





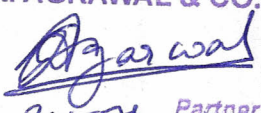



FORM – A

(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	EMAMI PAPER MILLS LIMITED
2.	Annual consolidated financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	<ul style="list-style-type: none">• None -
4.	Frequency of observation	Fourth Year
5.	To be signed by : <ul style="list-style-type: none">• Executive Director (CEO)• President (CFO)• Audit Committee Chairman• Auditors of the Company	<p>Sri P.S.Patwari :  </p> <p>Sri S.K. Khetan :  </p> <p>Sri J.Godbole  </p> <p>For S. K. AGRAWAL & CO.  301571 Partner</p>



Emami Paper Mills Limited
Annual Report 2014-2015

A new generation of
Paper 
Board



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri A. V. Agarwal
(Executive Chairman)

Shri Manish Goenka
(Whole Time Director)

Shri P. S. Patwari
(Executive Director)

Shri M. B. S. Nair
(Director - Operations)

Shri J. N. Godbole

Shri H. M. Marda

Shri J. K. Khetawat

Shri S. Balasubramanian

Shri U. G. Bhat

Smt. Richa Agarwal
(Woman Director)

SR. PRESIDENT

Shri S. K. Jain

PRESIDENT (FINANCE) & CFO

Shri S. K. Khetan

VICE PRESIDENT (FINANCE) AND SECRETARY

Shri G. Saraf

AUDITORS

M/s S. K. Agrawal & Company
Chartered Accountants
Suite Nos. 606-608, The Chambers
(Opposite Gitanjali Stadium)
1865, Rajdanga Main Road
Kolkata - 700 107

BANKERS

State Bank of India
ICICI Bank Limited
DBS Bank Limited
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
Yes Bank Limited
IDBI Bank Limited
Axis Bank
HDFC Bank
Allahabad Bank
Export Import Bank of India

WORKS

Balgopalpur,
Balasore-756020 (Odisha)
R. N. Tagore Road, Dakshineswar
Kolkata-700035 (West Bengal)

REGISTERED OFFICE

687, Anandapur, E. M. Bypass
Kolkata-700107
Phone:(033) 6613 6264
Fax: (033) 6613 6400
Email: emamipaper@emamipaper.in/
gsaraf@emamipaper.in
Website: www.emamipaper.in

UNIT AUDITORS

M/s Salarpuria Jajodia & Company
Chartered Accountants
7, C. R. Avenue
Kolkata-700072

Between the Covers

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Management Discussion and Analysis

GLOBAL SCENARIO

Today, it would be difficult to live without paper, paperboard and other paper-based products. Levels of paper consumption are also a reflection of relative wealth, as there is a clear correlation between gross domestic product and per capita paper consumption. In many developing countries, per capita paper consumption amounts to only a few kilogram. The largest consumers are the USA, Canada, many Western European countries, and Japan, with well in excess of 200 kg per person, compared with the global average of 60 kg per person. Paper and paperboard production has been expanding rapidly world-wide for over half a century and is expected to reach at a record level of 490 million tons by the end of 2020. According to recent paper demand study by global consulting group POYRY the demand is expected to increase along with global economy, which is expected to grow at a pace of 3.0% from 2015 onwards. Paper is now one of the most globalized commodities in the world, with high volumes of production exported and high volumes imported. Global paper consumption is at a record high level and it will continue to grow. The global paper industry has been facing a dual impact with economic slowdown and decrease in paper consumption in developed markets due to electronic media and digitisation. As a result the global paper industry has witnessed very low single digit growth in past few years with major growth impetus coming from emerging economies such as India and China. Asian markets are becoming large consumption centres on account of their high consumption base with low penetration.

INDIAN ECONOMY

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3% in 2015, and 6.5% in 2016 by when it is likely to cross China's projected growth rate,

the IMF said in the latest update of its World Economic Outlook. India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies, gaining global investor's attention, says a report by ICICI Bank. The improvement in India's economic fundamentals has accelerated in FY 2015 with the combined impact of a strong Government mandate. The government, engineering an economic rebound with a slew of reforms, has unveiled a new statistical method to calculate the national income with a broader framework that turned up a pleasant surprise: GDP in the past year 2013-14 grew 6.9% instead of the earlier 4.7%. There is a renewed confidence in the Indian market brought about by a series of economic reforms pursued by the government coupled with the fall in crude oil prices, interest rates and inflation. India could become the world's seventh biggest nation in terms of private wealth, with a 150% increase in total, from US\$ 2 trillion in 2013 to US\$ 5 trillion in 2018, as per a recent study by the Boston Consulting Group (BCG). Furthermore, the new 'Make in India' initiative is expected to be a vital component in India's quest for achieving wholesome economic development.

INDIAN PAPER INDUSTRY

India ranks fifteenth amongst the paper producing countries in the world. The total installed capacity in the country is approximately 12 million tons. The industry grew with the rising level of literacy, improving well-being of the people and surging aspiration levels. Paper usage has increased over the years, still per capita consumption in the country is estimated to be barely 10 kgs compared with 75 kgs in China, 158 kgs each in European Union, Korea, Taiwan, Hong Kong, Singapore & Malaysia, 218 kgs in Japan, 224 kgs in North America, and the global average itself is a healthy 60 kgs.

The paper industry in India is majority categorised into writing and printing (W&P), paperboard and newsprint segments. Paperboards constitute approximately 46% of the demand volume, while W&P accounts for approximately 31%. Newsprint makes for another 18%. Major varieties of W&P are creamwove, maplitho, copier and coated paper. Paperboard, primarily used for industrial purposes, consists of kraft paper, virgin board and recycled board. Kraft paper is produced in several varieties generally differentiated by properties of strength and grammage. Paperboard varieties include coated/uncoated duplex, chromo and triplex boards. India is near self-sufficiency with the indigenous production of most varieties of paper and paperboards, but still certain varieties of speciality papers are, however, imported in a large quantity. India has 17% of the world's population yet accounts for only about 3% of the world's production of paper and paperboard. The estimated turnover of the industry is ₹ 35,800 crore approximately and provides employment to more than 370,000 people directly and 1,300,000 indirectly. Paper consumption is poised for a big leap forward in sync with growing emphasis on education and literacy, along with the expected resurgence in the economy and is estimated to touch 13.95 million tons by 2017-18. According to Poyry, India will witness highest annual growth of about 6.5% per annum while China's growth is projected to be in the order of 5.25%. Japan in the near term and North America may witness marginal or negative growth.

Newsprint Sector

Asia Pacific and Latin America will dominate growth in newspaper publishers with higher-growth, large scale markets in India (CAGR 7.5%) and China (CAGR 8.3%), which are the most notable countries demand for news content among growing urban population and increasingly prosperous, educated

Management Discussion and Analysis

and engaged citizens. Revenue from newspaper circulation is rising globally after years of decline, which will climb again from 47% in 2013 to 49% by 2018 meaning consumers may soon become publishers' biggest source of revenue. Advertising revenue is also showing upward trend. The total demand of newspaper in India is estimated to be about 2.5 million tons per annum with the domestic capacity limited to only about 40% of the demand. As per estimate by CRISIL, with the expected annual growth of about 9%, the total demand is likely to cross 3.5 million tons per annum by 2017-18. With no major capacity expansion in newsprint industry in sight, dynamics of the imported Newsprint in terms of the quality and the landed cost will continue to govern the industry in future. The quality of newsprint paper, matching with international standard, is expected to provide a considerable growth in production, demand and productivity in coming years. Emami Paper Mills Limited (EPM), one of the largest manufacturers of newsprint in India supply international quality of newsprint to the most of the leading newspaper publishers in India.

Printing and Publishing Sector

Books have always been regarded as an important media for the development and promotion of human values. They act as catalysts for the advancement of a nation. They record new ideas, preserve and communicate knowledge, part education and values, and aid the overall development of an individual. The publishing industry in India is counted among the top seven publishing nations in the world. With an estimated market of INR 10,000 crores, India ranks third after the US and UK in English language publishing. With the coming of the digital age the nature of the industry has changed. The advancement in technology and Indian's skilled manpower resource, makes the country a major outsourcing hub for print and pre-publishing services in the world, be it print, design or

editorial. The sector has tremendous potential, both in the domestic as well as the export markets. Currently the sector is witnessing a Compound Annual Growth Rate (CAGR) of 30%. The importance of the Indian market has been recognised the world over. Today, India is fast becoming one of the major print producer & manufacturer of printed paper products for the world markets. The quality standards have improved dramatically and immense production capacities have been created. Some printers have won recognition by winning prizes at international competition for excellence in printing. The current annual turnovers of all the components in the Indian printing industry are more than ₹ 50,000 crores. That is in the region of USD 11 Billion. Most of the large printers are found in big cities of Delhi, Kolkata, Mumbai, Hyderabad, Chennai, and Sivakasi, which have emerged as a commercial printing hub and accounts for a major share of exports from the Indian printing industry.

Packaging Sector

Apart from the huge value addition and employment involved in these activities, packaging has served the Indian economy by helping preservation of the quality and lengthening the shelf life of innumerable products – ranging from milk and biscuits, to drugs and medicines, processed and semi-processed foods, fruits and vegetables, cosmetics and toiletries, hosiery and garments, edible oils, electronic goods etc. According to the Indian Packaging Institute, Indian Packaging industry is USD 14 billion and growing at more than 15% per annum. This growth rate is expected to double in the next two years. These figures indicate towards a change in the industrial and consumer set up. The growth in the packaging industry in India is mainly driven by the food and the pharmaceutical packaging sectors. The large and growing Indian middle class, along with the growth in organised retailing in the

country are fuelling growth in the packaging industry. Another factor, which has provided substantial stimulus to the packaging machinery industry is the rapid growth of exports, which requires superior packaging standards for the international market. With this the need for adopting better packaging methods, materials and machinery to ensure quality has become very important for Indian businesses. Packaging board market size is estimated at 2.2 million tonnes. Grey-back Boards constitute 50% and White-back Coated Boards, Folding Box Board, Solid Bleached Sulphate Board and other speciality Boards account for the balance 50%. The Indian packaging industry is expected to become the fourth largest packaging market in the world, with revenues of US\$ 43.7 billion in 2016. India's retail growth and increased consumption of consumer products is driving the demand for packaging in the country. The packaging industry in India is expected to grow further rapidly to become the fourth largest global market, with sales of US\$ 43.7 billion in 2016. India's per capita annual packaging expenditure was US\$ 20 in 2011, which is significantly lower than the top 20 market average of US\$ 47.6. The low per capita expenditure offers a huge business opportunity for packaging companies.

KEY INDUSTRY DRIVERS

Rise of vernacular newspapers : CRISIL expects demand for newsprint to grow 9.5% – 10.5% CAGR over the next five years – from 2.1 MTPA in 2012-13 to 3.5 million tonnes in 2017-18, driven by higher literacy and increase in the number of pages per newspaper due to rising advertising spends.

Advertising revenues growth in print media : A report by Motilal Oswal indicates that the Indian print media industry, which accounted for 45% of the total advertising spend in the country, is headed for a rebound with advertising growth (revenue) improving 4-5% year-on-

Management Discussion and Analysis

year and to 11% over F.Y. 2013-15 on the back of stable GDP growth, anticipated easing in interest rates and a low-base effect.

Local print media proliferation : New newspapers being published in India will continue to grow at around 6% annually. While the era of 24-hour news channels on television has had its impact on the circulation numbers of newspapers, it is evident that India still wakes up to the newspaper. The highest circulated daily in India still remains a regional language newspaper (*Source : TMT India 2013*).

Growth in education, office space to drive demand for W&P paper : Demand for W&P (writing and printing paper) is projected to grow at 6.5% - 7% CAGR from 3.8 MTPA in 2012-13 to 5.3 MTPA by 2017-18. Strong growth is expected in the copier, coated and maplitho segments. Within W&P, demand growth for copier paper is likely to be the strongest at around 14% CAGR from 2012-13 to 2017-18. Rise in office space absorption is likely to translate into stronger demand for high-quality copier paper from the office printing segment and hence the share of copier paper in the total demand pie for W&P will increase from 17% in 2012-13 to around 20% in 2017-18.

Rising demand for paperboard : Demand for paperboard is projected to grow at 7-7.5% CAGR from 5.6 MTPA in 2012-13 to 7.9 MTPA in 2017-18, driven by growth in industrial production and sustained demand for consumer goods due to increase in penetration of organised retail. CRISIL Research expects paperboard to account for 56% of packaging board demand in volume terms in 2012-13. Trends like change in lifestyle and socio-economic factors have led to a sharp rise in demand for packaging paper as reflected in the improved packaging of FMCG products, rising spends on healthcare and over-the-counter medicines and increasing preference for ready-to-eat food products.

EMAMI'S INDUSTRY PRESENCE

Emami Paper Mills Limited, part of the Emami Group has paper mills located at Balasore (Odisha) and Dakshineswar (W.B., Kolkata) manufacturing quality newsprint and writing & printing (W&P) paper, Unit-1 at Balasore is one of the most environmentally friendly paper mills in Eastern India, consuming waste paper for the manufacture of internationally-benchmarked newsprint. Further, your Company has implemented an Expansion Project at its Balasore (Odisha) unit by setting up a state-of-art Multi Layer Coated Board Plant with an installed capacity of 1,32,000 tonnes per annum with 10.5 MW Captive Power Plant and other necessary utilities. Trial commissioning and testing of the plant has already started in March, 2015.

STRENGTH AND OPPORTUNITIES

- i. Strategic location – proximity to raw materials, logistics advantage and nearness to the market.
- ii. Pan India presence.
- iii. Close proximity to Mahanadi Coal (MCL) fields for Balasore plant and Raniganj - Asansol (ECL) belt for Kolkata unit for procurement of coal and also proximity to Haldia port for import of waste paper, chemicals, spares & machineries etc.
- iv. In-house qualified and technical team to ensure better quality products.
- v. Strong customer base and dealers / distributors network.
- vi. Sufficient land and other infrastructure available with the Company for future expansion and growth.
- vii. Strong Research & Development team for continuous product development and cost reduction.
- viii. Lowest cost manufacturer with advanced technology for manufacturing of paperboard and captive power.

THREATS

- ☞ Increasing coal and logistic cost.
- ☞ Small and unorganized industry players.
- ☞ Cheap dumping from export countries.
- ☞ Negative budgetary policies for paper industry.

IT SUPPORT

Enterprise wide IT and ERP infrastructure is monitored and supported by a dedicated in-house IT team in areas such as SAP support, Data Centre Management, Networking, Software development and systems administration, Hardware Capacity Planning. The Company has implemented a SAP ECC 5.0 – ERP in July 2010. The implementation was done at the centralised data centre covering the Kolkata Corporate Office, Balasore and Kolkata Plant. SAP supports the Company's complex business process with ease. SAP helps streamline business processes and improves connectivity and information flow across the Company. It also facilitates accelerated and informed decision-making by providing flawless information and wide scope of data analysis within a minimal time span. It also reduces paper work by the online use of information system and achieves reduced cycle time of order processing and is now a single platform for all users to share and view data. SAP Project System functionality has been implemented to manage the expansion project effectively. Firewalls and end-point security measures have been taken to enforce strict security practices in all nodes to mitigate risks and protect IT assets from all threats and vulnerabilities.

RISK AND CONCERNS

Your Company has adopted Risk Management Policy, as recommended by its Risk Management Committee and approved by the Board of Directors of the Company. Risk identification and

Management Discussion and Analysis

prioritisation have already been made in consultation with Ernst & Young (EY), Kolkata, followed by Risk Mitigation Plan approved by the Management, Risk reporting and monitoring is being conducted regularly by Governance Risk and Compliance Committee (GRCC) at all the operation levels and reporting directly to the Audit Committee and the Board.

HUMAN RESOURCES AND TRADE RELATIONS

Your Company considers people as its biggest assets and 'Believing in People' is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership. During the year, the focus of your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company has established an organisation structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect amongst all its employees and seeks to ensure that Emami Paper Mills Limited (EPM) values and principles are understood by all and are the reference point in all people matters. The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the 'The Sexual Harassment of Women at Workplace (Prohibition and Redressal) Act, 2013'.

SAFETY

Your Company has adopted a clearly defined Occupational Health and Safety Policy. Suitable Personal Protective Equipment (PPE) is provided to all employees. Periodical Training Programms are conducted on handling of hazardous chemicals, Material handling, Usage of PPEs, fire fighting etc. to improve safety awareness among the employees and contract workmen. Mill wide Safety Audit, HAZOP study and Risk Analysis are carried out periodically through experts in industrial safety and their recommendations are implemented rigorously. Material Safety Data Sheets (MSDS) are displayed at all the hazardous chemical storage areas. Testing of Pressure Vessels, Lifting tackles, Safety belts, Conveyor Systems, Building Stability, Chemical stored FRP tanks etc., are carried out through competent persons. An updated Onsite Emergency Plan (OEP) and Off-site Emergency Plan are available to mitigate emergencies. Periodic mock drills on hazardous chemical leakages and fire incident are conducted to ensure the effectiveness of emergency preparedness. The entire Mill is covered with fire hydrant points with pressurised water mains for fire fighting. Also fire extinguishers are provided to strategic points. In addition, one mobile fire tender is available to tackle any emergency. Since inception, EPM has maintained excellent safety record.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Internal Audit Process adopted by the Company reviews its Internal Audit Plan and the same is approved by the Audit Committee at the beginning of each financial year and the same is reviewed on regular basis to improve its effectiveness. Our Internal Audit Control System ensures that the regular internal audits are conducted at

both the factories and other functional areas. The findings are then taken up by audit committee along with management response for suitable action. The Audit Committee also reviews effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations. The Company has a comprehensive budgetary control system in operation and Key Performance Indicators (KPI) are set for all important operational parameters. These are monitored and reviewed regularly by the management in Management Committee Meetings, which is chaired by the Executive Director of the Company and corrective & preventive actions, as needed, are initiated.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, raw material availability and prices, cyclical demand, changes in government regulations, environmental laws, tax regimes, economic developments within India and the world, as well as other factors such as litigation and industrial relations.

Directors' Report

Dear Shareholders

Your Directors take pleasure in presenting their Thirty Third Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2015.

FINANCIAL SUMMARY

(₹ in Lacs)

Particulars	2014-15	2013-14
Operational Income	52,102.14	54,656.51
Profit before interest and depreciation	5,900.72	7,383.71
Less : Interest	1,507.17	1902.80
Profit Before Depreciation & Tax	4,393.55	5,480.91
Depreciation	2,664.59	3,165.91
Profit Before Taxation	1,728.96	2,315.00
Less : Provision for Current taxation (MAT)	354.63	
MAT Credit entitlement	(354.63)	
Income Tax for earlier year	0.06	
Provision for deferred tax	512.28	453.70
Profit after Tax	1,216.62	1,861.30
Add : Surplus brought forward	1,821.99	1,170.32
Balance available for appropriation	3,038.61	3,031.62
Appropriations		
Proposed Dividend on Equity Shares	363.00	363.00
Proposed Dividend on Preference Shares	428.27	243.55
Tax on Dividend	161.09	103.08
Transfer to General Reserve	500.00	500.00
Balance carried forward	1,586.25	1821.99
	3,038.61	3,031.62
Earning per share (Basic)	1.16	2.61
Earning per share (Diluted)	1.16	2.61

OPERATIONS AND OUTLOOK

Your Company reported another strong performance this year and maintained its Leadership in newsprint segment. Your Company achieved a record production of 1,45,378 MT during the year achieving plant capacity utilization over 100%. Your Company continued its dominance as the lowest cost newsprint manufacturer and extended its market presence. However, the results of the Company for the year under review were affected due to declining trend of newsprint prices in the international market with unprecedented large scale dumping in the country

coupled with increase in the cost of waste paper.

Net Sales reduced from ₹ 546.56 crores in 2013-14 to ₹ 521.02 crores in 2014-15 due to lower sales realization of Newsprint and poor off take of Writing and Printing Paper. The Profit before Tax decreased from ₹ 23.15 crores in 2013-14 to ₹ 17.29 crores in 2014-15. Despite poor performance of the paper industry, the performance of your Company is satisfactory.

This performance is testimony to the Company's inherently robust business

and operating model, enabling it to continue to outperform the industry average. With the increased focus on literacy by the Government of India through such grassroots programs as Sarva Siksha Abhiyan and allocation of large funds for the education and the print media sector, demand for newsprint in the country is expected to continue to report substantial growth of between 8-10% over the next decade.

In view of the paper market looking favorable coupled with dynamic management team and aggressive

Directors' Report

business approach, the working results of the Company are expected to be significantly better in the coming years.

DIVIDEND

Your Directors are pleased to recommend dividend of 30% (₹ 0.60 per share) on Equity Shares of ₹ 2/- each and 8% pro-rata dividend on Preference shares of ₹ 100/- each for the financial year ended March 31, 2015. The dividend, if approved by the shareholders, will absorb ₹ 952.36 Lacs (including the dividend tax of ₹ 161.09 Lacs).

MILL EXPANSION AND DEVELOPMENT PLAN

Domestic paper and paperboard industry is currently estimated at 13 million tonnes per annum, out of which paperboards is 2.5 million tonnes per annum which is expected to grow at around 8% per annum aided by value-added paperboard at 12% per annum. The growth potential of the paperboard industry is anchored on expectations of higher GDP growth, increase in demand from rural markets, branded packaged products and organized retail. Further, the need for differentiated packaging coupled with change in lifestyles will continue to drive demand for paperboard.

Sensing this opportunity the Company embarked upon an ambitious project at Balasore unit to increase the Company's annual capacity from 1,45,000 tonnes to 2,77,000 tonnes per annum. This involved setting up a state-of-the art Multi-Layer Coated Board plant with an annual capacity of 1,32,000 tonnes and 10.5 MW Captive Power Plant along with other necessary utilities, at Balasore, Odisha. The trial commissioning and testing of the plant has been started in March, 2015.

The adoption of contemporary technology in this plant will help us in reducing the consumption of wastepaper, chemicals, water and energy while improving

profit margin of the Company. The Company plans to leverage the scale and technology advantage provided by the new plant to reduce input costs and achieve significantly better performance in the coming years.

ENVIRONMENT MANAGEMENT

Your Company's approach towards environmental protection is guided by Environmental Policy, commitment towards a sustainable planet and a clean environment as well as a healthy workplace for employees. The Company focuses on environmental management not only to comply with the applicable regulatory regime but also strives to contribute positively to the communities around its operations through varied community initiatives, encouraging biodiversity and nature conservation.

Towards achieving its environmental objectives, the Company adopts :

- ☞ Cleaner production technology & best available technology.
- ☞ Resource conservation.
- ☞ Value addition to waste management.
- ☞ Minimum pollution load.
- ☞ Educate human resource to be environmentally responsible.

Your Company is among the few in the industry to have adopted one of the best Integrated Management Systems (IMS) certified by DNV (Det Norske Veritas AS, the Netherlands) through their rigorous surveillance and recertification audits, encompassing the following :

- ☞ ISO 9001:2008 - Quality Management System.
- ☞ ISO 14001:2004 - Environment Management System.
- ☞ OHSAS 18001:2007 - Occupational Health & Safety Management System.
- ☞ Practicing TPM with an objective to achieve zero defect, zero breakdown, zero pollution, and zero loss.

At Emami Paper, there has been substantial development in energy conservation by installing energy efficient equipment. Key environmental control equipment and mechanism maintained by the Company are as below :

- ☞ Online Ambient air quality monitoring system.
- ☞ State-of-the-art effluent treatment plant (ETP).
- ☞ Sludge dewatering system for primary sludge.
- ☞ Decanter for secondary sludge dewatering.
- ☞ Use of ETP sludge in power generation.
- ☞ Rainwater harvesting.
- ☞ Air pollution control through ESP, Dust Suppression System, Water Sprinkling System.
- ☞ 100% Solid Waste Management.
- ☞ Green belt development.
- ☞ Use of ETP final water for agricultural and plantation purpose.

The Company is in the process to strengthen its continuous online monitoring system for ambient air quality (AAQ) by installing additional two monitoring system and also installing online monitoring system for stack emission and final treated water from ETP.

These systems and assets have enabled the Company to safeguard the environment by meeting all statutory norms. As a measure of sustainable growth policy of the Company, it continuously gears up its resources to provide better protection to environment. To optimize chemical and water consumption even further, the Company undertook the following measures :

- ☞ Tertiary treatment plant is being installed to reduce fresh water consumption.

Directors' Report

- ☞ Integrated the water management with process needs by adopting the 'Reduce, Re-use and Recycle' concept to optimize discharge quantities.
- ☞ Explored opportunities for reducing energy and chemical consumption in water and wastewater treatment.
- ☞ Propagated water saving equipment and devices besides organizing training programs on water management.

SHARE CAPITAL

The paid up capital of the Company as on

31st March, 2015 is ₹ 7,365 Lacs.

During the year under review, the Company has allotted 7,50,000 8% Cumulative Redeemable Non-convertible Preference shares on 1st August, 2014 and 11,25,000 shares on 17th September, 2014 @ ₹ 100/- each at a premium of ₹ 300/- each to the promoters on preferential basis for part financing the increased cost of Expansion project of setting up a 1,32,000 TPA paper machine for manufacturing Multi-layer Coated Board at its existing location in Balasore.

The Company has neither issued shares

with differential voting rights nor granted stock options or sweat equity.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, the unclaimed or unpaid Dividend is due for remittance to the Investor Education and Protection Fund established by the Central Government in accordance with the schedule given below :

Financial year	Dividend ID No.	Date of Payment of dividend	Total Amount of Dividend	Unclaimed Dividend as on 31.03.2015	Due date for transfer to I.E.P.F. on
2007-08	26th	13/10/2008	604.99	0.83	12/10/2015
2008-09	27th	29/07/2009	363.00	0.57	28/07/2016
2009-10	28th	11/08/2010	363.00	0.66	10/08/2017
2010-11	29th	24/08/2011	363.00	0.73	23/08/2018
2011-12	30th	21/08/2012	363.00	0.68	20/08/2019
2012-13	31st	23/08/2013	363.00	1.08	22/08/2020
2013-14	32nd	21/08/2014	363.00	0.89	20/08/2021
Total			2,782.99	5.44	

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Joint Venture / Associate Companies.

DETAILS OF DEPOSITS

The Company has neither accepted nor renewed any deposits under Section 73 of the Companies Act, 2013 during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange

Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and is attached to this Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in form MGT - 9 is given in **Annexure II** to the Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company has formulated the policy for development and implementation of Corporate Social Responsibility as also required under Section 135 of the Companies Act, 2013.

Further, the information pursuant to Section 134(3)(o) of the Companies

Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 are given in **Annexure III** outlining the main initiatives during the year under review.

ANNUAL CSR REPORT (2014-15)

Emami Paper Mills Limited through its CSR activities takes up programs that benefit the communities in & around its place of work and ensure over a period of time, enhancement in the quality of life & economic well being of the local people and thereby establishing its presence as a good corporate citizen.

Eradication of Hunger, Mal Nutrition & Promotion of Health and Sanitation

The Company, as a part of its CSR activities for eradication of hunger from the local community, provides food for

Directors' Report

poor people at Balgopalpur and nearly 1,20,000 mouths were fed during 2014-15.

To combat malnutrition, the Company identifies children with low body mass index (BMI) and provide protein supplement enabling them to come to normal health. Over 100 children are benefited under this scheme every month.

The Company is running regular health clinics under traditional system of medicine at seven locations where doctors treat patients and provide the required medicines free of cost. During 2014-15, 27,564 patients were benefited under this scheme. In addition to the regular clinics, 21 special combined homeopathic and ayurvedic camps were conducted during the year where an additional 6,283 patients were treated.

Mobile health service at door step, was initiated by the Company in 2013-14 to cater health needs of people in 4 locations. Gradually, this initiative has geared up to extend its services to 12 locations twice a week. In all, 8697 patients were provided health service at their door step through the mobile camp.

Realizing the fact that safe drinking water is the key for preventive healthcare, the Company provides piped water supply to 120 households of Rasalpur village and commissioned nine tube wells adding up to a total of 72 water points erected and maintained by the Company.

Promoting Education and Vocational Skills

Education has been one of the major thrust areas for the Company in its social activities. Initiatives under this program encompass five broad areas namely Infrastructural support to local educational institutions, scholarship program, the 'Bal Vikas' program, free distribution of exercise notebooks and capacity building through community teachers.

Based on the findings of school survey

conducted by the Company, it supports educational institutions in developing their infrastructure by making provisions for classroom furniture, fans, lights and toilet with running water facility.

The Company has provided 920 pairs of desk cum bench to 26 institutions to accommodate for the growing student enrollment. During the year, the Company has also provided 22 ceiling fans to 2 local colleges for class room use.

To develop proper sanitation and hygiene in the educational institutions the Company has constructed toilets with running water supply with an average cost of ₹ 2.0 Lac per complex in six high schools of the locality. In the next phase, the Company plans to target the middle schools.

Scholarship program was initiated by the Company in the year 2013-14, which has grown wider and become more rewarding during 2014-15. 182 top scorers of class I to XII from 54 local schools, 52 poor cum meritorious students from 5 local colleges and 63 employees' children were provided with annual scholarship for pursuing their academic journey. In all, during the year the Company provided 297 scholarships to eligible students.

The 'Bal Vikas' program aims at increasing school enrollment and reducing dropout particularly among the tribal communities of the area. This is done by capacity building of the children through a locally appointed teacher (Bal Vikas Guru) who provides the much needed educational support to the first generation learners. At present the Company is operating ten 'Bal Vikas' centers with an enrolled strength of 232 children. Initiatives taken by the Company has resulted in substantial increase in school enrollment and improvement in quality of primary education.

Free distribution of exercise notebooks to students took a quantum jump in comparison to last year. During 2014-15, the Company has distributed 69,232

exercise books to various students in comparison to 40,733 note books distributed in the immediate previous year.

To promote the much required English learning and communication skills, the Company during the year supported SUN High school, Mukhura with a community teacher in an experimental basis. Over 500 school children are benefited from this scheme.

Ensuring Environmental Sustainability and Animal welfare

For us, environmental sustainability is least exploitation and zero pollution. The Company adopts clean technology and consume least natural resources for per unit production of paper. The Company also undertakes plantation drives. During the year under reference, the Company has planted nearly 5,000 saplings in and around our place of work, distributed 1,730 horticultural plants to 348 households, undertook 16 kilometers of avenue plantation in Nilgiri and Balgopalpur and undertook institutional plantations in local schools and colleges. The Company has also started fodder cultivation for the cattle and supported schools in developing their school garden.

As a concern for the animals, the Company provides shelter, food and required medical care to 128 abandoned cattle in an exclusively made animal shelter.

Rural Infrastructure

During the year under reference the Company has invested its resources in creation of lasting rural infrastructure. Community centers were erected in three local areas namely Fulkiari, Nuapadhi and Rasalpur. The approach road to Rasalpur village was converted into all weather concrete. The Company also collaborated with North Odisha Chamber of Commerce and Industry (NOCCI) in construction of a bypass road to Balgopalpur providing all weather approach to several villages.

The Company helps several village

Directors' Report

committees in renovating their dilapidated places of worship. Tourist attraction to heritage site 'Khirachora Temple' was also partly renovated by the Company during 2014-15. Traffic island on the national highway at Remuna Golai was constructed by the Company under a joint initiative with other business houses of Balasore.

Summing up

The Company takes pride for its sense of responsibility towards the community and environment and the way it is duty bound for enrichment of the life of less privileged people and protection of the environment around its area of operation. The Company has taken its social responsibility as a part of its operating policy and gearing its social activities to promote inclusive and sustained growth.

AWARDS AND RECOGNITION

It is a matter of great pride that Company's endeavor and commitment to achieve higher level of operational performance and environmental excellence has been recognized at various forums. Company has earned number of awards and honors as mentioned below :

- ☞ Greentech CSR Award 2014 Gold Category in Paper Sector by Greentech Foundation for effort by Company to serve the community as a good corporate citizen.
- ☞ Greentech Environment Award 2014 Gold Category in the paper sector for the efforts made in environmental protection.
- ☞ Utkal Chamber of Commerce & Industry, Bhubaneswar, Odisha recognized the Company for outstanding contribution in the field of Large Scale Industry sector of Odisha.
- ☞ Kalinga Safety Award by Odisha State Safety Conclave 2014 for the strides made in the areas of safety management.

AUDITORS' AND AUDITORS' REPORT

1. STATUTORY AUDITORS

As per Section 139 and other applicable provisions of the Companies Act, 2013 the Company has appointed M/s. S. K. Agrawal & Co. Chartered Accountants (Registration No. 302111E) as the Auditors and M/s. Salarpuria Jajodia & Co. Chartered Accountants (Registration No. 306033E) as Unit Auditors (Kolkata Unit) as per the approval of the shareholders in Annual General Meeting (AGM) held on 11th August, 2014, for a further period of three years till the conclusion of 35th Annual General Meeting of the Company subject to ratification by the shareholders in every AGM of the Company, on the remuneration and other terms and conditions as may be fixed by the Board of Directors.

The Board recommends the ratification by the shareholders regarding their reappointment.

2. COST AUDIT

As per Notification dated 30th June, 2014 issued by Ministry of Corporate Affairs, Government of India, Paper industry was excluded from the maintaining cost audit records for Cost Audit for F.Y. 2014-15 under Companies (Cost Records and Audit) Rules, 2014.

Further, vide their Notification dated 31/12/2014, Central Government has amended the Companies (Cost Records and Audit) Rules, 2014 and Paper Industry has been included further as per Rule 3(B) Item No.28 of the Companies (Cost Records and Audit Rules, 2014) for maintaining Cost Accounting Records for Cost Audit from the Financial Year on or after 1st April, 2015.

Accordingly the Company has appointed M/s. V. K. Jain & Co. Cost Accountant as Cost Auditors of the Company for the Financial Year 2015-16 for both the units at Balasore and Kolkata under Section 148 of the Companies Act, 2013, in their meeting held on 27th January, 2015.

3. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s MKB & Associates, Company Secretary in practice for the financial year 2014-15 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure IV**.

AUDITORS' REPORT / SECRETARIAL AUDIT REPORT

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further explanations or comments by the Board under Section 134 of the Companies Act, 2013.

As required under Section 204(1) of the Companies Act, 2013 the Company has obtained a Secretarial Audit Report. Certain observations have been made in the report with regard to delay in filing of some forms mainly due to ambiguity and uncertainty of the applicability of the same.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

- 1) The Company has given Inter Corporate loan to some of the Body corporates covered under the provisions of Section 186 of the Companies Act, 2013. The amount of loan given is ₹ 142.70 crores and the whole amount have been received back during the year. The purpose was to utilize the loan amount for their general business purposes.
- 2) The loan and advances given to employees are covered under the remuneration policy of the Company. Hence, Section 186 of the Companies Act, 2013 is not applicable.
- 3) The Company has not provided any guarantee.

Directors' Report

- 4) The details of the investments made by the Company are given in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large.

Necessary disclosure regarding transactions with related parties has been made in the Notes to the Audited Accounts.

Further, the particulars of every contract or arrangements entered into by the Company during the year with related parties as per Section 188(1) of the Companies Act, 2013 is disclosed in form AOC 2 in **Annexure V**.

The related party transactions policy has been given on the website of the Company under the head Investors-Corporate Governance.

Web link : <http://www.emamipaper.in/downloads/related-party-policy-tr.pdf>

COMPOSITION OF AUDIT COMMITTEE

The composition of Audit Committee of the Company is mentioned in the Corporate Governance Report attached to this report.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

As per requirement of Section 177 (9) of the Companies Act, 2013, the Company has established a Vigil mechanism for the directors and employees to report genuine concerns, as recommended by the Audit Committee and approved by the Board of Directors in their meeting held on 21st January, 2014.

The vigil mechanism provides safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has adopted Risk Management Policy for identification and implementation of Risk Mitigation Plan for the Company. In the opinion of the Board there is no such risk which may threaten the existence of the Company.

DIRECTORS

A) Changes in Directors and Key Managerial Personnel

Mr. Manish Goenka, Director would retire by rotation and, being eligible, offer himself for re-appointment.

The term of appointment of Mr. Manish Goenka, whole time director and Mr. A. V. Agarwal, Executive Chairman will expire on 30th June, 2015 and 7th November, 2015 respectively and hence they will be re-appointed for a further period of three years from the prospective dates, subject to approval by the members at the ensuing Annual General Meeting of the Company.

During the year under review, the members approved the appointments of Shri J. Godbole, Shri S. Balasubramanian, Shri H. M. Marda, Shri J. K. Khetawat and Shri U.G. Bhat as Independent Directors for a period of 5 years and to hold office upto 31st March, 2019 not liable to retire by rotation.

Smt. Richa Agarwal was appointed as a woman director of the Company in compliance with Section 149(1) of the Companies Act, 2013 and as an additional director under Section 161 of

the Companies Act, 2013 with effect from 27th January, 2015 till the conclusion of 33rd Annual General Meeting of the Company to be held on 11th August, 2015.

Mr. S. K. Khetan, (CFO) was appointed as Key Managerial Personnel of the Company with effect from 25th April, 2014.

B) Declaration by an Independent director(s) and re-appointment, if any

All Independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to Section 178 of the Companies Act, 2013, the Board of the directors of the Company has approved the revised Nomination and Remuneration policy as recommended by the Nomination and Remuneration Committee in their meeting held on 27th January, 2015.

The policy is disclosed in the Corporate Governance Report.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, its committees and individual directors.

Further, the independent directors have evaluated the performance of non-independent directors at a separate meeting held on 27th January, 2015.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of

Directors' Report

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the Company is attached herewith in **Annexure VI**.

RECEIPT OF COMMISSION BY THE DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY UNDER Section 197(14)

Not Applicable

CORPORATE GOVERNANCE

The Corporate Governance Report and Management's Discussion & Analysis Report are set out as Annexure VII in this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 the Directors would like to state that :

1. In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied

them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis;
5. The directors had laid down internal financial controls to be followed by the Company and such controls are adequate and operating effectively; and
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

MISCELLANEOUS

1. **Industrial Relations** : During the year under review, the Company enjoyed cordial relationship with the workers and employees at all levels.
2. **Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future** : No such orders passed during the year under review.

ACKNOWLEDGEMENT

The Board acknowledges the understanding and support shown by its lending financial institutions, banks, distributors, customers, suppliers, employees and other business associates. Your Company operated efficiently due to a culture of professionalism, integrity and continuous improvement leading to sustainable and profitable growth.

For and on behalf of the
Board of Directors

A. V. Agarwal
Executive Chairman

Place : Kolkata
Date : 6th May, 2015

Annexure to the Directors' Report

ANNEXURE - I TO THE DIRECTORS' REPORT

Information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March, 31, 2015.

A. CONSERVATION OF ENERGY

i) Energy conservation measures taken :

- ☞ **PM#3:** Compressed Air Pressure optimization through control modulation of all the compressors inline by auto control. Replacement of the rotary element of the screw compressor to improve the energy efficiency and throughput. This improvement reduced the power consumption in the compressors system by 75 kW.
- ☞ **PM#3:** Modification and Improvement in Hood & Pocket ventilation heat transfer system to reduce steam consumption by 10 kg ton per ton of paper production.
- ☞ **PM#3:** High Pressure Pump of

wire & press part is replaced with a new pump to meet high pressure and medium pressure spray requirement. There is a reduction of power consumption by 22 kW.

- ☞ **PM#2:** Installation of new vacuum pump by replacing the old pump to improve the system efficiency. Achieved saving in power consumption by 28 kW.
- ☞ **PM#1:** Press section, plain press roll has been replaced with blind drilled press roll to improve the paper dryness after the press section. This helped in the reduction of 200 kg steam consumption per ton of paper production.
- ☞ **PM#1:** As per the Vacuum system requirement study conducted, one number higher capacity vacuum pump has been installed in placement of three pumps. Thereby reduced the power consumption by 32 kW.
- ☞ **PM#2:** Installed VFD in one of the CT Fan and control the required cooling water temperature and there is a power saving of 8 kW.

- ☞ Installed common centrifugal compressor to meet the total compressed air requirement of the mill. The existing individual compressors are stopped and shall achieve more than 100kW power saving after stabilization.

ii) Additional investment and proposal for reduction in energy consumption :

- ☞ Stage-wise replacement of existing HPSV Lamps and HPMV Lamps with less power consuming LEDs.
- ☞ Replacement of some of the DC Drives in PM#2 with AC Drives to improve the productivity and reduce the Power consumption.
- ☞ Proposal of Harmonic filters is under study for the Drives. Additional Capacitors for Power Factor improvement.
- ☞ Use of Solar Energy for street lighting & water heaters.
- ☞ Installation of Heat Pump for heating DM Water before de-aeration. Heat recovery from Cooling Water Circulation in Power Plant.

iii) Power and Fuel Consumption :

		2014-15	2013-14
1. Electricity			
(a) Purchased Units (in Lacs)	KWH	143.08	126.60
Total Amount	₹ in Lacs	1,068.42	863.23
Rate/Unit	₹/KWH	7.47	6.82
(b) Own generation (through steam turbine) (in Lacs)	KWH	1,300.82	1,268.60
Variable Cost	₹ in Lacs	5,444.33	5,357.65
Rate/Unit	₹/KWH	4.19	4.22
2. Coal			
Quantity	MT	2,19,472	2,04,693
Total Cost	₹ in Lacs	6,126.70	5,665.86
Average Rate	₹/MT	2,792	2,768

Annexure to the Directors' Report

		2014-15	2013-14
3. Furnace Oil	Ltrs.	–	–
Consumption per unit of production			
Electricity	KWH	854	850
Furnace Oil	Ltrs.	–	–
Coal	Kgs/MT	1,510	1,408

B. TECHNOLOGICAL ABSORPTION

i) Research & Development (R&D) :

1. Specific areas in which in-house R&D projects were carried out by the Company during 2014-15 :

- ☞ **PM#3:** Development of Dye for manufacturing Pink Newsprint locally. Earlier the dye was procured from Ahmedabad based supplier.
- ☞ **DIP#3:** Use of alternate deinking chemical to improve the ink detachability from the pulp in the flotation cell and increase the brightness.
- ☞ **DIP#3:** Addition of Sodium silicate is discontinued in the oxidative bleaching system by optimization. This helped in improving the operation stability of the paper machine and eliminated Sodium silicate consumption by 3.0 kg per ton of pulp production.
- ☞ **DIP#3:** Hydro-sulphite consumption has been reduced by 1 kg per ton of pulp by system optimization and proper raw material mixture.
- ☞ Successful lab & plant trial was established in Utilisation of 85-90% ONP and 10-15% imported magazine as raw material mix to produce quality Newsprint Pulp, which has improved overall quality and also reduction in furnish cost.
- ☞ Biocide treatment in Save-all water at PM#1 reduced the lumps carryover and improved

the productivity of the machine.

- ☞ Replacement of the old vibrating screen at wet end section of PM#2 with a new screen improved the fiber recovery.
 - ☞ Yuhle Box water (about 20 M³/hr) drained in PM#2 was taken to DAF in DIP#3 and recovered the water for process use.
 - ☞ **PM#1:** Centricleaner reject is pumped back to DIP#1 for fiber recovery makeup a saving of 0.75% fiber.
 - ☞ **DIP#1:** System study conducted in the disc filter area and improved the throughput of the disc filter, for throughput and quality improvement.
 - ☞ A continuous R & D effort by using various polymers at sludge dewatering press is being done to optimize the chemical consumption.
- ##### 2. Benefits derived as result of the above R & D :
- ☞ **PM#1:** machine operating efficiency improved by elimination of lumps carryover.
 - ☞ 5% imported magazine is replaced with ONP, thereby improved yield and quality.
 - ☞ Sodium Silicate is totally eliminated in the bleaching system and hence improved machine runnability and brightness reversion, in addition to cost reduction.
 - ☞ Hydro-sulphite consumption

reduced and per ton chemical cost reduction.

- ☞ Back water recycling reduced the fresh water consumption by 600 M³ per day and shall further reduce after tertiary treatment system is commissioned.
- ☞ Improvement in the quality of Newsprint Paper, reduction in rejection level and improvement in overall machine runnability.

3. Future Action Plan :

- ☞ Continual improvement on Yield.
- ☞ Foam control in PM#3.
- ☞ Alternate Deinking Chemical in DIP#1 & DIP#3.
- ☞ Continual improvement on Paper Brightness, strength, bulk and other quality parameters.
- ☞ Reduction of fresh water consumption by increasing recycling and reuse of treated effluent after tertiary treatment which consists of Multimedia Filters, Activated Carbon Filters and Chlorine treatment. About 4,000 M³ per day shall be reduced by this process.

4. Expenditure on R & D :

No separate accounting for Research and Development activities was made as the same was connected with process and product development.

Annexure to the Directors' Report

ii. Technology absorption, adoption & innovation :

a) Efforts, in brief, made towards technology absorption, adoption and innovation :

- ☞ **PM#1:** Head-box internals and slice lip modification done to improve drainage at the wet end of the machine.
- ☞ **PM#1:** Size press pneumatic loading system has been converted to Hydraulic loading to improve the quality and the dryness after size press.
- ☞ **PM#2:** Replaced a higher diameter Second press grooved roll with increased cambering of 0.5 mm to improve the quality and dryness.
- ☞ **PM#2:** Pick-up and Second Press felt fabrics are replaced

with the suitable GSM and CFM to improve the dryness of the paper and increase the life of the felt.

- ☞ **PM#2:** Wire life has been improved by replacing with three layer SSB design and by replacing the lower diameter wash roll and guide roll to higher size.
- ☞ **PM#3:** Press part, suction press rubber cover roll has been replaced with PU covered roll to improve the life and quality of paper.
- ☞ **PM#3:** Vacuum system modification done to reduce breakdowns in line of frequent 'V'-belt damages.
- ☞ **PM#3:** Hood & Pocket ventilation system study

conducted and renovation work done to improve the hood efficiency.

b) Benefits derived as result of the above efforts namely product quality improvement, cost reduction, productivity and import substitution among others :

- ☞ Quality & Productivity improvement in PM#1, PM#2 and PM#3.
- ☞ Reduction in cost of production in PM#2 by reducing the cost of Wires & Fabrics.
- ☞ Reduction in Steam consumption in all the Paper Machines.
- ☞ Reduction in fresh water consumption.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

	2014-15	2013-14
Foreign exchange earnings	Nil	Nil
Foreign exchange outgo	27,528.94	9,742.54

ANNEXURE - II TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) **CIN :**
L21019WB1981PLC034161
- ii) **Registration Date :**
26/09/1981

- iii) **Name of the Company :**
EMAMI PAPER MILLS LIMITED
- iv) **Category / Sub-Category of the Company :** Company limited by shares/ Indian Non-Government Company
- v) **Address of the registered office and contact details :**
687, Anandpaur, Kasba Golpark, E.M. Bypass
Kolkata - 700 107
Email ID : emamipaper@emamipaper.in
Phone : (033) 6613 6264

- vi) **Whether listed company :** Yes
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**
Maheshwari Datamatics Private Limited
6, Mangoe Lane
(Surender Mohan Ghosh Sarani)
2nd Floor, Kolkata - 700 001
Email : mdpldc@yahoo.com / mdpl@vsnl.net.in
Phone : (033) 22435029/5809
Fax : (033) 2248 4787

Annexure to the Directors' Report

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Newsprint	2803	85.89
2.	Writing and Printing Paper	2802	14.11

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	Cin/Gln	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Not Applicable				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				%Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoter									
(1) Indian									
a) Individual / HUF	54,98,073		54,98,073	9.0879	56,56,976		56,56,976	9.3505	+0.2626
b) Central / State Government(s)									
c) Bodies Corporate	3,97,35,063		3,97,35,063	65.6788	3,95,76,160		3,95,76,160	65.4162	- 0.2626
d) Banks / FI									
e) Any Other....									
Sub-total (A1)	4,52,33,136		4,52,33,136	74.7667	4,52,33,136		4,52,33,136	74.7667	
(2) Foreign									
a) Individual/ HUF	1,25,000		1,25,000	0.2066	1,25,000		1,25,000	0.2066	
b) Bodies Corporate									
c) Institutions									
d) Qualified Foreign Investor									
e) Any Other....									
Sub-total (A2)	1,25,000		1,25,000	0.2066	1,25,000		1,25,000	0.2066	
Total shareholding of Promoter and Promoter Group A = (A)(1) + (A)(2)	4,53,58,136		4,53,58,136	74.9733	4,53,58,136		4,53,58,136	74.9733	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									

Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				%Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
c) Central/ State Government(s)									
d) Venture Capital Funds									
e) Insurance Companies									
f) FIIs									
g) Foreign Venture Capital Investors									
h) Qualified Foreign Investor									
i) Any other									
Sub-total (B1)									
2. Non Institutions									
a) Bodies Corporate	1,18,20,804	1,09,000	1,19,29,804	19.719	1,15,09,681	1,09,000	1,16,18,681	19.2047	- 0.5143
b) Individuals holding:									
i. Nominal Share Capital up to ₹ 1 lakh	14,16,839	2,75,827	16,92,666	2.7978	13,87,375	2,72,329	16,59,704	2.7434	- 0.0544
ii. Nominal Share Capital in excess of ₹ 1 lakh	15,00,000		15,00,000	2.4794	18,47,064		18,47,064	3.053	+0.5736
c) Qualified Foreign Investor									
d) Any other									
– Clearing member	2,744		2,744	0.0045	3,325	–	3,325	0.0055	+0.0010
– Non Resident Individual	15,700		15,700	0.0260	12,140	–	12,140	0.0201	- 0.0059
Sub-total (B2)	1,47,56,087	3,84,827	1,51,40,914	25.0267	1,47,59,585	3,81,329	1,51,40,914	25.0267	0.00
Total Public shareholding B = (B)(1) + (B)(2)	1,47,56,087	3,84,827	1,51,40,914	25.0267	1,47,59,585	3,81,329	1,51,40,914	25.0267	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A + B + C)	6,01,14,223	3,84,827	6,04,99,050	100.00	6,01,17,721	3,81,329	6,04,99,050	100.00	

Annexure to the Directors' Report

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% Change in Share holding During the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Diwakar Viniyog Pvt Ltd	96,28,713	15.9155	NIL	94,69,810	15.6528	NIL	-0.2627
2	Emami Limited	79,46,000	13.1341	NIL	79,46,000	13.1341	NIL	NIL
3	Suntrack Commerce Pvt Ltd	76,33,900	12.6182	NIL	76,33,900	12.6182	NIL	NIL
4	Bhanu Vyapaar Pvt Ltd	60,05,250	9.9262	NIL	60,05,250	9.9262	NIL	NIL
5	Emami Enclave Makers Pvt Ltd	29,06,000	4.8034	NIL	29,06,000	4.8034	NIL	NIL
6	Emami High Rise Pvt Ltd.	28,08,000	4.6414	NIL	28,08,000	4.6414	NIL	NIL
7	Suraj Viniyog Pvt Ltd	28,07,200	4.6401	NIL	28,07,200	4.6401	NIL	NIL
8	Priti Sureka	13,62,023	2.2513	NIL	15,20,926	2.5140	NIL	+0.2627
9	Radheshyam Goenka	11,61,250	1.9195	NIL	11,61,250	1.9195	NIL	NIL
10	Sushil Kumar Goenka	7,26,750	1.2013	NIL	7,26,750	1.2013	NIL	NIL
11	Raj Kumar Goenka	5,30,000	0.8760	NIL	5,30,000	0.8760	NIL	NIL
12	Suresh Kumar Goenka	4,99,250	0.8252	NIL	4,99,250	0.8252	NIL	NIL
13	Meena Goenka	2,89,050	0.4778	NIL	2,89,050	0.4778	NIL	NIL
14	Santosh Goenka	2,39,550	0.3960	NIL	2,39,550	0.3960	NIL	NIL
15	Saroj Goenka	1,37,000	0.2264	NIL	1,37,000	0.2264	NIL	NIL
16	Amitabh Goenka	1,25,000	0.2066	NIL	1,25,000	0.2066	NIL	NIL
17	Indu Goenka	1,11,400	0.1841	NIL	1,11,400	0.1841	NIL	NIL
18	Mohan Goenka	1,02,000	0.1686	NIL	1,02,000	0.1686	NIL	NIL
19	Sushil Kumar Goenka	1,00,500	0.1661	NIL	1,00,500	0.1661	NIL	NIL
20	Manish Goenka	87,000	0.1438	NIL	87,000	0.1438	NIL	NIL
21	Ashish Goenka	75,000	0.1240	NIL	75,000	0.1240	NIL	NIL
22	Dhiraj Agarwal	25,000	0.0413	NIL	25,000	0.0413	NIL	NIL
23	Aditya Vardhan Agarwal	12,500	0.0207	NIL	12,500	0.0207	NIL	NIL
24	Harsh Vardhan Agarwal	10,750	0.0178	NIL	10,750	0.0178	NIL	NIL
25	Puja Goenka	10,500	0.0174	NIL	10,500	0.0174	NIL	NIL
26	Usha Agarwal	8,300	0.0137	NIL	8,300	0.0137	NIL	NIL
27	Radheshyam Agarwal	3,500	0.0058	NIL	3,500	0.0058	NIL	NIL
28	Pramod Bajoria	1,750	0.0029	NIL	1,750	0.0029	NIL	NIL
29	Laxmi Devi Bajoria	1,750	0.0029	NIL	1,750	0.0029	NIL	NIL
30	Shanti Devi Agarwal	1,750	0.0029	NIL	1,750	0.0029	NIL	NIL
31	Richa Agarwal	1,500	0.0025	NIL	1,500	0.0025	NIL	NIL
	Total	4,53,58,136	74.9733	NIL	4,53,58,136	74.9733	NIL	

Annexure to the Directors' Report

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1	At the beginning of the year 01.04.2014	4,53,58,136	74.9733	4,53,58,136	74.9733
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No change during the year			
3	At the End of the year 31.03.2015	4,53,58,136	74.9733	4,53,58,136	74.9733

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
	At the beginning of the year 01.04.2014	1,20,29,439	19.8837	1,20,29,439	19.8837
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.)				
	09.01.2015: Penguin Trading & Agencies Ltd (Sale of shares)	-11,36,000			
	Anand Rathi Global Finance Ltd. (Purchase of shares)	+5,77,000			
	Anand Rathi Share & Stock Broke (Purchase of shares)	+5,58,000			
	16.01.2015: Anand Rathi Global Finance Ltd. (Purchase of shares)	+5,58,000			
	Penguin Trading & Agencies Ltd. (Sale of shares)	-5,94,000			
	Anand Rathi Share & Stock Broke (Sale of shares)	-5,58,000			
	At the End of the year 31.03.2015	1,14,34,439	18.9002	1,14,34,439	18.9002

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
	At the beginning of the year 01.04.2014	A.V. Agarwal – 12500 Manish Goenka – 87000 Richa Agarwal – 1500	0.0207 0.1438 0.0025	A.V. Agarwal – 12500 Manish Goenka – 87000 Richa Agarwal – 1500	0.0207 0.1438 0.0025
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No change during the year			
	At the End of the year 31.03.2015	A.V. Agarwal – 12500 Manish Goenka – 87000 Richa Agarwal – 1500	0.0207 0.1438 0.0025	A.V. Agarwal – 12500 Manish Goenka – 87000 Richa Agarwal – 1500	0.0207 0.1438 0.0025

Annexure to the Directors' Report

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Trade)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	55,551.31	Nil	Nil	55,551.31
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	194.81	Nil	Nil	194.81
Total (i+ii+iii)	55,746.12	Nil	Nil	55,746.12
Change in Indebtedness during the financial year				
Addition	38,771.29	Nil	Nil	38,771.29
Reduction	10,527.95	Nil	Nil	10,527.95
Net Change	28,243.34	Nil	Nil	28,243.34
Indebtedness at the end of the financial year				
i) Principal Amount	83,541.68	Nil	Nil	83,541.68
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	447.78	Nil	Nil	447.78
Total (i+ii+iii)	83,989.46	Nil	Nil	83,989.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. P. S. Patwari	Mr. A.V. Agarwal	Mr. Manish Goenka	Mr. M.B.S. Nair	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,03,00,800	40,88,400	40,88,400	64,34,700	2,49,12,300
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	15,00,000	3,78,083	13,768	9,01,884	27,93,735
	(c) Profits in lieu of salary under Section 17(3)					
2.	Stock Option	Nil	Nil	Nil	Nil	
3.	Sweat Equity	Nil	Nil	Nil	Nil	
4.	Commission					
	- as % of profit	Nil	Nil	Nil	Nil	
	- Others, specify....					
5.	Others, please specify	Nil	Nil	Nil	Nil	
	Total (A)	1,18,00,800	44,66,483	41,02,168	73,36,584	2,77,06,035
	Ceiling as per the Act	1,20,00,000	48,00,000	48,00,000	1,20,00,000	

Annexure to the Directors' Report

B. Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. J. N. Godbole	Mr. H. M. Marda	Mr. S. Balasubramanian	Mr. J. K. Khetawat	Mr. U. G. Bhat	
1	Independent Directors						
	Fee for attending board/committee meetings	2,35,000	2,45,000	1,55,000	1,50,000	50,000	8,35,000
	Commission	Nil	Nil	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	Nil	Nil	
	Total (1)	2,35,000	2,45,000	1,55,000	1,50,000	50,000	8,35,000
2	Other Non-Executive Directors						
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil	Nil	
	• Commission	Nil	Nil	Nil	Nil	Nil	
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1 + 2)	2,35,000	2,45,000	1,55,000	1,50,000	50,000	8,35,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	14,00,000	15,00,000	8,00,000	10,00,000	5,00,000	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Mr. S. K. Khetan	Company Secretary Mr. G. Saraf	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,21,340	30,81,670	87,03,010
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,65,678	4,44,566	11,10,244
	(c) Profits in lieu of salary under section 17(3)	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	62,87,018	35,26,236	98,13,254
	Ceiling as per the Act	N.A.	N.A.	

Annexure to the Directors' Report

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCL1/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE - III TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company's CSR Policy is stated herein below :

Our aim is to undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery / community in which it operates. We shall create a positive footprint within the society by creating inclusive and enabling infrastructure / environment for livable communities. We shall emphasize on providing basic nutrition / health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.

To pursue these objectives we will continue to :

- i) Work actively in areas of eradication of hunger and poverty, including preventive health care and sanitation and making available safe drinking water.
- ii) Provide opportunity and financial assistance for the promotion of education.
- iii) Provide medical aid to the needy and down trodden.

Web link : <http://www.emamipaper.in/downloads/csr-policy.pdf>

2. Composition of CSR Committee

Name of the Member	Designation
Mr. J Godbole, Independent Director	Chairman
Mr. A. V. Agarwal, Executive Chairman	Member
Mr. P. S. Patwari, Executive Director	Member
Mr. Manish Goenka, Whole time Director	Member
Mr. H. M. Marda, Independent Director	Member
Mrs. Richa Agarwal, Woman Director	Member

3. Average net profit of the Company for last three financial years : ₹ 1,557.29 Lacs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : ₹ 31.15 Lacs

Annexure to the Directors' Report

5. Details of CSR spend for the financial year 2014-15 :

a) Total amount spent for the financial year : ₹ 155.95 Lacs

b) Amount unspent, if any : NIL

c) Manner in which the amount spent during the financial year is detailed below : (₹ in Lacs)

Sl. No.	Projects/ Activities	Sector	Location	Amount outlay (Budget) project or program wise	Amount spent on the project or program	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Eradication of hunger & health care	Balasore (Odisha) & Dakshineswar (Kolkata)	50.00	42.19	42.19	42.19 (Direct)
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Literacy	Balasore (Odisha) & Dakshineswar (Kolkata)	57.00	43.49	43.49	43.49 (Direct)
3	Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups.	Gender equality & women empowerment	Balasore (Odisha) & Dakshineswar (Kolkata)	3.00	2.06	2.06	2.06 (Direct)
4	Ensuring environmental sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources.	Environment	Balasore (Odisha) & Dakshineswar (Kolkata)	33.00	31.16	31.16	31.16 (Direct)
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art.	Protection of Historical importance and national heritage	Balasore (Odisha) & Dakshineswar (Kolkata)	11.00	16.27	16.27	16.27 (Direct)

Annexure to the Directors' Report

(₹ in Lacs)							
Sl. No.	Projects/ Activities	Sector	Location	Amount outlay (Budget) project or program wise	Amount spent on the project or program	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency
6	Contribution to Prime Ministers National Relief Fund or any other fund setup by the Central Government for socio economic development and relief.	Donation	Balasore (Odisha) & Dakshineswar (Kolkata)	8.00	-	-	-
7	Rural Development	Development	Balasore (Odisha) & Dakshineswar (Kolkata)	23.00	17.36	17.36	17.36 (Direct)
8	Building CSR activities as per Rule 4(6)	Employee service	Balasore (Odisha) & Dakshineswar (Kolkata)	-	3.42	3.42	3.42 (Direct)
				185.00	155.95	155.95	155.95

ANNEXURE - IV TO THE DIRECTORS' REPORT

Secretarial Audit Report

Form No. MR-3

For the Financial Year ended 31st March, 2015

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

To
The Members
Emami Paper Mills Limited

- I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Emami Paper Mills Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
- Based on the verification of the

books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

- I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, to the extent applicable, according to the provisions of :
 - The Companies Act, 2013

- (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") :
 - SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - SEBI (Prohibition of Insider Trading) Regulations, 1992
 - SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

Annexure to the Directors' Report

- d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- e) SEBI (Issue and listing of Debt securities) Regulations 2008
- f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations 1993
- g) The SEBI (Delisting of Equity Shares) Regulations 2009
- h) The SEBI (Buyback of Securities) Regulations 1998
- vi) Other applicable Laws :
- a) The Factories Act, 1948
- b) The Industrial Dispute Act, 1947
- c) Employees' State Insurance Act, 1948
- d) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
4. I have also examined compliance with the applicable clauses of the followings :
- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company with BSE Limited.
5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations :
- a) Few Forms were filed beyond the due date with the Registrar of Companies, West Bengal.
6. I further report that :
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.
7. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. I further report that during the audit period, there were no instances of :
- (i) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.
9. This report is to be read with my letter of even date which is annexed as **Annexure - 1** which forms an integral part of this report.

For **MKB & ASSOCIATES**
Company Secretaries

Manoj Kumar Banthia
Proprietor

Place : Kolkata ACS No. 11470
Date : 6th May, 2015 COP No. 7596

Annexure to the Directors' Report

Annexure – 1

To
The Members
Emami Paper Mills Limited

My report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & ASSOCIATES**
Company Secretaries
Manoj Kumar Banthia
Proprietor

Place : Kolkata
Date : 6th May, 2015

ACS No. 11470
COP No. 7596

ANNEXURE - V TO THE DIRECTORS' REPORT

Form No. AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties during the year referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** N.A.
2. **Details of material contracts or arrangements or transactions at arm's length basis :**

SI. No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	Emami Limited, promoter group company
b)	Nature of contracts/arrangements/transactions	Leave and license agreement for office space in Mumbai
c)	Duration of the contracts/arrangements/transactions	Six years with effect from 5th November, 2014
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Leave and license agreement to use office space at "A" Wing, 7th Floor at Express Zone, Western Express Highway, Goregaon (East), Mumbai - 400 062 measuring 250 sq. ft. at a monthly rent of ₹ 31,250/-
e)	Date(s) of approval by the Board, if any	3rd November, 2014
f)	Amount paid as advances, if any	₹ 2,00,000/- (Rupees Two Lacs only)

For and on behalf of the Board of Directors

Place : Kolkata
Date : 6th May, 2015

A. V. Agarwal
Executive Chairman

Annexure to the Directors' Report

ANNEXURE - VI TO THE DIRECTORS' REPORT

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

A) Details of every employee of the Company as required under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2015 :

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15 :

Name of Director	Designation	Ratio
Mr. A. V. Agarwal	Executive Chairman	33 : 1
Mr. Manish Goenka	Whole time Director	31 : 1
Mr. P. S. Patwari	Executive Director (CEO)	86 : 1
Mr. M. B. S. Nair	Whole time Director	52 : 1

ii) Percentage increase in remuneration of each director, CEO, CFO, CS or manager in the financial year 2014-15 :

Name	Designation	Percentage increase (%)
Mr. A. V. Agarwal	Executive Chairman	7.83%
Mr. Manish Goenka	Whole time Director	N.A.
Mr. P. S. Patwari	Executive Director (CEO)	21.82%
Mr. M. B. S. Nair	Whole time Director	20.17%
Mr. S. K. Khetan	President (Finance) & CFO	12.21%
Mr. G. Saraf	Vice President (Finance) & CS	10.63%

iii) Percentage increase in the median remuneration of employees in the financial year : 11.20%

iv) Number of permanent employees on the rolls of Company : 1,353

v) Explanation on :

Relationship between average increase in remuneration and Company performance	Average increase in remuneration has been made in view of satisfactory performance of the Company.
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vi) Comparison of :

Remuneration of the Key Managerial Personnel against the performance of the Company	Reasonable increment has been allowed to technical experts and the talented managerial personnel of the company in view of continued satisfactory performance of the Company.
-------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year :

Particulars	As on 31.03.2014	As on 31.03.2015	Change/Variation
Market Capitalization	(₹) 158.20 crores	(₹) 260.15 crores	(₹) + 101.95 crores
Market Price	26.15	43.00	+ 16.85
Earning Per Share	2.61	1.16	- 1.45
PE ratio	10.02	37.07	+ 27.05

Annexure to the Directors' Report

viii) **Explanation on :**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	12.50%
Percentile increase in the managerial remuneration	13.86%
Justification for increase in the managerial remuneration	Retention of talented technical and managerial personnel.
Exceptional circumstances for increase in the managerial remuneration, if any	N.A.

ix) **Comparison of :**

Name of Key Managerial Personnel	Remuneration (2014-15) (₹)	Performance of the Company
Mr. A. V. Agarwal	49,56,083/-	Reasonable increment has been allowed to technical experts and the talented managerial personnel of the Company in view of continued satisfactory performance of the company.
Mr. Manish Goenka	45,91,768/-	
Mr. P. S. Patwari	1,28,80,800/-	
Mr. M. B. S. Nair	78,63,480/-	
Mr. S. K. Khetan	67,45,662/-	
Mr. G. Saraf	39,08,599/-	

x) **The key parameters for any variable component of remuneration availed by the directors :** N.A.

xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :** N.A.

xii) **Affirmation that the remuneration is as per the remuneration policy of the Company :** Yes, the remuneration has been paid as per the remuneration policy of the Company.

B) Details of every employee of the Company as required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2015 :

Sl. No	Name and Age	Qualification & Experience (in years)	Designation	Date of Joining	% of equity share held	Remuneration	Previous employment
Employment throughout the year							
1.	P. S. Patwari (60)	B.Com, FCA - 35 years.	Executive Director (CEO)	28.11.1994	NIL	1,28,80,800/-	Hindusthan Motors Ltd.
2.	M. B. S. Nair (64)	B.Sc (Che) Paper Technology from IPT Saharanpur - 41 years.	Whole time Director (Director-Operations)	16.11.1999	NIL	78,63,480/-	Sri Venkatesa Paper & Boards.
3.	S. K. Jain (59)	B.Sc. MBA (R & A) P.G. in Paper Industry - 37 years.	Senior President	08.11.2005	NIL	73,92,322/-	Khanna Paper Mills Ltd.
4.	S. K. Khetan (50)	A.C.A., A.C.S. - 26 years.	President (Finance) & CFO	11.10.1999	NIL	67,45,662/-	Titagarh Industries Ltd.

Note : Mr. P. S. Patwari, Mr. M. B. S. Nair, Mr. S. K. Jain and Mr. S. K. Khetan are not relative of any other Director or Manager of the Company.

Report on Corporate Governance

ANNEXURE - VII TO THE DIRECTORS' REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance refers to a Professional System of management leading to the efficient conduct of business. This comprises transparency and accountability with the objective of serving the best interest of all the stakeholders – shareholders, customers, lenders, employees, government and society.

2. BOARD OF DIRECTORS

Composition : The composition of Board of Directors and other details are as under :

Name of the Director	Executive / Independent/ Non executive	No. of Board Meetings attended	Attendance at previous AGM on 11.08.2014	No. of outside Directorship held in other Public Limited Companies	No. of membership/ chairmanship in other Board/ Committee	
					Chairman	Member
Mr. A. V. Agarwal	Chairman, Executive	4	Yes	5	–	4
Mr. Manish Goenka	Executive	4	Yes	2	–	2
Mr. P. S. Patwari	Executive	4	Yes	1	–	–
Mr. U. G. Bhat	Non-Executive, Independent	2	Yes	2	–	–
Mr. J. Godbole	Non-Executive, Independent	4	Yes	9	3	7
Mr. H. M. Marda	Non-Executive, Independent	4	Yes	7	3	1
Mr. S. Balasubramanian	Non-Executive, Independent	4	Yes	7	1	7
Mr. J. K. Khetawat	Non-Executive, Independent	3	Yes	5	–	–
Mr. M. B. S. Nair #	Executive	4	Yes	–	–	–
Mrs. Richa Agarwal *	Non-Executive	1	N.A.	–	–	–

Elevated to the Board w.e.f. 25th April, 2014.

* Appointed as Additional Director w.e.f. 27th January, 2015.

3. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

During the year Four Board Meetings were held on 25th April, 2014, 11th August, 2014, 3rd November, 2014 and 27th January, 2015.

4. INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

As required under the clause 49 all the informations were placed before the Board.

5. CODE OF CONDUCT

The Board framed Code of Conduct for

the Company. The Board designated the Executive Director as Chief Executive Officer (CEO) and President (Finance) as Chief Financial Officer (CFO) for the purpose of Corporate Governance.

A certificate is also annexed to this Report by C.E.O. & C.F.O. that all members of the Board, its Committee members and all employees working at level of Executive and above including Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the current year.

Code for prevention of Insider-Trading practices and Fair Disclosures

As per SEBI (Prohibition of Insider Trading) Regulations 1992, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, preclearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board.

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Further in terms of Amended Regulation, 2015 of SEBI vide its Notification No. LAD-NRO/GN/2014-15/21/85 dated 15.01.2015 the Company also adopted a Code of Conduct for Prevention of Insider Trading 2015 under SEBI (Prohibition of Insider Trading) Regulation, 2015 as well as a Code of Corporate Fair Disclosures Practices. All the Directors on the Board, Officers, designated employees at Senior Management and connected persons at all locations who could be privy to unpublished price sensitive information of the Company are governed by this Code. This amended code will be effective from 14th May, 2015.

The Code of Corporate Fair Disclosures Practices is also displayed on the Website of the Company. Website : www.emamipaper.in.

6. AUDIT COMMITTEE

The terms of reference of the Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013. The Audit Committee presently consists of Mr. J. Godbole, as Chairman, Mr. H. M. Marda and Mr. J. K. Khetawat as other members. All of them are Non-Executive Independent Directors.

a) Brief Description of Terms of Reference of the Audit Committee was approved by the Board of Directors in its meeting held on 25th April, 2014 and subsequently modified by Board on 3rd November, 2014.

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board of Directors as required under Section 177 of the Companies Act, 2013 read with clause 49 of the Listing Agreement with

the Stock Exchange, which shall inter alia include :

- ☞ Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ☞ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ☞ Examination of the financial statements and the auditors' report thereon;
- ☞ Approval or any subsequent modification of transactions of the Company with related parties. The Audit Committee may grant omnibus approval for Related Party Transactions as permitted under clause 49 of the Listing Agreement with Stock Exchange;
- ☞ Scrutiny of inter-corporate loans and investments;
- ☞ Valuation of undertakings or assets of the Company, wherever it is necessary;
- ☞ Evaluation of internal financial controls and risk management systems;
- ☞ Monitoring the end use of funds raised through public offers and related matters;
- ☞ Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

- ☞ Obtain professional advice from external sources and have full access to information contained in the records of the Company.
- ☞ Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed and to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- ☞ The auditors of the Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

b) Composition, Name of Members and Chairman

The Audit Committee presently consists with the following Non-Executive Independent Director as members :

Mr. J. Godbole	Chairman
Mr. H. M. Marda	Member
Mr. J. K. Khetawat	Member

The composition of the Audit Committee meets the requirement of section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock Exchange. Mr. G. Saraf, Company Secretary acts as the Secretary to the Committee.

The attendance of each member director at the Audit Committee Meeting held during the Financial Year 2014-15 is furnished below :

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Sl. No.	Name of Director	Position	Audit Committee Meeting	
			Held	Attended
01.	Mr. J. Godbole	Chairman Non-Executive Independent Director	4	4
02.	Mr. H. M. Marda	Member Non-Executive Independent Director	4	4
03.	Mr. J. K. Khetawat	Member Non-Executive Independent Director	4	3

The above meetings were held on 25th April, 2014, 11th August, 2014, 3rd November, 2014 and 27th January, 2015.

Mr. J. Godbole, Chairman of the Audit Committee was present in the Annual General Meeting of the Company held on 11th August, 2014.

7. NOMINATION AND REMUNERATION COMMITTEE & POLICY

In compliance of Section 178(3)

of the Companies Act, 2013 a Nomination and Remuneration Committee for appointment and remuneration of Executive Director and other Key Managerial Personnel (KMPs) and Senior Managerial Personnel (SMPs) was constituted on 25th April, 2014.

a) Composition, Name of Members and Chairman :

The Nomination and Remuneration Committee presently consists

with the following Non-Executive Independent Directors :

Mr. J. Godbole	Chairman
Mr. H. M. Marda	Member
Mr. J. K. Khetawat	Member
Mr. S. Balasubramanian	Member

The attendance of each member director at the Remuneration Committee Meeting held during the Financial Year 2014-15 is furnished below :

Sl. No.	Name of Director	Position	Remuneration Committee Meeting	
			Held	Attended
01.	Mr. J. Godbole	Chairman Non-Executive Independent Director	2	2
02.	Mr. H. M. Marda	Member Non-Executive Independent Director	2	2
03.	Mr. J. K. Khetawat	Member Non-Executive Independent Director	2	1
04.	Mr. S. Balasubramanian	Member Non-Executive Independent Director	2	1

During the year two meetings of the Remuneration Committee was held on 25th April, 2014 and 27th January, 2015.

b) Policy for Selection and Appointment of Directors and their Remuneration :

The Nomination and Remuneration Committee has adopted a Policy approved by the Board which inter alia, deals with the manner of selection of Board of Directors, other KMPs and SMPs as under:

- The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's

global operations.

- In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.
- Director should possess the highest personal and professional ethics, integrity and values. They should be

able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions.

- In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively

Remuneration to Non-Executive Directors :

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and

Report on Corporate Governance

its Committees. The said sitting fees paid to the Non-executive Directors are fixed by the Board and reviewed from time to time.

Remuneration to Executive Directors, Key Managerial Personnel (KMPs) & Senior Managerial Personnel (SMPs) :

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Executive Directors (EDs),

Key Managerial Personnel(s) (KMPs) and Senior Managerial Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for Executive Directors are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the

conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

The remuneration for other KMPs, SMPs and Unit heads is determined by the Executive Director of the Company.

The Nomination and Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

c) Remuneration paid to the Directors of the company for the year ended 31-03-2015 :

(Amount in ₹)

Name of Directors	Salary & Allowances (Fixed component) *	Other Perquisites **	Provident Fund	Total	Service Contract	Notice Period
Mr. A. V. Agarwal	40,80,000/-	3,86,483/-	4,89,600/-	49,56,083/-	3 Years (w.e.f. 08.11.2012)	3 Months
Mr. Manish Goenka	40,80,000/-	22,168/-	4,89,600/-	45,91,768/-	3 Years (w.e.f. 01.07.2014)	3 Months
Mr. P. S. Patwari	1,03,00,800/-	15,00,000/-	10,80,000/-	1,28,80,800/-	3 Years (w.e.f. 01.04.2014)	3 Months
Mr. M. B. S. Nair	60,60,400/-	12,76,184/-	5,26,896/-	78,63,480/-	3 Years (w.e.f. 25.04.2014)	3 Months
Total	2,45,21,200/-	31,84,835/-	25,86,096/-	3,00,92,131/-		

* Fixed component includes Basic Salary and Fixed allowances.

**Other Perquisites include Leave Travel Assistance, Reimbursement of Medical Expenses, Cost of Accommodation including Rent, Maintenance, Electricity etc.

Note : i. None of the Directors were paid performance linked incentives.
ii. Severance Fees - There is no such fees paid to any of the Director.

Shares held by the Non-Executive Directors as on March, 31, 2015 :

Sl. No	Name of Directors	Category	No. of Shares
01	Mr. U. G. Bhat	Non-Executive, Independent	NIL
02	Mr. J. Godbole	Non-Executive, Independent	NIL
03	Mr. H. M. Marda	Non-Executive, Independent	2,150
04	Mr. S. Balasubramanian	Non-Executive, Independent	NIL
05	Mr. J. K. Khetawat	Non-Executive, Independent	NIL
06	Mrs. Richa Agarwal	Non-Executive, Promoter	1,500

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Remuneration to Non-Executive Directors:

- i. They are paid only sitting fees for attending Board/Committee meetings.
- ii. Directors who are in whole time employments of the Company, are not paid any sitting fees.

Sitting fees paid to each of them for attending Board / Committee Meetings are as follows :

Name of the Directors	Total Rupees (₹)
Mr. J. Godbole	2,35,000
Mr. H. M. Marda	2,45,000
Mr. U. G. Bhat	50,000
Mr.S.Balasubramanian	1,55,000
Mr. J. K. Khetawat	1,50,000
Total	8,35,000

Note : The Non-Executive Director have been paid the above mentioned sitting fees and reimbursement of expenses only.

- i) During the year, the Company has paid ₹ 3,34,25,568/- as professional fees to M/s SPB Projects & Consultancy Ltd; a Company in which Mr. U. G. Bhat is interested as Deputy Managing Director.
- ii) During the year, the Company has paid ₹ 21,75,741/- for Purchase of Materials to M/s. Sree Sakthi Paper Mills Ltd., a Company in which Mr. U. G. Bhat is interested as Director.
- iii) Except these, there were no other pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

8. PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has adopted the criteria for evaluation of its own performance, its committees and individual directors and carried out the required annual evaluation.

In respect of each of the evaluation factors, various aspects covering general parameters in respect of all the directors and its committees have been considered and set out in the Performance Evaluation Policy in accordance with their respective functions and duties.

Self-appraisal by the directors, based on their delegated specific responsibilities has also been carried out.

Further, the Independent directors have evaluated the performance of non-independent directors at a separate meeting held on 27th January, 2015.

Nomination and Remuneration Committee had also evaluated performance of each of the Directors based on the aforesaid evaluation factors.

9. FAMILIARIZATION PROGRAMMES OF INDEPENDENT DIRECTORS

The Company has adopted familiarization programs for the Independent Directors by way of Presentations at the quarterly Board Meeting which covers their roles, rights, responsibilities in the Company and also includes all the activities and operations in which the Company operates. Involvement of the experts is also made for better awareness and training of all the Directors. Factory Visits are also organized from time to time.

Such Familiarization Programs are disclosed at the Company's Website : www.emamipaper.in.

10. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted on 25th April, 2014, as per requirement of Section 178(5) of the Companies Act, 2013 and entrusted the responsibilities to deal with matters relating to transfers / transmissions

of shares and monitor redressal of complaints from shareholders with respect to transfer of shares, non-receipt of Annual Report, non-receipt of Dividend etc.

The Committee presently consists with the following members :

a.	Mr. S. Balasubramanian	Chairman
b.	Mr. P. S. Patwari	Member
c.	Mr. Manish Goenka	Member
d.	Mr. H. M. Marda	Member
e.	Mr. J. Godbole	Member

There were no Investors complaints during the year 2014-15.

Mr. G. Saraf, Vice President (Finance) & Secretary is the Compliance Officer of the Company.

During the year one meeting of the Stakeholders Relationship Committee was held on 25th April, 2014.

11. PREFERENCE SHARES COMMITTEE

The Committee was constituted on 12.02.2013 to deal with the matters relating to Preference Shares i.e. to decide and finalize the terms and conditions for issuance of Preference Shares, including the rate of dividend, amount of premium, if any, on issue and redemption, manner of redemption and matters incidental thereto, to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of the proceeds of issue and to vary, modify or alter any of the terms and conditions.

The Committee presently consists with the following members :

a.	Mr. H. M. Marda	Chairman
b.	Mr. P. S. Patwari	Member
c.	Mr. Manish Goenka	Member

During the year Two meetings of the Preference Share Committee held on 1st August, 2014 and 17th September, 2014.

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12. RISK MANAGEMENT COMMITTEE

As per the amendment to Clause 49 of the Equity Listing Agreement, vide SEBI Circular dated 17th April, 2014, the Committee was constituted on 11.08.2014 to evaluate the operations of the Risk Management Programme. The Committee is responsible for review of annual risk assessments prepared by the Executive Management and the experts engaged by the Company.

The Committee consist with the following members :

a.	Mr. P. S. Patwari	Executive Director
b.	Mr. J. Godbole	Independent Director
c.	Mr. M. B. S. Nair	Whole time Director
d.	Mr. S. Balasubramanian	Independent Director

During the year one meeting of the Risk Management Committee held

on 3rd November, 2014. However, progress and implementation status is being presented by the Executive Management to the Board from time to time.

13. CORPORATE SOCIAL RESPONSIBILITIES COMMITTEE

As per Section 135 of the Companies Act, 2013 the Committee was constituted on 21st January, 2014 to monitor and review the CSR Policy of the company from time to time. Corporate Social Responsibility is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of EPML to practice its corporate values through its

commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

The Committee was further reconstituted on 27th January, 2015 when Mrs. Richa Agarwal was included as member of the Committee.

The Committee presently consist the following members :

a.	Mr. A. V. Agarwal	Chairman
b.	Mr. J. Godbole	Member
c.	Mr. P. S. Patwari	Member
d.	Mr. Manish Goenka	Member
e.	Mr. H. M. Marda	Member
f.	Mrs. Richa Agarwal	Member

During the year two meetings of the Corporate Social Responsibility Committee held on 25th April, 2014 and 3rd November, 2014.

14. GENERAL BODY MEETING

Location and time where the last three Annual General Meetings were held :

Financial Year	Venue	Date	Time
2011-12	687, Anandapur, E.M.Bypass, Kolkata - 700 107	13.08.2012	11.00 a.m.
2012-13	-do-	13.08.2013	10.00 a.m.
2013-14	-do-	11.08.2014	10.00 a.m.

Whether special Resolutions were passed in previous three AGMs: Yes

The following Special Resolutions were passed in previous three AGMs :

YEAR 2013-14 :

- 1) Approval for appointment of Mr. M. B. S. Nair as Whole-Time Director, designated as Director (Operations) for a period of 3 years including payment of remuneration for that period.
- 2) Approval for re-appointment of Mr. P. S. Patwari as Executive Director for a further period of 3 years, including payment of remuneration for that period, subject to the approval of the Central Government.

- 3) Increase in the Share Capital of the Company and Alteration of Memorandum of Association of the Company.
- 4) Issue of 8% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 100/- each to the Promoters on Preferential basis.
- 5) Borrowing Powers of the Board of Directors pursuant to Section 180(1) (c) of the Companies Act, 2013.
- 6) Approval for Additional Mortgage and on Hypothecation of the Assets of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.

- 7) Adoption of New Articles of Association of the Company containing regulation in conformity with Companies Act, 2013.

YEAR 2012-13 :

- 1) Approval for re-appointment of Mr. Aditya Vardhan Agarwal, a Whole-Time Director, designated as Executive Chairman for a period of 3 years including payment of remuneration for that period.
- 2) Approval to review the remuneration of Mr. Shyam Patwari, a relative of Mr. P. S. Patwari, Executive Director, deemed to hold office or place of profit, as per provision of Section 314 of the Companies Act, 1956.

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YEAR 2011-12 :

- 1) Approval for re-appointment of Mr. Manish Goenka, as Whole-Time Director for a further period of 3 years, including payment of remuneration for that period.

Whether Special Resolutions passed last year through Postal Ballot: NIL

15. GREEN INITIATIVES DRIVE BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA

The Company, as a responsible corporate citizen welcomes and supports the green initiatives taken by the Ministry of Corporate Affairs, Government of India by circular, enabling electronic delivery of documents to the shareholders. The Company has sent the communication to the shareholders through electronic mode at their e-mail addresses registered with the Depository/Registrar & Share Transfer Agent and all such communications were immediately uploaded on Company's website.

16. SUBSIDIARY COMPANY

The Company does not have any

subsidiary Company.

17. DISCLOSURES

Related party transactions :

The Company has not entered into any transaction of material nature with the promoters, directors or the management, the subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company.

Compliances by the Company :

There have been no cases of non-compliance by the Company or penalties/ strictures imposed on the Company by the Stock Exchanges or SEBI or any other authority on any matter relating to capital markets during the last three years.

Accounting treatment in preparation of financial statement:

The Company has followed the applicable guidelines of Accounting Standards as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

18. MANAGEMENT DISCUSSION & ANALYSIS REPORT

This Annual Report contains a separate and detailed Management

Discussion and Analysis section.

19. DETAILS OF APPOINTMENT / REAPPOINTMENT OF NON-EXECUTIVE INDEPENDENT DIRECTORS

Mr. Manish Goenka will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Mrs. Richa Agarwal was appointed as woman director of the company in compliance with Section 149(1) of the Companies Act, 2013 and as an additional director under Section 161 of the Companies Act, 2013 with effect from 27th January, 2015 till the conclusion of 33rd Annual General Meeting of the Company to be held on 11th August, 2015.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the appointment of Mr. S. K. Khetan, President (Finance) & CFO and Mr. G. Saraf, Vice President (Finance) & Secretary, were formalised as the Key Managerial personnel of the Company.

The information pertaining to these Directors are as follows :

Name of Director	Mr. Manish Goenka	Mrs. Richa Agarwal
Age	About 41 years	About 38 years
Date of Appointment	01.02.2000	27.01.2015
Expertise in Specific Functional areas	He is an Industrialist with extensive business experience, expertise in Marketing, Corporate Planning, Business Development, Strategy Formulation and Overall Management.	She has extensive experience in the area of Corporate Planning, Business Development, Marketing and Overall Business Management.
Qualification	M.B.A.	B.Com.
Chairman/Director of other Companies	- Emami Cement Limited - Prestige Vyapaar Limited - Bhanu Vyapaar Private Limited - Emami Group of Companies	NIL
Membership/ Chairmanship in Other Board/Committee	NIL	NIL
Equity Shares held in the Company	87,000	1,500

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CEO/CFO Certification

The CEO and CFO certification as required by Clause 49 is enclosed at the end of the Report.

20. COMPLIANCE REPORT

The details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause are given below:

Mandatory Requirements :

The Company has fully complied with the mandatory requirements of Clause 49.

Non-Mandatory Requirements :

- ☞ **Maintenance of Chairman's Office** : The Company has an Executive Chairman.
- ☞ **Tenure of Independent Directors** : As specified in Section 149 of the Companies Act, 2013.
- ☞ **Remuneration Committee** : Separately covered under the Report.

Audit Qualification :

There is no Audit Qualification given in the Auditors' Report.

Training of Board Members :

All Board members are experienced and professionals, acquainted with business knowledge, obviating the need for formal training. However, with respect to Executive Directors, the Company arranged need-based training to help them discharge their responsibilities in the most effective way.

Mechanism for the Evaluation of Non-Executive Directors :

The role of Non-Executive Directors of the Company is important; the peer group comprising the entire Board, except the Director being evaluated, evaluates his/her performance. On the basis of such evaluation, it is decided as to whether

his/her appointment should be extended or continued.

Whistle Blower Policy : Any employee may report unethical attitude at the work place without fear and reach the Chairman of the Audit Committee or alternatively may report to the Head-HR.

Vigil Mechanism Policy :

The Vigil Mechanism Policy was approved by the Board of Directors on 21st January, 2014 :

- ☞ To provide for adequate safeguards against victimization of Employees and Directors who avail of the mechanism and also provide for direct access to the chairperson of the Audit Committee or the Director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.
- ☞ The existence of the mechanism will be appropriately communicated within the organization after its establishments.
- ☞ In case of repeated frivolous complaints being filed by a Directors or an employee, the Audit Committee or the Director nominated to play the role of Audit Committee may take suitable action against the concerned Director or Employee including reprimand.
- ☞ The Company encourages an open door policy where employees have access to the Head of the Business/ Function. Any Employee may report unethical attitude at the workplace without fear and reach the Chairman of the Audit Committee.

Secretarial Audit :

In compliance with Section 204 of the Companies Act, 2013, the Company has undertaken a Secretarial Audit from an Independent Practising Secretary M/s. M.K.B. & Associates, Company Secretary for the financial year ended 31st March, 2015.

Shareholder's Rights and Means of Communication :

The quarterly, half-yearly and audited financial results are generally published in The Economic Times/Business Standard/The Times of India, Kolkata (English) and The Dainik Statesman/Ekin/Ei-Samai(Bengali) and are also displayed on company's website www.emamipaper.in. Hence, these are not individually sent to the shareholders.

The Company make arrangements for display at its website all the matters required to be displayed under the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock Exchange which include Notices of the meeting of the Shareholders and the Board, Book closure, e-voting results, policies on dealing with related party transactions, C.S.R., whistle blower, evaluation criteria as laid down by the Nomination and Remuneration Committee, Code of Conduct for Directors and Senior Managerial Personnel, Code of Practices and procedure for fair disclosure of unpublished price sensitive information etc.

Managements Discussion and Analysis is a part of Directors' Report to the shareholders.

21. SHAREHOLDERS INFORMATION

- a) **Issue of Preference Shares** : During the year the Company has issued 18,75,000, 8% Cumulative Redeemable Non-Convertible Preference Shares of the face value of ₹ 100/- each at a premium of ₹ 300/- each to the Promoters on preferential basis, aggregating to ₹ 75.00 Crores.
- b) **Unclaimed Dividend** : Unclaimed dividend for the year prior to and including the financial year 2006-07 have been transferred to the

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General Revenue Account of the Central Government / the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

Shareholders who have not encashed their dividend warrants to financial year(s) up to and including 2006-07 may claim such dividend (transferred to the General

Revenue Account) from the Registrar of Companies, West Bengal, Government of India, Nizam Palace, II MSO Building, 2nd Floor, 234/4 A. J. C. Bose Road, Kolkata-700 020 by applying in the prescribed form.

The dividend for the undernoted years, if remaining unclaimed for 7 years, will be statutorily transferred

by the Company to IEPF in accordance with the schedule given below. Communication has been sent by the Company to the concerned Shareholders advising them to write to the Company with respect to their unclaimed dividend. (Attention is drawn that the unclaimed dividend for the financial year 2007-08 is due for transfer to IEPF on 12/10/2015).

Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

(₹ in Lacs)

Financial year	Dividend ID No.	Date of Payment of Dividend	Total Amount of Dividend	Unclaimed Dividend as on 31.03.2015	Due date for transfer to I.E.P.F. on
2007-08	26th	13/10/2008	604.99	0.83	12/10/2015
2008-09	27th	29/07/2009	363.00	0.57	28/07/2016
2009-10	28th	11/08/2010	363.00	0.66	10/08/2017
2010-11	29th	24/08/2011	363.00	0.73	23/08/2018
2011-12	30th	21/08/2012	363.00	0.68	20/08/2019
2012-13	31st	23/08/2013	363.00	1.08	22/08/2020
2013-14	32nd	21/08/2014	363.00	0.89	20/08/2021
Total			2782.99	5.44	

Details of Un-claimed Dividend is available in the Company's website: www.emamipaper.in.

c) 33rd Annual General Meeting:

Date : 11th August, 2015.

Time : 11.00 a.m.

Venue : 687, Anandapur, E.M.Bypass, Kolkata - 700 107.

d) Date of Book Closure :

4th August, 2015 to 11th August, 2015 (both days inclusive) for the shareholders holding shares in physical form. The Shareholders holding shares in demat form are eligible for dividend for their holding as on 4th August, 2015.

e) Date of Payment of Dividend : Within 30 days of approval by the shareholders.

f) Financial Calendar of the Company :

- i. April to March.
- ii. First Quarter Results – 2nd week of August.
- iii. Half-yearly Results – 2nd week of November.
- iv. Third Quarter Results – 2nd week of February.
- v. Results for the year ending 31st March – by May.

g) Listing of Equity Shares on Stock Exchange :

The Company's shares are listed at Bombay Stock Exchange only.

The relevant Listing Fees for the year was paid.

h) Stock Code :

The Bombay Stock Exchange Ltd. - 533208

The ISIN Number of Company's Equity Shares (of face value ₹ 2/- per share) for NSDL & CDSL : INE 830C01026.

i) Stock Price Data :

Market Price Data on the Bombay Stock Exchange Ltd. (BSE), Mumbai is given hereunder :

Report on Corporate Governance

Market Price Data: High/Low in each month in the Financial Year 2014-15 :

Month	BSE	
	High Price (₹)	Low Price (₹)
April, 2014	29.80	25.05
May, 2014	31.50	24.60
June, 2014	36.80	27.10
July, 2014	43.00	35.75
August, 2014	42.00	35.10
September, 2014	60.00	37.60
October, 2014	53.00	40.00
November, 2014	54.50	42.30
December, 2014	48.00	37.10
January, 2015	50.00	43.50
February, 2015	52.50	41.75
March, 2015	44.70	38.00

j) Registrars & Transfer Agents (Physical & Demat) :

Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane (Surender Mohan Ghosh Sarani)
 2nd Floor, Kolkata - 700 001
 Phone : (033) 2243 5029 / 5809,
 Fax : (033) 2248 4787
 E-mail : mdpldc@yahoo.com, mdpl@vsnl.net.in

k) Share Transfer System :

The shares of the Company are eligible for trading in the demat

mode also. The shares received for transfers in physical form are first registered normally within three weeks (if in order and complete in all respects) and a demat option form is sent to the shareholders for exercising the option to receive the shares in demat form within 30 days of receipt unless the shareholders desires to get back the physical share certificate. Thereafter shares are confirmed to the respective accounts.

l) Distribution of Shareholding and Shareholding Pattern as on 31.03.2015 (Equity) :

Category	Number of shares held	% of Shareholding
A. Promoters' holding		
Promoters		
- Indian promoters		
Individuals	56,56,976	9.35
Corporate	3,95,76,160	65.42
- Foreign Promoters	1,25,000	0.20
Sub-total	4,53,58,136	74.97
B. Non-promoters' holding		
1. Institutional investors		
a. Mutual Funds and UTI	-	-
b. Banks, financial Institutions and Insurance Companies	-	-
c. Central Govt./ State Govt.	-	-
d. Foreign Institutional Investors	-	-
Sub-total	-	-
2. Others		
a. Private corporate bodies	1,16,18,681	19.20
b. Indian public	35,06,768	5.80
c. NRI / OCBs	12,140	0.02
d. Others	3,325	0.01
Sub-total	1,51,40,914	25.03
Grand-total	6,04,99,050	100.00

Report on Corporate Governance

Analysis of Shareholding :

Category	No. of Shareholders	Number of Shares held	% of Shareholding
1 – 50	450	6,850	0.01
51 – 100	225	21,619	0.04
101 – 250	364	78,913	0.13
251 – 500	222	96,315	0.16
501 – 1000	192	1,64,313	0.27
1001 – 5000	252	6,04,045	1.00
5001 and above	131	5,95,26,995	98.39
Total	1,841	6,04,99,050	100.00

m) Dematerialisation of Shares :

99.37% of the Company's Paid-up Equity Share Capital are held in dematerialized form out of which 82.96% are held with National Securities Depository Limited (NSDL) and 16.41% are held with Central Depository Services Limited (CDSL) as on 31st March, 2015.

n) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity :

The Company has not issued any of the aforesaid instruments.

o) Plant Locations :

- Vill – Balgopalpur, Balasore - 756 020, Odisha
Ph : (06782) 275723/26/79
Fax : (06782) 275778
Email : balasore@emamipaper.in
- R. N. Tagore Road, Alambazar, Kolkata - 700 035, West Bengal
Ph : (033) 6622-3100, 6540-9610
Fax : (033) 2564-6926
Email : gulmohar@emamipaper.in

p) Address for correspondence :

Emami Paper Mills Limited
687, Anandapur, E.M. Bye Pass,
Kolkata - 700 107

Ph : (033) 6613 6264
Fax : (033) 6613 6400
Email : emamipaper@emamipaper.in,
gsaraf@emamipaper.in
Website : www.emamipaper.in

q) Electronic Clearing Service (ECS) :

The Company is availing of ECS facilities to distribute dividend in main cities to those members who have opted for it.

For and on behalf of the Board

A. V. Agarwal

Executive Chairman

Place : Kolkata
Date : 6th May, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Emami Paper Mills Ltd.

We have examined the compliance of conditions of Corporate Governance by Emami Paper Mills Limited for the year ended 31.03.2015 as stipulated in clause 49 of listing agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants
Registration No. 306033E

S. K. Agrawal
Partner

Membership No. 9067

Place : Kolkata
Dated : 6th May, 2015

Report on Corporate Governance

CERTIFICATION BY EXECUTIVE DIRECTOR (CEO) AND PRESIDENT (CFO) OF THE COMPANY

We P. S. Patwari, Executive Director, C.E.O. and S. K. Khetan, President, C.F.O. to the best of our knowledge and belief certify that :

1. We have reviewed the Balance Sheet and Profit and Loss Accounts of the Company for the year ended 31st March, 2015 and all its schedule and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information :
 - a. These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, whichever applicable, to the Company's auditors and through them to the audit committee of the Company, the following :
 - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
 - b. Significant changes in internal control during the year;
 - c. Any fraud, which we have become aware of and that involves Management or other employees who have significant role in the Company's internal control systems;
 - d. Significant changes in accounting policies during the accounting year;

We further declare that all members of Board, its Committees and all employees working at level of Executive and above including Senior Managerial Personnel have affirmed compliance with the Code of Conduct of the Company of the current year.

For **Emami Paper Mills Limited**

Place : Kolkata
Date : 6th May, 2015

S. K. Khetan
President (CFO)

P. S. Patwari
Executive Director (CEO)

Independent Auditors' Report

To the Members of
Emami Paper Mills Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of EMAMI PAPER MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Gulmohar.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to the following matters in the Notes to the financial statements :

Note 2.35 to the financial statements which, describes the change in depreciation rate as required under schedule II of the Act.

Our opinion is not modified in respect of these matters.



Independent Auditors' Report

OTHER MATTER

We did not audit the financial statements of Gulmohar branch included in these financial statements of the Company whose financial statements reflect total assets of ₹ 2,118.92 Lacs as at 31st March, 2015 and total revenues of ₹ 6,402.14 Lacs for the year ended on that date, as considered in these financial statements. The financial statements of this branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - (c) The reports on the accounts of the branch of the Company audited under Section 143 (8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) The note described in Emphasis of Matters paragraph above, in our opinion, would not have an adverse effect on the functioning of the Company.
 - (g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.29 & 2.42 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants
Registration No. 306033E

S. K. Agrawal

Partner

Membership No. 9067

Place : Kolkata

Dated : 6th May, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our report to the members of Emami Paper Mills Limited (the Company) for the year ended on 31st March 2015. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a program of verification, covering all fixed assets over a period of three years, which in our opinion provides for physical verification of all major items of fixed assets at reasonable intervals..
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans to three companies listed in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
 - (b) There are no overdue amount of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The company has not accepted any deposit from the public during the year.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the year for the products/services of the Company.
- (vii) According to the information and explanations given to us in respect of statutory and other dues :
 - a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, Wealth Tax, duty of Custom, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
 - (b) According to the information and explanations given to us, details of dues of duty of Excise, Sales Tax, Entry Tax, Value Added Tax, Income Tax and Employees State Insurance which have not been deposited as on 31st March, 2015 on account of dispute are given below :

Particular	Financial Year to which the matter pertains	Forum where matter is pending	Amount (₹ in Lacs)
The Central Excise Act, 1994 & Service Tax (Finance Act, 1994)	1994-95	ACCE	0.87
	2002-03 to 2006-07	ACCE	1.10
	2006-07	Tribunal	74.81
	2007-08	Tribunal	0.10
	2011-12	Comm. Appeals	5.06



Annexure to the Independent Auditors' Report

Particular	Financial Year to which the matter pertains	Forum where matter is pending	Amount (₹ in Lacs)
Central Sales Tax	1993-94	Tribunal	16.26
	2004-05	DCCT	0.53
	2006-07	Tribunal	3.82
	2008-09	Tribunal	0.46
	2009-10	Comm. Appeals	17.12
	2010-11	Comm. Appeals	7.34
Value Added Tax Act, (Orissa)	2006-07	Tribunal	0.59
	2007-08	Tribunal	0.80
	2009-10	Comm. Appeals	10.89
	2010-11	Comm. Appeals	25.48
Entry Tax Act (Orissa)	2006-07	Addl. Comm.	1.30
	2007-08	Addl. Comm.	0.11
	2008-09	Addl. Comm.	32.00
	2009-10	Addl. Comm.	32.05
	2010-11	Addl. Comm.	42.36
Orissa Sales Tax	1989-90	High Court	0.79
ESIC	1996-97	ESIC Court	0.22
Income Tax Act, 1961	1995-96	Comm. Appeals	2.20

(c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institution and banks.
- (x) According to information given to us, the Company has not given any guarantee for loans taken by others from banks or financial institution.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants
Registration No. 306033E

S. K. Agrawal

Partner

Membership No. 9067

Place : Kolkata

Dated : 6th May, 2015

Balance Sheet as at 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	7,334.98	5,459.98
Reserves and surplus	2.2	35,854.32	30,602.77
Non-current liabilities			
Long-term borrowings	2.3	65,435.35	37,115.91
Deferred tax liabilities (Net)	2.4	4,551.62	4,039.34
Other long-term liabilities	2.5	267.14	46.35
Long-term provisions	2.6	267.07	142.87
Current liabilities			
Short-term borrowings	2.7	10,980.55	11,617.88
Trade payables	2.8	7,059.08	2,556.45
Other current liabilities	2.9	8,094.03	7,415.72
Short-term provisions	2.10	952.36	709.63
Total		1,40,796.50	99,706.90
ASSETS			
Non-current assets			
Fixed assets	2.11		
- Tangible assets		44,716.33	45,175.77
- Intangible assets		44.37	67.48
- Capital work in progress		62,097.32	16,749.45
Non-current investments	2.12	56.75	57.15
Long-term loans and advances	2.13	4,541.51	6,377.35
Other non current assets	2.14	-	1.18
Current assets			
Current investments	2.15	0.80	0.40
Inventories	2.16	11,458.87	7,307.23
Trade receivables	2.17	4,386.60	4,603.39
Cash and bank balances	2.18	9,592.18	16,483.45
Short-term loans and advances	2.19	3,901.77	2,884.05
Total		1,40,796.50	99,706.90
Significant accounting policies & notes on accounts	1 & 2		

In terms of our attached report of even date

For **S. K. AGRAWAL & CO.**

Chartered Accountants

S. K. