Sri R Subramanian : Partner, M/s R Subramanian & Company LLP

Secretarial Auditor :

Sri B Kalyanasundaram : B.K. Sundaram & Associates

Scrutiniser

Sri K Sankarasubramanian

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 : 118 holding 3,30,25,366 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 98 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, Statutory Auditors, Secretarial Auditor, Cost Auditor and Internal Auditor 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.

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

To mark the 60th Annual General Meeting of the Company, 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, Company's performance and outlook for financial year 2020-21, 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 2019-20.

IX AUDIT REPORT

Sri V Pichai, Deputy Managing Director & Secretary, 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 118 to 127 relating to Standalone Ind-AS Financial Statements and Pages 186 to 194 relating to Consolidated Ind-AS Financial Statements of the 60th 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

Sri V Pichai, Deputy Managing Director & Secretary 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 112 to 115 of the 60th 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 eight Resolutions proposed to be passed at this 60th Annual General Meeting - 5 Ordinary Resolutions and 3 Special Resolutions. 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 05th August 2020 (09.00 AM) and closed on 07th August 2020 (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 K Sankarasubramanian, Practicing Company Secretary (Membership No. A 26989) 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 5 shareholders, to be a 'Speaker Shareholder' for the purpose of AGM. Of them, 4 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 13:05 hours.

XIX SCRUTINISER'S REPORT

The combined voting based on the Scrutiniser's Report in respect of the eight items of Resolutions, of which 5 are Ordinary Resolutions and 3 are Special Resolutions :

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.	--	194	--	34137074	99.997	--	1	--	1000	0.003
Declaration of Dividend for the year 2019-20.	--	195	--	34138074	100.00	--	--	--	--	--
Appointment of Director (Tmt.) E Sundravalli, IAS, not liable to retire by rotation	--	191	--	34136622	99.996	--	4	--	1452	0.004
Re-appointment of Sri N Gopalaratnam as Chairman	--	191	--	34134198	99.996	--	3	--	1376	0.004
Re-appointment of Sri K S Kasi Viswanathan as Managing Director	--	191	--	34135698	99.993	--	4	--	2376	0.007
Re-appointment of Sri V Pichai as Deputy Managing Director & Secretary	--	190	--	34133198	99.993	--	4	--	2376	0.007
Remuneration to Cost Auditor.	--	192	--	34136694	99.996	--	3	--	1380	0.004
Payment of Commission to Non Whole-time Directors	--	189	--	34136962	99.995	--	7	--	1612	0.005

Note : (a) There were no invalid votes, in the voting at the venue.

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

XX VOTING RESULTS

Accordingly all the eight Resolutions proposed as Ordinary / Special Resolutions, as mentioned in the Notice for the 60th 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 08 08 2020 and these Resolutions shall be deemed to be passed at and on the date of the General Meeting, viz., 08th August 2020.

(i) Adoption of Audited Financial Statements (Including the Consolidated Financial Statements) of the Company for the year ended March 31, 2020 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 2020 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 ₹ 4 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 29, 2020 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 unanimously as an Ordinary Resolution.

(iii) Appointment of Director, not liable to retire by rotation

"RESOLVED THAT Tmt. E Sundaravalli, IAS, (DIN: 08769721), be and is hereby appointed as a Director of the Company, not liable to retire by rotation"

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

(iv) Re-appointment of Sri N Gopalaratnam as Chairman

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sri N Gopalaratnam (DIN : 00001945) as Chairman with executive powers of the Company, for a period of 3 (three) years with effect from April 01, 2020, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors, hereinafter referred to as “the Board”, which term shall be deemed to include the Nomination-cum-Remuneration Committee of the Board, to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Sri N Gopalaratnam, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

(v) Re-appointment of Sri K S Kasi Viswanathan as Managing Director

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sri K S Kasi Viswanathan (DIN : 00003584) as Managing Director of the Company, for a period of 3 (three) years with effect from April 01, 2020, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors, hereinafter referred to as “the Board”, which term shall be deemed to include the Nomination-cum-Remuneration Committee of the Board, to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Sri K S Kasi Viswanathan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

(vi) Re-appointment of Sri V Pichai as Deputy Managing Director & Secretary

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sri V Pichai (DIN : 00263934) as Deputy Managing Director & Secretary of the Company, for a period of 3 (three) years with effect from April 01, 2020, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors, hereinafter referred to as “the Board”, which term shall be deemed to include the Nomination-cum-Remuneration Committee of the Board, to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Sri V Pichai, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

(vii) 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 2020-21, 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.

(viii) Payment of Commission to Non-wholetime Directors

“RESOLVED THAT the consent of the Company be and is hereby accorded for payment of commission to Non Whole-time Directors out of the net profits of the Company, over and above the Sitting Fees, for a period of three financial years from April 01, 2019.

PROVIDED FURTHER THAT the aggregate commission for all the Non-Whole-time Directors shall be within the ceiling prescribed from time-to-time under Section 197 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof.

RESOLVED FURTHER THAT the commission be divisible among the Directors in such manner and proportion as the Board of Directors may deem fit, subject to a ceiling of ₹ 10 lakhs (Rupees Ten lakhs only) per annum to each Non Whole-time Director.

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

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

**Place : Erode
Date : 08 08 2020**

Sd/-
(N GOPALARATNAM)
Chairman



Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

**Transcript of the
60th Annual General Meeting of the Company
held on August 8, 2020 at 11:00 AM**



Welcome Address – Sri N Gopalaratnam, Chairman

Good morning everybody. I extend a very warm welcome to everyone for this 60th Annual General Meeting of the Company. This meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. 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.

For safety reasons, each of us is in a different location. I am joining this AGM from the Corporate Office of the Company in 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 Coimbatore and I am an Independent Director on the Board of this Company.

Mr. A L Somayaji

I am joining the meeting from Chennai. I am in my office and I am an Independent Director.

Mr. V Sridar, Chairman of the Audit Committee, the Stakeholder Relationship Committee and Nomination-cum-Remuneration Committee

I am V. Sridar, participating in this AGM from my residence in Chennai. I am an Independent Director and happen to be the Chairman of Audit Committee, as said earlier.

Dr. Nanditha Krishna

I am Nanditha Krishna. I am joining this meeting from my home in Chennai. I am an Independent Director of the Company.

Mr. Mohan Verghese Chunkath

I am Mohan Chunkath. I have joined the AGM from my residence in Chennai. I am also an Independent Director in the Company.

