



Seshasayee Paper and Boards Limited

Regd Office & Works : Pallipalayam, Namakkal District,
Erode - 638 007, Tamilnadu, India, Ph : 91 - 4288 - 240221 to 240228
Fax: 91 - 4288 - 240229 email : edoff@spbltd.com Web : www.spbltd.com
CIN : L21012TZ1960PLC000364

July 20, 2024

Dear Shareholders,

Sub: Unaudited Financial Results for the quarter ended June 30, 2024.

At the Board Meeting held on July 20, 2024, the Board of Directors has approved the unaudited Financial Results of the Company for the quarter ended June 30, 2024. We enclose the statement for your reference and records. The said statement has been submitted to stock exchange and posted in the Company's website www.spbltd.com.

The highlights of operations of the Company for the quarter ended June 30, 2024 are as under:

Sl. No.	Description	Unit	Apr - June 2024	Apr - June 2023
1	Production	(t)	60751	55756
2	Sales	(t)	54775	47526
3	Closing Stock	(t)	20859	7910
4	Exports	(t)	6046	4648
5	Revenue from Operation	₹ crores	422.16	426.50
6	Earnings Before Interest, Depreciation and Tax (EBIDTA)	₹ crores	63.92	107.58
7	Profit before Tax (PBT)	₹ crores	51.45	95.64
8	Profit after Tax (PAT)	₹ crores	38.34	71.37

PRODUCTION

☐ Production during the period April - June 2024 was higher by 9% when compared to the corresponding period in the previous year, thanks to improved operations of the Paper Machines.



- ☐ The production in Unit: Erode (41,986 tonnes in Q-I of FY 2024-25) was 10% higher than corresponding quarter of previous year and was at 100% of the capacity.
- ☐ The production at Unit: Tirunelveli (18,765 tonnes in Q-I of FY 2024-25) was 6% higher than corresponding quarter of previous year and was at 84% of the capacity.
- ☐ The Company's Sales volume (54,775 tonnes in Q-I of FY 2024-25) was 15% higher than Q-I of previous year. Company's Exports (6046 tonnes in Q-I of FY 2024-25) were 30% higher than Q-I of previous year.

PROFITABILITY

The Company's PAT Margins were at 9.1% in Q-I of current year, nearly at Q-IV levels of the previous year.

The lower net profits in Q1 of current year compared to Q1 of previous year, despite higher production and sales volumes, was due to:

- (i) Significant increase in the cost of wood, key input material for the company.
- (ii) Average realisations per t of paper being lower in current period than corresponding period of previous year, both in Domestic and Export markets.
- (iii) The 21 MW Power Plant in Unit : Erode was shut for nearly 2 months for major overhauling and retrofit resulting in higher variable costs.

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

MARKET

- ☐ Domestic Market continued to remain weak amidst continued pressure from Cheaper imports from China and ASEAN countries.



- ☐ Congestion at major ports like Singapore, Srilanka and non-availability of containers have resulted in significant increase in freight rates and voyage time, affecting imports as well as exports. However, this increase in the cost of imported paper is yet to be felt in the market.
- ☐ Demand from the international markets has improved; but prices continue to be under pressure. Red Sea crisis continue to impact Ocean Freight rates and consequently the margins in the Export Business. Globally Pulp prices continue to escalate due to supply demand gaps and logistics challenges; however, this is yet to translate into increase in Paper Prices.

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

- ☐ The Hon'ble NCLT, Chennai bench vide its order dated 12.05.2023 approved the e-auction sale of assets of M/s. Servalakshmi Paper Limited (Corporate Debtor in Liquidation) as a Going Concern, in favour of our company and consequently the Sales Certificate has been issued and the assets handed over to our company.
- ☐ Few appeals challenging Hon'ble NCLT's order have been filed in Hon'ble NCLAT, which are pending. Meantime, company has taken steps to restore electricity, water supply and for plant refurbishment.

MILL DEVELOPMENT PLAN – IV (MDP-IV)

- ☐ The company has submitted its revised application to MoEF&CC (Ministry of Environment, Forests and Climate Change of India) for Environmental Clearances for Project Mill Development Plan – IV (MDP – IV) – Phase : 1, seeking approval for increase its Pulp and Paper capacities in its Erode unit by about 20%. Proposal is under examination by Expert Advisory Committee (EAC) of MoEF & CC.

CURRENT QUARTER

- ☐ The trend of pricing pressures from increased availability of imported paper at cheaper prices is intermittently arrested by the congestion at major ports like Singapore and Srilanka and increase in freight rates. Any further improvement in the Sales Realisation will be dependent on the continuation of this trend.



- ☐ The wood prices continue to remain at elevated levels, affecting the margins. Availability of wood continues to be a concern.

DIRECTORS

The Board of Directors of the Company, in their meeting held on 20.07.2024, have approved the appointment of :

- ☐ Dr. M. Sai Kumar, IAS (DIN: 03605028), Chairman and Managing Director of Tamil Nadu Industrial Investment Corporation Limited (TIIC), as a Nominee Director not liable to retire by rotation.
- ☐ Sri T.C.A Ranganathan (DIN: 03091352) as an Independent Director for a first fixed term of 5 years.
- ☐ Dr.C.Chandramouli, IAS (Retd.), (DIN: 00345124) as an Independent Director for a first fixed term of 5 years.

Their respective appointments as Nominee and Independent Directors are subject to approval of the Shareholders of the Company through Postal Ballot.

Thanking you,
Yours Sincerely,

For Seshasayee Paper and Boards Limited

(N. GOPALARATNAM)
Chairman

Encl.: a/a

**SESHASAYEE PAPER AND BOARDS LIMITED**

CIN: L21012TZ1960PLC000364

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

Ph: 04288 240221 - 228, Fax: 04288 240229

Email: secretarial@spbltd.com Web: www.spbltd.com

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(Rs. crores)

Sl. No.	Particulars	Standalone				Consolidated			
		3 months ended			Year ended	3 months ended			Year ended
		30 06 2024	31 03 2024	30 06 2023	31 03 2024	30 06 2024	31 03 2024	30 06 2023	31 03 2024
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income								
	a) Revenue from Operation	422.16	539.36	426.50	1801.56	422.23	539.43	426.57	1801.83
	b) Other Income	16.15	13.32	12.53	51.48	14.53	13.34	11.02	50.03
	Total Income	438.31	552.68	439.03	1853.04	436.76	552.77	437.59	1851.86
2	Expenses								
	a) Cost of Materials consumed	269.82	284.62	248.37	1032.48	269.82	284.62	248.37	1032.48
	b) Purchase of Stock-in-Trade	12.82	7.09	6.44	26.60	12.82	7.09	6.44	26.60
	c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(-) 43.53	57.42	(-) 57.60	(-) 95.28	(-) 43.53	57.42	(-) 57.60	(-) 95.28
	d) Employee benefits expense	29.70	18.84	24.65	92.88	29.70	18.84	24.65	92.88
	e) Finance Costs	1.02	0.64	0.50	2.14	1.02	0.64	0.50	2.14
	f) Depreciation and amortization expense	11.45	10.59	11.44	43.81	11.46	10.60	11.45	43.85
	g) Cost of Power and Fuel	65.05	63.07	73.43	258.18	65.05	63.07	73.43	258.18
	h) Other expenses	40.53	40.54	36.16	146.83	40.56	40.65	36.18	147.05
	Total expenses	386.86	482.81	343.39	1507.64	386.90	482.93	343.42	1507.90

(Rs. crores)

Sl. No.	Particulars	Standalone				Consolidated			
		3 months ended		Year ended		3 months ended		Year ended	
		30 06 2024	31 03 2024	30 06 2023	31 03 2024	30 06 2024	31 03 2024	30 06 2023	31 03 2024
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
3	Profit / (Loss) from Ordinary Activities after Finance costs but before Exceptional items	51.45	69.87	95.64	345.40	49.86	69.84	94.17	343.96
4	Share of Profit / (Loss) of Associate	--	--	--	--	0.26	3.72	1.86	12.89
5	Exceptional Items	--	--	--	--	--	--	--	--
6	Profit /(Loss) from Ordinary Activity Before Tax(3 + 4 + 5)	51.45	69.87	95.64	345.40	50.12	73.56	96.03	356.85
7	Tax expenses								
	Current Tax	13.27	17.06	24.62	86.30	13.28	17.07	24.63	86.35
	Deferred Tax	(-) 0.16	(-) 0.35	(-) 0.35	(-) 0.27	(-) 0.16	(-) 0.35	(-) 0.35	(-) 0.27
	Total Tax Expenses	13.11	16.71	24.27	86.03	13.12	16.72	24.28	86.08
8	Net Profit /(Loss) from Ordinary Activities After Tax (6-7)	38.34	53.16	71.37	259.37	37.00	56.84	71.75	270.77
9	Other Comprehensive Income A(i) Items that will not be reclassified to Statement of Profit and Loss								
	(a) Remeasurement of the defined benefit Plans	--	9.69	--	9.69	--	9.69	--	9.69
	(b) Net Fair Value Gain on investment in Equity Instruments through OCI	42.68	(-) 6.43	32.16	34.74	42.68	(-) 6.43	32.16	34.74
	(c) Share of OCI of Associate	--	--	--	--	2.79	0.41	2.32	3.31
	(ii) Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	(-) 4.85	(-) 1.76	(-) 3.69	(-) 6.38	(-) 4.85	(-) 1.76	(-) 3.69	(-) 6.38

