



Seshasayee Paper and Boards Limited

Regd. Office : Pallipalayam, Namakkal District,
Erode - 638 007, Tamilnadu, India.

Ph : 91-4288-240221 to 240228, Fax : 91-4288-240229
Email : edoff@spb ltd.com, Web : www.spb ltd.com

CIN: L21012TZ1960PLC000364

N GOPALARATNAM

Chairman

2020 11 07

Dear Shareholders,

Sub: Un-audited Financial Results for the quarter ended September 30, 2020 and the half-year ended on that date.

At the Board Meeting held on November 07, 2020, the Board of Directors has approved the Un-audited Financial Results of the Company for the quarter / half-year ended September 30, 2020. We enclose the statement for your reference and records.

The said statement has been submitted to stock exchanges and posted in the Company's website www.spbltd.com.

The highlights of operations of the Company for the quarter / half-year ended September 30, 2020 are as under:

SI No.	Description	Unit	Jul - Sep 2020	Jul - Sep 2019	Apr - Sep 2020	Apr - Sep 2019
1	Production	(t)	44354	50995	84112	98333
2	Sales	(t)	24274	46268	46567	88664
3	Exports	(t)	4389	9589	8787	15753
4	Revenue from Operation	₹ lakhs	15035	29988	28951	57832
5	Profit Before Interest, Depreciation and Tax (PBIDT)	₹ lakhs	3509	7919	7253	14775
6	Profit before Tax (PBT)	₹ lakhs	2495	6799	5252	12462
7	Profit after Tax (PAT)	₹ lakhs	1642	4676	3428	8556

PRODUCTION

Production during the period April - September 2020 was lower than corresponding period in the previous year, due to following:

- Operations remained closed due to lock-down imposed by Government, as indicated in our earlier communication.
- The Company had to avail frequent shuts of Paper Machines, on account of lack of market orders. Wherever possible, these shuts were gainfully used for undertaking the upgradation works under Project Mill Development Plan - III.



MARKET

The uncertainties surrounding Covid-19 and the attendant fears had resulted in closure of commercial establishments, schools, colleges and educational institutions for most part of H1-2020-21, which in turn, resulted in significant reduction in demand for Printing and Writing Paper, key segment in which the Company operates.

The weakening demand had resulted in increased finished goods Inventory. Poor demand witnessed during the period under review had resulted in drop in prices of paper, both in Domestic and Overseas markets.

The outlook for Paper, in printing and writing segment for Q3-2020-21, is weak.

PROFITABILITY

Major factors that contributed to lower profitability during the half-year ended September 2020 were:

- ◇ Lower Sales volumes and
- ◇ Lower net Sales Realisations, resulting from lean demand.

The impact of the above adverse factors was partially offset by reduction in Variable Costs per tonne of Paper, in both the units of the Company.

Thanking you,

Yours Sincerely,



N GOPALARATNAM

Enc.: a/a



SESHASAYEE PAPER AND BOARDS LIMITED

CIN: L21012TZ1960PLC000364

Regd. Office : Pallipalayam, Namakkal District, Cauvery RS PO, Erode 638 007

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ crores)