Tmt. Sundaravalli, IAS

I am Sundaravalli. I am joining this AGM from my residence at Koyambedu, Chennai. I am the Managing Director, TIIC.



Mr. K S Kasi Viswanathan, Managing Director of the Company

I am Kasi Viswanathan, the Managing Director of the Company and joining the meeting from our Corporate Office at Erode.

Mr. V Pichai, Deputy Managing Director & Secretary of the Company

I am V Pichai, the Deputy Managing Director & Secretary of the Company and joining the meeting from our Corporate Office at Erode.

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.

98 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.

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.

Chairman

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. 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, I would like to play you a Short Video presentation, capturing the Genesis and the Growth Story of SPB, during the last 60 years.

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 my address to the shareholders.



CHAIRMAN's SPEECH

Dear Shareholders,

I welcome you all to this 60th Annual General Meeting of the Company. 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.

This Annual General Meeting is indeed a significant occasion since this marks the completion of 60 years of company's incorporation. The video presentation that you just watched, succinctly captures the decade by decade progress made by the Company. As with other corporate entities, SPB went through its share of highs and lows, struggles and successes, faced existential issues, savoured moments of glory - but met them all with equanimity and determination to move ahead and be socially relevant, environmentally compatible and economically self-sustaining.

This is an occasion to pay homage to Mr.SV, the founder and to his vision and entrepreneurship and salutations to all present and past shareholders, Board of Directors, employees and stakeholders, who over the last 6 decades have kept the SPB flag flying.

What are the highlights of these 6 Decades...

The unique Lift Irrigation Scheme involving the Paper Mill - Farmers' Societies and Sugar Mill that has turned non-arable lands into sugarcane fields transforming the lives of over 500 farmers and some villagers. This scheme is in successful operation for over 35 years now.

The 2nd most important thing is the Creation of TNPL: an audacious decision to establish your own competitor in the State only to take away your market share and compete with you for state forest resources. TNPL has become the most successful bagasse based unit in the World and simultaneously SPB is also able to sustain and grow into a highly profitable paper unit in the country.

3rd is the Creation of Ponni Sugars – Ponni Sugars was created just to meet the raw material needs of SPB - a very very unique concept. Over the years, Ponni Sugars has earned the admiration of all for its impressive technical and financial performance.

Establishment of SPB-PC.... In its 35 years of existence, the consultancy company, SPB-PC has come to be rated as the best in the country in their line of



business - having undertaken project related services to all the major manufacturing units in the country besides overseas assignments.

SPB itself has a record of 30 years of continuous profit taking and 28 years of unbroken dividend distribution - a record by itself in the Indian Paper Industry.

THE YEAR UNDER REVIEW...

Now coming back to the year under review, we had one more successful year.

Profit after tax for the FY 2019-20 was Rs 174.6 crores. EBITDA as a % of Revenue from Operations was over 24% for the year and PAT improved to 14.5% on revenue. The Company had prepaid all its Term Loans to Banks and the Company achieved NIL Debt Status in December 2019. The Company continues to remain a Debt Free Company.

The strong Cash Flows and the Balance Sheet of the Company has allowed the Board of Directors to recommend a Dividend of 175% on face value. In addition, a special dividend of 25% has been recommended to commemorate the diamond jubilee of the Company, totalling to 200%, for the second year in succession.

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 2019-20. He will do so immediately after my address.

Now coming to the current year...

Now coming to the current scenario, Covid-19 Virus has triggered a global crisis like no other.

Numerous lives have been snatched away, livelihoods of millions of people are in peril and economies of mighty nations have been battered. World Bank's Global Economic Outlook predicts that 90% of the countries in the world will go into recession in the coming months.

Indian Economy was slowing down even before COVID-19 and is currently looking at its fourth recession since independence.

India's GDP is set to contract by about 10% in the current year, while the World Economic outlook growth projections forecast a 4.9% contraction for the World output. Barring China, all other nations - Advanced Economies as well as Emerging Markets and developing economies are set to face negative growth this year.



India is going to be no exception. The economic impact of COVID-19 has been substantial and broad-based. The near-term growth outlook for India continues to be clouded by the global and domestic slowdown and uncertainties relating to the containment of COVID-19.

Pulp and Paper Industry, world-wide has been severely impacted by COVID-19. India, again, is no exception. With the closure of educational institutions, promotion of on-line learning and work from home practices, closure of several public and private commercial organisations, printing and writing grades are under severe demand related pressure. Industrial paper usage has also taken a big hit because of weakness in the FMCG, consumer durables, apparel segments etc. Adding to the tale of woe, is the sharply muted demand in the export markets.

While CRISIL Research indicates a contraction in demand for paper & paper boards to the extent of 10 - 15% in the domestic market, the Industry is currently witnessing a much larger decline in demand. The current year, therefore, will be a year of great challenge for the domestic paper industry.

We are bracing ourselves to face the contingency of poor off-take, slashed down prices, need to undertake periodic market related shuts of paper production, build-up of inventory of finished goods etc.

With our vast background of experience and a sound balance sheet, we are confident of weathering the storm. We also will 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.

As the shareholders are aware, during the FY 2019-20, the Company had submitted a composite scheme of compromise or arrangement with creditors and stakeholders of Servalakshmi Paper Mill Limited, under Liquidation. Matter is pending before NCLAT. Our company is now approaching NCLAT for down revision of the Scheme Settlement terms, post Covid-19.

Directorate

During the year, Tamilnadu Government withdrew the nomination of Sri Shambu Kallollikar, IAS and in his place, nominated Sri Deepak Srivatsava, IAS, the Special Secretary to Government, Environment and Forests Department, as its Nominee



Director on the Board of our Company. Sri Deepak Srivatsava, IFS, was appointed as an Additional Director on July 27, 2019. He was later appointed by the Shareholders of the Company, vide Postal Ballot on September 18, 2019, as Nominee Director liable to retire by rotation. Your Directors place on record the valuable services rendered by Sri Shambu Kallollikar, IAS, during his tenure as Director of the Company.

Based on the performance evaluation and on the recommendations of the Nomination-cum-Remuneration Committee, Sri A L Somayaji and Dr Nanditha Krishna were re-appointed for a second term of five years from September 29, 2019 to September 28, 2024 as Independent Directors, not liable to retire by rotation.

The Tamil Nadu Industrial Investment Corporation Limited has nominated Mrs E Sundaravalli, IAS, Addl. Secretary, Industries Department, Government of Tamilnadu and its Managing Director as its nominee on the Board of our Company in the place of Dr.(Tmt).M.Aarthi, IAS. She was appointed as an Additional Director by the Board on July 13, 2020.

Mrs. Sundaravalli retires at this Annual General Meeting under Section 161 of the Companies Act, 2013, read with Article 90 of the Articles of Association of the Company. She 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. 3 of the Agenda of Notice of the Annual General Meeting.

Your Directors also place on record the valuable services rendered by Dr. Aarthi, IAS during her tenure as Director of the Company.

Auditors :

M/s Maharaj N R Suresh & Co., 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.

I will now request Mr. Kasi Viswanathan, Managing Director to make a short slide presentation on the performance review of the Year 2019-20.

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 2019-20 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.]

Chairman

I now request Mr. Pichai, Deputy Managing Director & Secretary of the Company, to provide a summary of the Auditors' Report.

Sri V Pichai, Deputy Managing Director & Secretary

Thank you. The Statutory Auditors, Maharaj N.R.Suresh & Co and R.Subramanian & Company LLP and the Scretarial Auditor, B.K.Sundaram and Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2019-2020. 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 118 and 186 of the annual report, respectively. Secretarial Auditor



report is enclosed as Annexure 9 to the Board's report on Page number 112 of the annual report.

Thank you.

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, 2020 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. 3.50 plus a Diamond Jubilee Special Dividend of Rs. 0.50, totalling to a Dividend of Rs. 4.00 per Equity Share of face value of Rs. 2 each, for the financial year 2019-20.

Item No. 3 of the Notice - Appointment of Director, not liable to retire by rotation, by an Ordinary Resolution

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 managing director, Tmt. E.Sundaravalli, IAS on the Board of the Company, as Nominee Director not liable to retire by rotation.

Item No. 4 of the Notice – Re-appointment of Sri N Gopalaratnam as Chairman, with Executive Powers, for a further period of 3 years from April 1, 2020, by a Special Resolution.



Item No. 5 of the Notice – Re-appointment of Sri K S Kasi Viswanathan as Managing Director for a further period of 3 years from April 1, 2020, by a Special Resolution.

Item No. 6 of the Notice – Re-appointment of Sri V Pichai as Deputy Managing Director and Secretary for a further period of 3 years from April 1, 2020, by a Special Resolution.

Item No. 7 of the Notice – Approval of remuneration payable to the Cost Auditor.

Item No. 8 of the Notice – Approval of commission payable to the Non Whole-time Directors of the Company.

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 5 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 2019-20 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.

Chairman

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

Now we request Mr. Deval Yogendra Vashistha, DIP ID IN303028 Client ID 52642815, to unmute himself and kindly proceed with the question.

Shareholder No. 1 - Mr. Deval Yogendra Vashistha, DIP ID IN303028 Client ID 52642815

Thank you very much for giving me this opportunity and my client ID is 52642815 and I am speaking from Bangalore. Thank you very much once again and really helpful to see your Annual Report and the initial page where you have given the 10 year highlights, which was very interesting to understand from the



shareholder point of view, to remain invested and to invest further in SPB. Thank you very much for approving the dividend of 200%. On completing 60 years of inception of the Company, it is more respectable as No. 60 is Senior Citizen kind of thing. One big surprising thing which we were able to see, in the current scenario, you state that from December 2019, the Company is a Debt free company, which is very surprising and remarkable also. We appreciate the management to not to drain out on the resources on Debt and other things.

Now my question to the management is :

-- Are you still going ahead with your Rs. 300 crore + expansion cum modernisation plan with the current scenario in Covid and certain amount of uncertainties hanging around that.

-- Mr. Kasi mentioned that your export volumes are also high on 15-20% and many countries are becoming protectionist now to safeguard their own interests. How do you see those things from the shareholder point of view?

Chairman

Thank you Mr. Vashistha. 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. K Mohideen Gani, DIP ID IN302902 Client ID 40407255 to unmute himself and kindly proceed with the question.

Shareholder No. 2 - Mr. K Mohideen Gani, DIP ID IN302902 Client ID 40407255

Sir, My Video is not coming. Is it OK, if I continue with my audio. Good morning to all. My DP ID is IN302902 40407255. I am calling from Chennai. I have 7 questions to you.

First question is on MDP-3 – What will be the revised timeless for the additional capacities to go online and when can we expect it to bring in additional revenue? Also, on the different note, like what earlier shareholder said, because of the current situation of economy and it is expected to take another 6-8 quarters to recover completely, do you think we are building any overcapacity ? Should we slow down on capacity addition?

2nd question on Page 41 where you have mentioned that the paper industry is highly fragmented with 800+ mills operating in the country. Our Company is Debt free which is very good. But there may be lot of other companies who may have high debt or probability likely to go into bankruptcy. This may be the right



window to go and acquire such assets and good bargained price. Are we really having any thought process on Inorganic growth acquiring some of the other paper mills in the current environment?

3rd question is on the salaries & wages in Page 166 & 235, you have said that the salaries & Wages as 68.71 crores compared to 56.05 crores last year, which is a rise of 22.6 percent year-on-year. I also see in Page 248, the compensation of Whole-time Directors have actually fallen, almost flat. Basically the hike has gone to employees. Given that our revenue and profits have actually fallen, shouldn't the hike not be moderated? How do you see this expense for the current financial year?

The 4th question is on 3 Resolutions on re-appointment of KMPs – Yourself, Mr Kasi Visvanathan, and Mr Pichai who are aged 73, 70 and 72 respectively. My question is on the succession planning. Can you please provide details on that.

The 5th question is on break-up. I would like to understand the breakup of revenue on these segments separately – Paper, Notebook, Paper boards, Tissues. How are the revenues generated from each of these sub-sections.

Question No. 6 You have mentioned in the annual report that the book Value of the Company is Rs 158.4 per share. However, if you see the market price, it is getting quoted much lower than book value. Do you see an option for going for buyback at this point of time?

Question No. 7 is on Dividend Payment. Lot of investor's may not like it, but given the current situation, it would have been better if the company held back the cash and paid the dividends once we see more stability in our revenues, may be in Q2 or Q3 when we see more stability of the revenues rather than paying it at this point of time. In fact, I would have preferred that the money could have been better used for the buyback rather than paying the dividends. This way the company could have benefited as well as the shareholders.

Last point – I have seen the Q1 results yesterday. The nos. are good in the current environment. With more unlocking of cities happening, the nos. should be better in the upcoming quarters. Thank you very much and thanks for giving me this opportunity.

Chairman

Now I can call upon the 3rd shareholder Mr. S Ramasundaram, Folio No. R05031 to unmute himself and kindly proceed with the question.



Shareholder No. 3 - Mr. S Ramasundaram, Folio No. R05031 (queries raised in Tamil language)

Vanakkam to all. I am happy to participate in this 60th year Diamond Jubilee AGM. Company, under your leadership, has generated very good levels of production and profits. I thank you for that.

Dividend in this 60th year could have been at last years' level + a special dividend of 5% or 10%. The 3 executive Directors are earning around Rs 25 crores.

Chairman

You are mentioning incorrect nos. You may check.

Shareholder No. 3 - Mr. S Ramasundaram

Like Directors are being paid commission, you may look at the option of paying commission to workmen. E-Voting system got over yesterday. Is there opportunity to exercise voting now. The Annual Report, due to Covid-19, was delivered to us very late. Request that the annual report can reach us well in advance. TDS on shareholder is @ 7.5% under the Finance Act, 2020. Company can represent to have this waived for small shareholders. Also, the wage settlement agreement, that has expired, may quickly be entered in to. Please finalise the labour agreement quickly.

Chairman

Now we request Mr. J Natarajan, DIP ID 12081600 Client ID 20306129 to unmute himself and kindly proceed with the question. He does not seem to have registered and logged in to the AGM. I will now proceed to the next shareholder.

Now we request Mr. Santhosh Kumar Saraf, DIP ID 12067800 Client ID 00018019 to unmute himself and kindly proceed with the question.

Shareholder No. 5 - Mr. Santhosh Kumar Saraf, DIP ID 12067800 Client ID 00018019

Respected Chairman, I am Santhosh Kumar Saraf from Kolkatta, West Bengal. Namaskar to all. I am shareholder of your Company for last 16 years, since May 2004. I never got a chance to attend AGM, since it is always held in Erode. However, I am getting an opportunity to attend the AGM due to Covid-19. Thanks for registering me as a Speaker Shareholder for the Diamond Jubilee AGM. Special thanks to management for declaring a dividend of Rs 4 per share, including diamond jubilee dividend of Rs 0.5 per share in this tough time. I believe, the



dividend is still not at par. I think it is 20% less when compared to last years' dividend. Diamond Jubilee Special Dividend has no impact on shareholder.

What is the impact on revenue of the company this year, as there are no physical printing of annual reports by all companies, as no physical meetings are held. What is the real impact of Covid-19 in % terms. How are we affected.

Next, what is growth % in I half and II half, since the virus has left no industry untouched, amidst Covid-19 pandemic. Kindly excuse my trouble in speaking in English.

What is the cost cutting intended for management staff. Sir, Directors and management staff could take about 30% cut on their remuneration, sitting fees in this year, as many companies have taken these kinds of cost cutting decision.

Only 79.07% shares are in demat form. How many shareholders are holding shares in physical form. Company should take steps to motivate shareholders to convert to demat.

Total number of employees in your company is 1290. But, company has only 10 women employees and only 6 disabled employees, which is very negligible. Are you satisfied with diversity ratio. I think, never. Then what steps are you taking to increase the % of women and disabled employees.

Sir, please give me 5 more minutes, since I have got opportunity to participate in Company's AGM for 1st time.

You have unpaid dividend. What is the amount due under head unclaimed dividend.

As per Companies Act, you are compelled to mention DINs for all Directors, which you are not doing.

My earlier mails to company have bounced.

One of my friend Mr. Mani Sundaram has problem in transfer of shares. RTA is not taking action.

What is the expense of the last physical AGM and the current AGM by VC. What is the benefit of attending AGM by VC. I also get chance to attend AGM by VC.

Jai Hind. Jai Bharat.



Chairman

5 shareholders have requested to be speaker shareholders. One person, Mr. Natarajan, had not turned up. Other 4 shareholders have asked their queries, which I think we will go thro' and I will respond to them.

Before that. I have also received lot of questions thro' Chats today. That also, I will take it up and try to see, how to do justice to them.

In the meantime, the first response that I received was from Mr. Rushabh Shah. I think, he is from Gujarat. He has raised many questions and has said that he is not able to raise these questions in AGM and has requested that these questions be answered in the AGM for the benefit of everybody.

I will take it up first.

Industry related.

For Indian paper players what opportunities does Covid-2019 and the Anti-China sentiments present and how does Seshasayee intend to capitalize on this?

The Covid-19 crisis is likely to influence future customer and consumer preferences. On-line shopping, E-Commerce, On-line learning, Work-from-home concepts, food takeaways from restaurants may gain increased usage. All paper mills, including our Company, will have to watch closely these trends and wherever possible, the product mix has to be altered to cater to the new consumer preferences, which of course SPB will also do.

Has the industry body made a representation to the Govt. for higher duties on WPP imports?

We have made a sufficiently strong pitch for enhancing Customs Duties on Imports of Paper, review of FTAs to bring paper to negative list, move away from Zero Import duty etc. We hope that the Government will act and will act fast.

What is the gap in selling price between paper imports and sold by Seshasayee?

It is more than 10%.

Does the current situation present a huge potential for Export opportunity?

Unfortunately, no.

With countries around the globe under lockdown and a lot of countries are expected to go in to recession and therefore exports may not be a great alternative this year.



How much % total domestic supply is expected to shut down in current situation enabling stronger players like SPB to benefit?

Sorry. I don't have an assessment of how many will shut down. All I can say is no big mill in the integrated paper mill category, will shut down. We all will have to probably restrict our production. We have to take market related shuts. But I don't think, any one of us will be shutting down and since there is going to be at-least 10-15% shrinkage in demand, the domestic competition will also be high.

Would the Demand-Supply equation favour paper suppliers in next 1-2 years?

Before the Covid-19, India was touted as the fastest growing paper market in the world. Unfortunately, Covid-19 has put a brake to all this. I am sure, when Covid-19 gets contained and then normalcy returns, India will certainly grow faster than any other Country in the Paper Industry.

Is there new supply expected?

Yes. There are some supplies coming up in the waste paper grade. But, I have not seen any announcement regarding any green field mill from integrated mills.

How can paper industry be positively impacted either by domestic or global factors based on the management's assessment?

I think generally the packaging grades and tissue grades are expected to register a higher rate of growth.

Which is the most lucrative segment. Is it WPP/Tissue/Packaging etc.

My answer is - Well structured projects and well structured operations can yield good margins be it in WPP or Tissue or packaging. It depends on the structuring of the project and the way you are managing.

Is this E-learning shift a permanent shift?

It is a trend. It will take quite a long while, before it becomes a permanent feature.

Which new products have the industry players entered into in the last 3-4 months?

Most people are trying to see how to readjust their product mix. Packaging Boards appear to have higher rate of growth and demand and therefore, mills will be looking at this sector.

TN Govt. banned plastic in January-2019, Has it benefitted you.



Unfortunately, plastic ban is yet to be fully enforced and therefore, we are not able to see immediate benefits.

Company specific :

Land bank - I understand that along with the acquisition of Subburaj mills, the company got 300 acres of land bank. Are you going to monetise it?

No. We have no such plans as of now.

As per the latest Annual report, the company plans to incur Capital expenditure plan of INR 315 crores. What would be the maximum revenue potential etc.

My answer is – This Rs 315 crores is going to be spent not merely in creating a paper capacity increase of about 35000 tonnes, but will also cater to extending the useful life of the paper machinery, upgrading it for quality paper manufacturing. We are also making an improvement in terms of output of our wood pulp mill and we are also making some additions to our evaporation plant, chemical recovery boilers. We will also be looking at upgrading our recovery boilers. Therefore, all these will have significant impact on revenue as well as on the cost of production.

Project is currently facing delays, as pointed out by Mr. Kasi Viswanathan and originally we were supposed to get 25% of the cost of the project as term loans. May be, we will have a re-look at it post Covid-19. As I said, the project will increase the paper production from 130000 to 165000 tonnes.

What is the company's view on paper realizations trend in FY21/22? (The % change expected)?

It is too early to predict. I don't know when this Covid-19 will get contained. When the economy will open up... when the paper market will start... when the schools will be reopened.. Therefore, these are imponderable questions. Therefore, I am not able to answer some of them with any certainty.

How much % revenues from TN or 5 southern states combined (TN/KER/KTK/AP/TLG)?

We are a dominant player in Southern part of India, with nearly 40%-50% of revenue comes from these states.

What are the Waste paper price trends over last year and expected in FY21 for company's use in cost of goods sold? And does the company expect to use it as



long as it is economically viable or it can't be used even if it is cheap as it affects paper output quality?

Use of Waste Paper depends on the quality of waste paper and the end product. Some grades may be made even with 100% recovered paper.

Has there been any one-off factor that has helped the company in last 2 years?

No. We have not had any exceptional / one-off benefits in the last 2 years.

Thank you Mr. Shah. You have sent some 30 – 40 questions. My suggestion is that you should visit our mill site at Erode, after travel restrictions are removed. You are most welcome.

Let me now do some justice to the questions asked by Speaker shareholders.

1st speaker Mr. Vashishtha – He was generally complimenting the Company. He had got 2 specific questions. One is on MDP-III. Is it worthwhile to take up that now (or) are you creating excess capacities. 2nd – you have got high export volumes. Will it be affected.

As I explained a few minutes ago. Our MDP-III addresses several issues. It is not merely for increasing paper production. It is for improving the overall life, extending the life, rebuilding the machineries to provide for greater quality and also, in one of the machines, we are rebuilding for making packaging grades, which is the need of the day. It has got several objectives. Therefore, some of these are going to be very relevant, even after this Covid-19. We are therefore going ahead with half the projects. On other half, we have put a hold and then see as to how these Covid-19 develops, so that we take a conservative view of projects, volumes produced as well as the capital cost to be spent. Therefore, we will be careful and watch the situation and then be flexible. If necessary that we have to stop something, we will stop.

On Export volumes, we have been doing very well on Exports. Unfortunately, most of the countries outside are facing shut down and slowly opening up. For example, in US market – we used to get 1000 tonnes order every month. We did not get any order at all in April to July. But in August, we have received 1st order after Covid-19. Therefore, we think that slowly the things will start moving. There are certain countries, from where we are getting orders even now. Iran and Sri Lanka for example. Therefore, I expect that some of these markets will slowly open up. Export market is going to play a very important role this year because, with this Covid-19, there is going to be a deceleration and shrinkage of demand



even within India. Therefore, we will have to work hard, not only on Domestic markets, but also on Export markets.

Then Mr. Gani. He raised some valid questions.

On MDP – III – what will be the revised time lines. We were supposed to complete the whole project before 31.03.2021. As I said, while we are going thro' with half the project and we have altered the other half, it will take a delay of 6 – 9 months beyond 31.03.2021, to complete the whole project.

I don't think we are building any over-capacity. As I said, we are looking at improving quality; we are also looking at improving our product mix or extending life of machines; in some cases, we are also looking at a slightly higher production – All these are very important for the Company and I don't want to take a very short term view of this Covid-19 this year. May be, we will have to struggle for a year or two. But, I think these new products as well as enhanced qualities will definitely come to the help of the Company.

I am little bit surprised, Mr. Gani. On the one hand, you are asking whether we are building overcapacity, on the other hand, you are asking me whether we are looking at any acquisition. As mentioned in my speech, we have already made a pitch for Servalakshmi Paper Mill and post Covid-19, we are also approaching NCLAT for a down revision in the terms.

No. 3. - Salaries and wages – As some other shareholder mentioned, our 5 year wage agreement is due for revision and this % increase you are mentioning contains a provision for the effect of such agreements, as and when they are entered in to.

You were asking about Succession Planning. We are aware and we are conscious and the Board is also on the lookout. We have initiated steps. We are holding it back a little bit, since lot of key developments are poised to happen – our MDP plan being a fairly complex project; we are also looking for some inorganic acquisitions. These points, I think, are weighing in our mind and therefore we thought, we would retain the experienced team for a while. But I am sure Mr. Gani that in a couple of AGMs, you will see changes.

On segment wise breakup – Though we manufacture some light weight poster papers, they cannot be classified as tissues. As far as note book is concerned, it is a very small %. These don't form significant % of our overall turnover.



Market price is less than book value for quite some time. Should we not go in for buyback. Certainly buyback is an option to be considered. I want to keep in mind that we have a lot of institutional investors who have been there as shareholders for a long time and who would prefer a higher dividend. Speakers have complimented the Company for giving 200% dividend. Our floating stock is not very high. But, I will take your suggestion seriously and we will review again. Thank you for making this suggestion.

A lot of retail investors have complimented the Company for 200% Dividend. Since we have small Equity Capital, the outgo on the dividend is not significant enough.

Mr. Saraf – Thank you for participating from Kolkatta. You have made some valid observations. You have noted that Number of women workmen are less.

We are in a mofussil area. We are in a process industry, which works in 3 shifts, 24X7X365. Women cannot be employed in shifts. They are generally employed in laboratories for testing, etc., in day shift. We also have a lot of women as fixed term employees. We will review for steps that we can take to bring more women employees.

On your query on no. of shareholders, we presently have 16689. Of this, 3036 are holding shares in physical form. We have been writing to them (shareholders having shares in physical form) periodically. They don't seem to respond. We also have a lot of shareholders, who don't encash their dividend warrants. We send frequent reminders.

On DIN on Directors – We will check on this. Mr. Pichai, our Secretary will respond to you on this, later. We will respond to you later on other queries.

Mr. Ramasundaram. Some of your observations are not easy to implement. I will definitely look at how to quickly progress in wage agreement. We are ready to negotiate and finalise.

That leaves us with few questions on Chat.

Mr Parag Desai asks - What is the plan to expand business during Covid time?Any other diversification plan by company?

No Sir. Our hands are full. We will restrict ourselves to MDP-III.

Mr K Sivaraman asks - Does SPB consider more share of revenues from Packaging boards than Paper in Future?



Yes. The Company's No.2 Machine -- we are now converting into a multi-layer Board Machine, to make packaging grades. We are also looking at the possibility of coating the top side, whether we can make carton boards.

Mr Srivatsa asks - Given the state of the printing industry, do we want to go ahead with the capex when there is demand destruction happening?

I don't think, demand destruction is permanent. Even within India, Printing and Writing grades are growing at a rate of 5-7%. India's overall per capital consumption of paper is very low at 15-18 kg, when compared to global average of 55 kg; China's at 100 and US is also at 200. As economy grows and more and more trade happens, paper industry will be a beneficiary. For example, newsprint, which is an item saturated in overseas market, it is still growing in India, mainly because of the vernacular newspapers and magazines printed in regional languages. Indian market is not saturated for Printing and Writing Paper. We have to be careful. Skill lies in positioning of our products.

Packaging is doing well. As the country is progressing, its GDP is growing, several new sectors are added up, packaging grades are gaining momentum. We will also see how to alter our product mix and position ourselves. We have some flexibility, experience and expertise.

Mr Srivatsa asks - we are generating good cash flows, why don't we do buyback of shares to unlock value for shareholders?

Subject on buyback has already been answered.

Mr Srivatsa asks - Please talk on the raw material situation and how are we placed with bagasse and wood ?

We are happily placed. We have created Ponni Sugars and the bagasse is available to us to cater to our bagasse needs. We have the tree farming programme, which helps us to grow as much wood as we consume. There is raw material security.

Ms Pushpadevi Khandelwal asks - Respected Chairman, Distinguished members of the Board and Fellow shareholder, it is a privilege to participate in this meeting, - I would like to know the impact of COVID -19 on capacity utilization of the company, (2) measure taken by the company to mitigate the adverse impact of close down and fall in demand for the product. Thanks for the opportunity - Wish you all a good health?



Capacity utilisation will suffer. To what extent is dependent on the containment of Covid-19 as of now. Capacity utilisation has already fallen in Q1. There will be adverse impact. We are taking steps to minimise this.

Mr Vaibhav Badjatya asks - Can you please provide outlook for paper prices in near term along with details around industry capacity addition and resultant demand supply situation? What is revenue % between Writing paper, Packaging paper and other kind of paper for the company? Are you seeing different price trend for different types of paper? Why the paper industries constantly face threat of imports at cheaper prices? Why other countries are more cost efficient and thus able to offer lower prices? Why the industry have long lead time for green field plant commissioning? Is it that Raw material availability is also cyclical with years of oversupply and vice versa? What is your assessment of where we are currently in the cycle? Is imported wood pulp costlier or cheaper than domestically available pulp? Why it is so? Company has shown remarkable performance as compared to the industry even during the low point of the cycle? What differentiators company have vis-a-vis competition to enable such a good performance? Is it lower power cost or lower raw material cost or higher prices? Is the recycled paper and its environmental benefits a threat to long term business of paper manufacturing from wood?

Very good questions. On outlook for paper prices, there will be a drop. There will be lot of competition both in Domestic and Export markets. Capacity available will be in excess of demand. Therefore, prices will drop during the year. We are substantially in Writing and Printing paper. Our packaging grades may not be more than 10-15%. We are only trying to see on how to reposition our product mix to increase the proportion and to address specific market requirements. This is part of MDP-III, which is ongoing.

On costs being lower in other countries - For example, in Brazil or in Indonesia, they grow tree in plantations of 15000 or 20000 hectares with modern technologies. Wood price is highly economical there. Now compared to that, in India, we have been asking waste lands for plantation development of wood for last 30 years and of course, it is a subject reserved for forests. Forest being holy cow, we are not allowed to go anywhere near. Though Government is considering this, no positive response received for a long time. So, we take marginal farmers, having 2-3 acres of land, give them seedlings for a price; help them grow; help them with technological inputs; and then buy wood from markets. Farmers are free to sell to anybody. This is the model practised by SPB. A fair practice. But,



ultimately the price of the wood that we get in this method is far in excess. For example, we get wood at Rs 9000 per BD tonne (with Zero % moisture), roughly translating to US \$ 120. Wood doesn't cost more than US \$ 60 in Indonesia. For one tonne of paper, we require two tonnes of wood. There is straight away US \$ 120 difference in pulp cost between us and Indonesia.

The capacity that they have is far in excess of their requirements and therefore on marginal costing prices, they are able to dump paper everywhere at lower prices. Because of the size of the projects, they are also highly competitive and economical in manufacturing, both w.r.t power and steam. We don't have these advantages. Hence, we are not very competitive in our cost of manufacture. There is no distinct advantage. One can question then how are we able to export, we export at a price normally lower than the price obtained in domestic markets. Only once in 4 or 5 years, Export market becomes buoyant and give me more return than domestic market. Green field projects are very difficult because to get environmental clearance, it takes 2-3 years. Then you have another 30-36 months for execution. We have huge lead times for green field projects to come up in India. Green field project has to have a raw material base. Imported wood pulp is generally costlier than well-made domestic wood pulp.

Thank you for your compliments. How are we successful – It is a million dollar secret. We need to be fairly watchful; we need to curtail the costs; we have to be competitive; we also need to see that there are not much leakages out of our system. We are not doing anything wonderful than any other big Paper Mill.

Both wood pulp and waste paper pulp will co-exist. Each one will complement each other.

Mr Srivatsa asks - Given that investors are focussed on ESG, how do we fare on the ESG part on the environment part. Are our various environmental parameters in line with industry standards or global standards?

On the environmental part, we do extremely well. We are very competitive and we comply with all the rules and regulations. We meet the standards and probably exceed them. That is the reason, we could get GreenCo Gold rating from CII. 2nd most important thing – year before last, we were awarded the “Most Environmentally Green Company” by Tamil Nadu Government. We are very much in the forefront on environmental protection.

Mr Srivatsa says - CAPEX per ton of around 100000 per ton seems to be on higher side if we look at the average EBITDA per ton of 10000 ... is some part of



the capex sustenance CAPEX or we expect any cost benefits also apart from production rise? Are we also looking at inorganic opportunities?

CAPEX for MDP-III is not only for increasing paper capacity. It is addressing an issue of upgrading quality. It also addresses extension of life. It is also for rebuilding a line of one of our machines to produce multi-layer boards. It also includes enhancing our pulp production by 30000 tonnes. Hence the CAPEX cost is reasonable and appropriate.

Ms Pushpadevi Khandelwal asks – Sir, What is the status of Ponni Sugars Orissa Limited. Kindly explain what happened?

Ponni Sugars (Orissa) Limited went in to Liquidation and we have demerged from it. We have repositioned ourselves in Tamil Nadu. Unfortunately, Orissa venture was a misadventure. But, we were smart enough to assess the situation correctly and then we repositioned ourselves.

Mr Sushil Kumar Sukhani asks - 1. What is your outlook with respect to pulp prices. Can we expect margin expansion in the coming quarters 2. What is your current capacity utilisation? 3. Since we are now very comfortable with debt position, can we go for some acquisition in the coming months, should any opportunity arise 4. Why is your pay out ratio so conservative 5. Impact of floods on your operations?

Pulp prices are coming down. This is not necessarily a happy situation, since along with pulp prices, paper prices will also come down, which means we will be forced to down revise the prices. Our current capacity utilisation is more than 100%. As explained earlier and also in our Annual Report, we have submitted a bid for acquisition of Servalakshmi Papers Limited, which is geographically very close to our Tirunelveli plant. There is also another bidder, who has made some appeals to NCLAT. Covid-19 has made us sit up and look things differently. Therefore, we are approaching down revision.

There are a lot of views and options on Dividend. Company has to weigh all these options and take a view. In balance of things, what we have done is addressing all these competing requirements.

I think, I have exhausted all the questions. If any question is omitted, you may write back to our offices and then, we will be happy to furnish replies to the best of our abilities.



With that, we conclude the Question session from all the shareholders. I have also responded to chats. I have also responded to the written queries that I have received ahead of the meeting. Almost all the questions are answered.

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 118 shareholders are present or participating in this meeting and have remained so throughout this meeting.

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

I also hereby authorize 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 118 members participating today in this 60th 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 and Stay Safe. Thank you.

* * * * *



Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions


**Presentation
at
60th Annual General Meeting**

8th August 2020




About SPB

- ❖ As you saw in the video, we have two manufacturing units in Tamilnadu :
 - One at Erode in Namakkal district and
 - The other at Mukkudal in Tirunelveli 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 : Tirunelveli - Based on Deinked pulp and external pulp - 70,000 t per annum
- ❖ Export - 15 to 20 % of production - to over 20 countries including the US



HIGHLIGHTS OF PERFORMANCE			
Particulars	Unit	APR-MAR 2020	APR-MAR 2019
Production	tonnes	197547	209015
Sales	tonnes	187271	208087
PBIDT	Rs Lakhs	29071	31890
Profit Before Tax	Rs Lakhs	24882	27131
Profit After Tax	Rs Lakhs	17460	19000
Cash Profit	Rs Lakhs	23864	24689



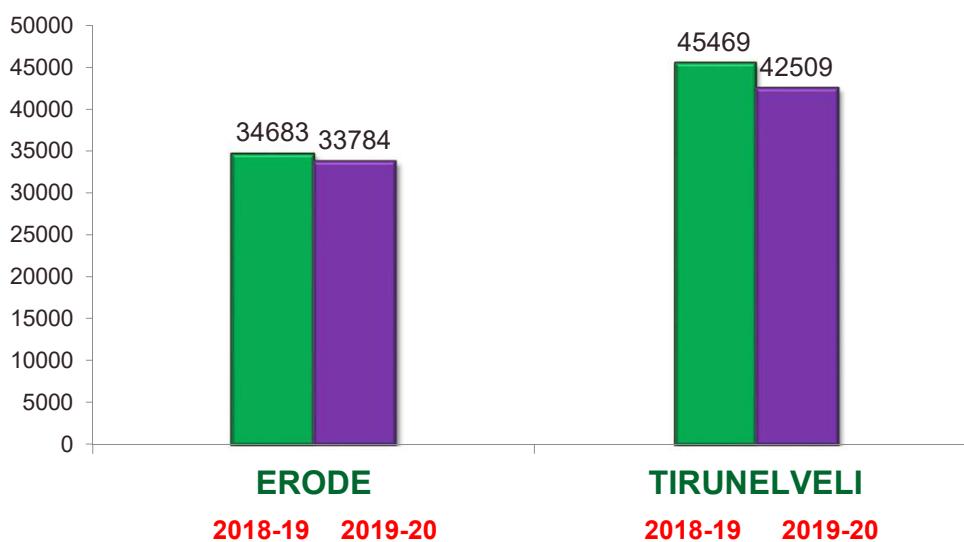
Highlights of performance	
❖	Financial year April 2019 – March 2020 was a difficult year with many challenges
❖	Challenges were: <ul style="list-style-type: none"> • Poor market condition • Planned stoppages needed for upgradation of machines and • Covid 19
❖	Good control on input prices , efficient operation with controlled variable cost, helped to improve profitability



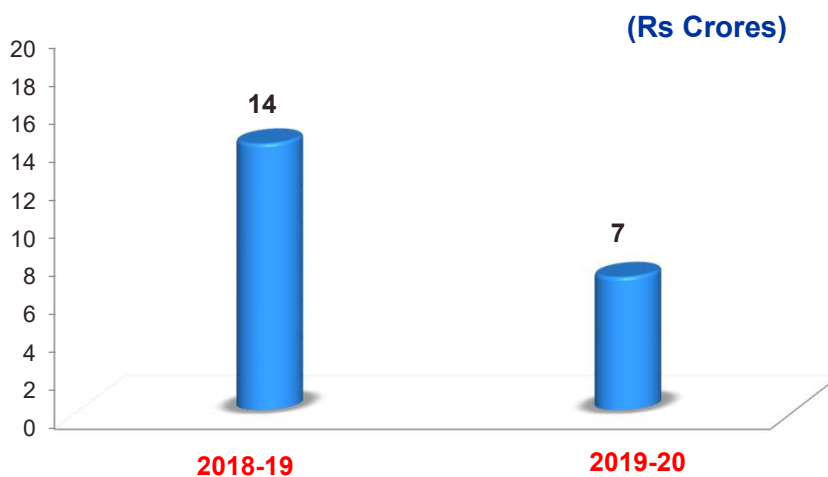
Impact of Covid-19

- ❖ Operations in both Unit Erode and Tirunelveli stopped at mid night of 24th March 2020
- ❖ Erode recommenced operations on April 13th while Tirunelveli restarted on April 27th 2020

Controlled Variable Cost(₹/t)



Finance Cost

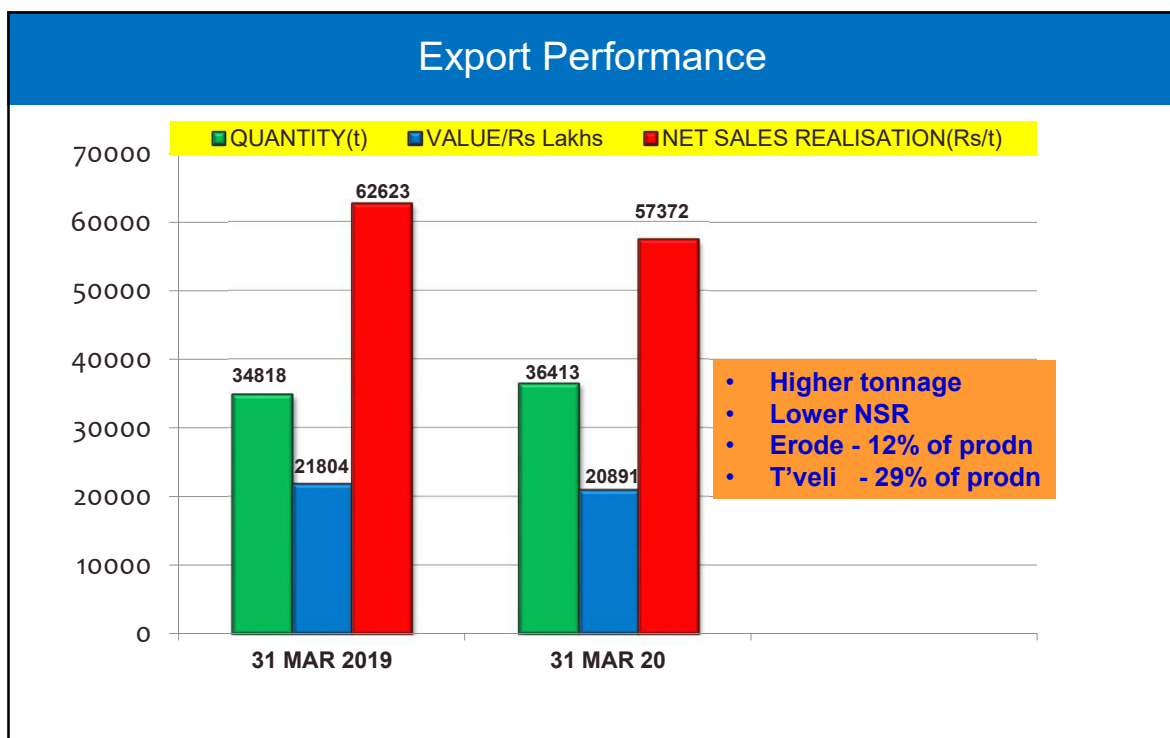


Debt free Company since December 2019



Market

- ❖ Year started with a strong market sentiment
- ❖ Weakening of demand and pressure on selling price from second half
- ❖ Deceleration of Indian economy and falling GDP
- ❖ Surge in duty free imports from ASEAN countries / South Korea and at concessional import duty from China
- ❖ Reduction in International pulp prices lead to reduction in prices of paper overseas, triggering larger imports into India at lower price
- ❖ Impact of Covid 19 during crucial last week of March 2020
- ❖ Export market and prices - also under pressure



Star export house status

Continue to be accredited with **“Star export house status”** by
 Director General of Foreign Trade , Ministry of commerce, Govt of
 India in recognition of our excellent export performance



Dividend

- ❖ Board has recommended
 - Dividend of Rs 3.50 per share plus
 - Diamond jubilee special dividend of Rs 0.50 per share
 - Total Dividend of Rs 4 per Equity share (200%) of face value of Rs 2 each for the year 2019-20
- ❖ Last year also, we had distributed 200% Dividend



Mill Development Plan III

- ❖ Unit Erode has embarked on a Mill development plan III to upgrade and extend life of Existing plant and machinery. Will also
 - Increase paper production to 1,65,000 t per annum
 - Increase wood pulp production to 1,54,000 t per annum
 - Upgrade chemical recovery island
 - Augment waste water treatment plant
- ❖ Project under progress, but getting delayed due Covid 19 issues



Servalakshmi papers Ltd (SPL)

- ❖ During the Financial year 2019-20, Our company submitted a composite scheme of Compromise/Arrangement with creditors/stakeholders of SPL (under liquidation)
- ❖ Matter is pending before NCLAT
- ❖ Our company is approaching NCLAT for down revision of the scheme settlement terms , post Covid 19



Tree farming activity

- ❖ Wood positive. Our company helps to grow more trees than what it consumes
- ❖ Provide quality clonal seedlings of Eucalyptus and Bare rooted seedlings of casuarina to farmers at subsidised rates to encourage tree farming
- ❖ In association with Forest college and research institute of Tamilnadu Agricultural university, Coimbatore
- ❖ Over 14 crore seedlings distributed under this scheme last year for planting in about 16,800 acres






Awards

Bagged several awards this year:

- ✓ “CII Excellent energy efficiency unit award” & “CII Innovative project award”
- ✓ Tamilnadu state safety award
- ✓ “Star” award from National safety council for Occupational health and safety





Thank you