(Rs.crores)

Sl. No.	Particulars	Standalone				Consolidated			
		3 months ended		Year ended		3 months ended		Year ended	
		30 06 2024	31 03 2024	30 06 2023	31 03 2024	30 06 2024	31 03 2024	30 06 2023	31 03 2024
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	B(i) Items that will be reclassified to Statement of Profit and Loss	--	--	0.09	(-) 0.05	--	--	0.09	(-) 0.05
	(ii) Income Tax relating to items that will be reclassified to Statement of Profit and Loss	--	--	(-) 0.02	0.01	--	--	(-) 0.02	0.01
	Total Other Comprehensive Income	37.83	1.50	28.54	38.01	40.62	1.91	30.86	41.32
10	Total Comprehensive Income for the period (8 + 9)	76.17	54.66	99.91	297.38	77.62	58.75	102.61	312.09
	<i>(Comprising Profit and other Comprehensive income for the period)</i>								
11	Paid-up Equity Share Capital <i>(Face value ₹ 2)</i>	12.04	12.04	12.04	12.04	12.04	12.04	12.04	12.04
12	Reserves, excluding Revaluation Reserves, as per the Audited Balance Sheet				1825.49				1899.27
13	Earnings Per Share of Rs 2 each <i>(not annualised)</i>								
	(a) Basic	6.37	8.83	11.85	43.06	6.14	9.44	11.91	44.96
	(b) Diluted	6.37	8.83	11.85	43.06	6.14	9.44	11.91	44.96

Notes:

- Paper is the only reportable segment of operation of the Company.
- The Hon'ble NCLT, Chennai bench vide its order dated 12.05.2023 approved the e-auction sale of assets of M/s. Servalakshmi Paper Limited (Corporate Debtor in Liquidation) as a Going Concern, in favour of our company and consequently the Sales Certificate has been issued and the assets handed over to our company. Few appeals challenging Hon'ble NCLT's order have been

filed in Hon'ble NCLAT, which are pending. Meantime, Company has taken steps to restore electricity, water supply and for plant refurbishment.

3. During the quarter, the company had acquired 4.21 lakh shares in its associate company M/sPonni Sugars (Erode) Limited (PSEL), resulting in an increase in the effective shareholding of the company in PSEL from 27.51% to 32.40% of the paid-up share capital of PSEL. Share of Profit in Associate is accordingly computed at the revised shareholding % from the date of acquisition of these shares.
4. 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 July 19, 2024 and July 20, 2024.

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

NATARAJAN
GOPALARATNAM

Digitally signed by NATARAJAN GOPALARATNAM
DN: cn=N, postalCode=638007, st=TAMIL NADU, street=1881 2101
SUPERINTENDENT QTRS ODAPALLI AGRAHARAMNAMAKKALCAUVERY
RS POST 638007, ln=NAMAKKAL, o=Personal, title=9130,
serialNumber=6cdb2a776857ca31d22535e8ecd5902f4dd80f0b74c777
b3fc26306b8bbc45ab, pseudonym=913020220725161616194,
2.5.4.20=760aade3bc7e60c9c6654d91c2b3e5c6889499ca27001b4689a
7420154243a3e, email=GOPAL@SPBLTD.COM, cn=NATARAJAN
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Date: 2024.07.20 13:34:36 +05'30'

N GOPALARATNAM
Chairman

Place : Chennai
Date : July 20, 2024

This is the Statement of Un-audited Financial Results referred to in our Limited Review Report dated July 20, 2024.

For SURI & CO
Firm Registration No.004283S

Digitally signed
by Sanjeev Aditya
M
Date: 2024.07.20
13:39:03 +05'30'

Sanjeev Aditya M
Membership No.229694
Partner
Chartered Accountants
UDIN : 24229694BKARXM8971 / 24229694BKARXN9892

Place: Chennai
Date : July 20, 2024