Sl. No.	Particulars	Standalone						Consolidated					
		3 months ended			6 months ended		Year ended	3 months ended			6 months ended		Year ended
		30 09 2020	30 06 2020	30 09 2019	30 09 2020	30 09 2019	31 03 2020	30 09 2020	30 06 2020	30 09 2019	30 09 2020	30 09 2019	31 03 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from Operations												
	a) Revenue from Operation	150.35	139.16	299.88	289.51	578.32	1183.98	150.42	139.23	299.95	289.65	578.46	1184.25
	b) Other Income	7.08	6.02	7.06	13.10	13.42	23.87	6.16	6.03	6.61	12.19	12.98	23.46
	Total Income	157.43	145.18	306.94	302.61	591.74	1207.85	156.58	145.26	306.56	301.84	591.44	1207.71
2	Expenses												
	a) Cost of Materials consumed	117.70	116.31	153.78	234.01	304.76	600.89	117.70	116.31	153.78	234.01	304.76	600.89
	b) Purchase of Stock-in-Trade	5.97	6.84	6.94	12.81	15.28	30.48	5.97	6.84	6.94	12.81	15.28	30.48
	c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(-) 75.15	(-) 83.25	(-) 19.05	(-) 158.40	(-) 43.91	(-) 53.05	(-) 75.15	(-) 83.25	(-) 19.05	(-) 158.40	(-) 43.91	(-) 53.05
	d) Employee benefits expense	23.47	21.53	22.37	45.00	44.26	82.32	23.47	21.53	22.37	45.00	44.26	82.32
	e) Finance Costs	0.88	0.72	2.04	1.60	4.91	6.89	0.88	0.72	2.04	1.60	4.91	6.89
	f) Depreciation and amortization expense	9.26	9.15	9.16	18.41	18.22	35.00	9.27	9.16	9.17	18.43	18.24	35.03
	g) Cost of Power and Fuel	25.62	26.68	33.70	52.30	68.86	140.93	25.62	26.68	33.70	52.30	68.86	140.93
	h) Other expenses	24.73	19.63	30.01	44.36	54.74	115.57	24.78	19.64	30.06	44.42	54.79	115.74
	Total expenses	132.48	117.61	238.95	250.09	467.12	959.03	132.54	117.63	239.01	250.17	467.19	959.23
3	Profit / (Loss) from Ordinary Activities after Finance Costs but before Exceptional items	24.95	27.57	67.99	52.52	124.62	248.82	24.04	27.63	67.55	51.67	124.25	248.48
4	Share of Profit / (Loss) of Associate	--	--	--	--	--	--	3.32	1.39	3.59	4.71	3.74	8.52
5	Exceptional Items	--	--	--	--	--	--	--	--	--	--	--	--
6	Profit / (Loss) from Ordinary Activity Before Tax (3+4+5)	24.95	27.57	67.99	52.52	124.62	248.82	27.36	29.02	71.14	56.38	127.99	257.00
7	Tax expenses												
	Current Tax	5.45	7.54	9.51	12.99	21.61	45.17	5.47	7.55	9.53	13.02	21.64	45.22
	Deferred Tax	3.08	2.17	11.72	5.25	17.45	29.05	3.08	2.17	11.72	5.25	17.45	29.05
	Total Tax Expenses	8.53	9.71	21.23	18.24	39.06	74.22	8.55	9.72	21.25	18.27	39.09	74.27

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED
SEPTEMBER 30, 2020 (Contd.)**

(₹ crores)

Sl. No.	Particulars	Standalone						Consolidated					
		3 months ended			6 months ended		Year ended	3 months ended			6 months ended		Year ended
		30 09 2020	30 06 2020	30 09 2019	30 09 2020	30 09 2019	31 03 2020	30 09 2020	30 06 2020	30 09 2019	30 09 2020	30 09 2019	31 03 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
8	Net Profit / (Loss) from Ordinary Activities After Tax (6-7)	16.42	17.86	46.76	34.28	85.56	174.60	18.81	19.30	49.89	38.11	88.90	182.73
9	Other Comprehensive Income (OCI)												
A	(i) Items that will not be reclassified to Statement of Profit and Loss												
	(a) Remeasurement benefit of the defined benefit Plans	--	--	--	--	--	(-) 1.30	--	--	--	--	--	(-) 1.30
	(b) Net Fair Value Gain on investment in Equity Instruments through OCI	4.90	3.75	(-) 4.42	8.65	(-) 0.29	(-)10.98	4.90	3.75	(-) 4.42	8.65	(-) 0.29	(-) 10.98
	(c) Share of OCI of Associate	--	--	--	--	--	--	0.53	0.01	0.10	0.54	(-) 0.06	(-) 0.18
	(ii) Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	--	--	0.67	--	(-) 0.03	0.50	--	--	0.67	--	(-) 0.03	0.50
B	(i) Items that will be reclassified to Statement of Profit and Loss	0.96	--	(-) 0.33	0.96	(-) 2.33	(-) 2.63	0.96	--	(-) 0.33	0.96	(-) 2.33	(-) 2.63
	(ii) Income Tax relating to items that will be reclassified to Statement of Profit and Loss	(-) 0.34	--	0.11	(-) 0.34	0.81	0.92	(-) 0.34	--	0.11	(-) 0.34	0.81	0.92
10	Total Other Comprehensive Income	5.52	3.75	(-) 3.97	9.27	(-) 1.84	(-) 13.49	6.05	3.76	(-) 3.87	9.81	(-) 1.90	(-) 13.67
11	Total Comprehensive Income for the period (8+9)	21.94	21.61	42.79	43.55	83.72	161.11	24.86	23.06	46.02	47.92	87.00	169.06
	(Comprising Profit and other Comprehensive income for the period)												
12	Paid-up Equity Share Capital (Face value ₹ 2)	12.61	12.61	12.61	12.61	12.61	12.61	12.61	12.61	12.61	12.61	12.61	12.61
13	Reserves, excluding Revaluation Reserves, as per the Audited Balance Sheet						985.85						1019.14
14	Earnings Per Share of ₹ 2 each (not annualised).												
	(a) Basic	2.60	2.83	7.41	5.44	13.57	27.68	2.98	3.06	7.91	6.04	14.10	28.97
	(b) Diluted	2.60	2.83	7.41	5.44	13.57	27.68	2.98	3.06	7.91	6.04	14.10	28.97

STATEMENT OF ASSETS AND LIABILITIES:

(₹ crores)

Sl. No.	Particulars	Standalone			Consolidated		
		As at 30 09 2020	As at 30 09 2019	As at 31 03 2020	As at 30 09 2020	As at 30 09 2019	As at 31 03 2020
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
A	ASSETS						
1	Non-Current Assets						
	(a) Property, Plant and Equipment	678.34	669.68	672.51	678.34	669.68	672.51
	(b) Capital Work in Progress	47.10	33.43	31.03	47.10	33.43	31.03
	(c) Other Intangible Assets	2.09	2.17	2.08	2.09	2.17	2.08
	(d) Investment Property	--	--	--	1.28	1.09	1.29
	(e) Financial Assets						
	(i) Investments	92.92	94.95	84.27	116.34	109.41	103.39
	(ii) Loans	25.51	24.24	24.70	25.51	24.24	24.70
	(f) Goodwill on Consolidation	--	--	--	11.78	11.78	11.78
	(g) Other Non-Current Assets	13.06	9.80	13.57	13.06	9.80	13.57
	Sub-total - Non Current Assets	859.02	834.27	828.16	895.50	861.60	860.35
2	Current Assets						
	(a) Inventories	336.65	170.45	169.44	336.65	170.45	169.44
	(b) Financial Assets						
	(i) Trade Receivables	53.40	50.11	80.83	53.60	50.77	81.01
	(ii) Cash and cash equivalents	13.59	28.28	204.56	13.71	28.30	204.80
	(iii) Bank balances other than (ii) above	143.64	230.74	120.70	144.67	231.57	121.55
	(iv) Loans	--	0.63	--	--	0.63	--
	(v) Others	2.98	5.25	1.15	3.03	5.29	1.20
	(c) Current Tax Assets (Net)	--	5.06	0.64	--	5.03	0.65
	(d) Other Current Assets	47.06	51.45	21.57	47.06	51.45	21.57
	Subtotal - Current Assets	597.32	541.97	598.89	598.72	543.49	600.22
	TOTAL - ASSETS	1456.34	1376.24	1427.05	1494.22	1405.09	1460.57
B	EQUITY AND LIABILITIES						
1	EQUITY						
	(a) Equity Share Capital	12.61	12.61	12.61	12.61	12.61	12.61
	(b) Other Equity	1004.17	908.46	985.85	1041.82	937.09	1019.14
	Subtotal – Equity	1016.78	921.07	998.46	1054.43	949.70	1031.75

STATEMENT OF ASSETS AND LIABILITIES: (Contd.)

(₹ crores)

Sl. No.	Particulars	Standalone			Consolidated		
		As at 30 09 2020	As at 30 09 2019	As at 31 03 2020	As at 30 09 2020	As at 30 09 2019	As at 31 03 2020
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
2	Non-Current Liabilities						
	(a) Financial Liabilities						
	(i) Borrowings	6.28	32.75	6.63	6.28	32.75	6.63
	(ii) Other financial liabilities	16.41	17.30	17.21	16.41	17.30	17.21
	(b) Provisions	20.52	18.33	20.17	20.52	18.33	20.17
	(c) Deferred Tax Liabilities(Net)	154.81	138.26	149.23	154.81	138.26	149.23
	(d) Other liabilities	1.65	2.74	2.19	1.65	2.74	2.19
	Sub-total - Non Current Liabilities	199.67	209.38	195.43	199.67	209.38	195.43
3	Current Liabilities						
	(a) Financial Liabilities						
	(i) Trade Payables						
	Dues to Micro, Small and Medium Enterprise (MSME)	6.05	4.66	3.66	6.05	4.66	3.66
	Other than MSME Dues	189.01	184.29	191.33	189.02	184.30	191.34
	(ii) Other financial liabilities	33.99	46.92	26.83	34.20	47.13	27.05
	(b) Other current liabilities	2.82	2.66	5.35	2.82	2.66	5.35
	(c) Provisions	7.91	7.26	4.59	7.91	7.26	4.59
	(d) Current Tax Liabilities	0.11	--	1.40	0.12	--	1.40
	Sub-total – Current Liabilities	239.89	245.79	233.16	240.12	246.01	233.39
	TOTAL – EQUITY AND LIABILITIES	1456.34	1376.24	1427.05	1494.22	1405.09	1460.57

CASH FLOW STATEMENT:

(₹ crores)

Sl. No.	Particulars	Standalone			Consolidated		
		6 months ended		Year ended	6 months ended		Year ended
		30 09 2020	30 09 2019	31 03 2020	30 09 2020	30 09 2019	31 03 2020
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
A	CASH FLOW FROM OPERATING ACTIVITIES						
	Net Profit before Tax	52.52	124.62	248.82	51.67	124.25	248.48
	Adjustments for : Add / (Less)						
	Assets Discarded	--	--	0.09	--	--	0.09
	Depreciation	18.41	18.22	35.83	18.43	18.24	35.86
	Allowance for Doubtful debts	--	--	0.96	--	--	0.96
	Finance charge on lease liability	0.02	0.02	0.05	0.02	0.02	0.05
	Imputed Finance Charge on Interest Free Sales Tax Deferral Loan	0.47	0.57	1.10	0.47	0.57	1.10
	Interest and financing charges	1.11	4.34	5.74	1.11	4.34	5.74
	Interest income from Term Deposits	(-) 6.35	(-) 8.85	(-) 17.05	(-) 6.35	(-) 8.88	(-) 17.11
	Income from Investments	(-) 1.56	(-) 1.02	(-) 1.02	(-) 0.62	(-) 0.55	(-) 0.55
	Re-measurement of Defined benefit plan	--	--	(-) 1.30	--	--	(-) 1.30
	Deferred income arising from government grant	(-) 0.55	(-) 0.55	(-) 1.10	(-) 0.55	(-) 0.55	(-) 1.10
	Interest income from Lease Deposit	--	--	(-) 0.01	--	--	(-) 0.01
	Profit / Loss on sale of assets	--	--	0.03	--	--	0.03
	Operating profit before Working Capital changes	64.07	137.35	272.14	64.18	137.44	272.24
	(Increase) / Decrease in working capital:						
	(Increase) / Decrease in Inventories	(-) 167.21	(-) 35.88	(-) 34.87	(-) 167.21	(-) 35.88	(-) 34.87
	(Increase) / Decrease in Sundry Debtors	27.43	29.14	(-) 2.54	27.41	28.90	(-) 2.30
	(Increase) / Decrease in Other Assets	(-) 27.62	4.25	33.95	(-) 27.62	4.28	33.97
	Increase / (Decrease) in Liabilities and Provisions	8.51	(-) 57.59	(-) 57.03	8.50	(-) 57.60	(-) 57.03
	Income Tax paid	(-) 13.64	(-) 27.81	(-) 45.56	(-) 13.65	(-) 27.79	(-) 45.60
	NET CASH FROM OPERATING ACTIVITIES	(-) 108.46	49.46	166.09	(-) 108.39	49.35	166.41
B	CASH FLOW FROM INVESTING ACTIVITIES						
	Purchase of Property, Plant and Equipment	(-) 40.32	(-) 28.28	(-) 45.67	(-) 40.33	(-) 28.28	(-) 45.89
	Outflow towards "Right to Use" Assets	(-) 0.13	(-) 0.11	(-) 0.25	(-) 0.13	(-) 0.11	(-) 0.25
	Value of Discarded Assets	--	--	(-) 0.09	--	--	(-) 0.09
	Sale of Property, Plant and Equipment	--	--	0.14	--	--	0.14
	Income from Investments	1.56	1.02	1.02	1.56	1.02	1.02
	Interest income from Term Deposits	6.35	8.85	17.05	6.35	8.88	17.11
	Income from Inter Corporate Deposit	--	0.02	0.10	--	0.02	0.10
	Inter Corporate Deposit	--	--	0.60	--	--	0.60
	NET CASH FROM INVESTING ACTIVITIES	(-) 32.54	(-) 18.50	(-) 27.10	(-) 32.55	(-) 18.47	(-) 27.26

CASH FLOW STATEMENT: (Contd.)

(₹ crores)

Sl. No.	Particulars	Standalone			Consolidated		
		6 months ended		Year ended	6 months ended		Year ended
		30 09 2020	30 09 2019	31 03 2020	30 09 2020	30 09 2019	31 03 2020
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
C	CASH FLOW FROM FINANCING ACTIVITIES						
	Increase / decrease in Unsecured Loans	(-) 0.69	(-) 0.66	(-) 3.10	(-) 0.69	(-) 0.66	(-) 3.10
	Increase / Decrease of non-current borrowings	--	(-) 47.17	(-) 85.20	--	(-) 47.17	(-) 85.20
	Dividend and Dividend tax paid	(-) 25.23	(-) 30.41	(-) 30.41	(-) 25.23	(-) 30.41	(-) 30.41
	Interest and financing charges paid	(-) 1.11	(-) 4.27	(-) 5.59	(-) 1.11	(-) 4.27	(-) 5.59
	NET CASH FROM FINANCING ACTIVITIES	(-) 27.03	(-) 82.51	(-) 124.30	(-) 27.03	(-) 82.51	(-) 124.30
	Net increase in cash and cash equivalents (I)	(-) 168.03	(-) 51.55	14.69	(-) 167.97	(-) 51.63	14.85
	Cash and cash equivalents as at the beginning of the period (II)	325.26	310.57	310.57	326.35	311.50	311.50
	Cash and cash equivalents as at the end of the period (I + II)	157.23	259.02	325.26	158.38	259.87	326.35

Notes:

- Paper is the only reportable segment of operation of the Company.
- The lockdown imposed in multiple phases by Central / State Governments in India, to contain the spread of COVID-19 pandemic, had resulted in closure of commercial establishments, schools, colleges and educational institutions. Consequent slowdown in the Indian economy, coupled with poor offtake in export markets resulted in significant reduction in demand for Printing and Writing Paper, key segment in which the Company operates. Due to these factors, Company witnessed significant drop in Revenue and profits, during the quarter / half year ended September 30, 2020.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other Current Assets. The Company has performed sensitivity analysis on these current estimates and expects that the carrying amount of these assets will be recovered.
- The above results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at the respective meetings held on November 6, 2020 and November 7, 2020.

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

N GOPALARATNAM
Chairman

Place : Erode
Date : November 07, 2020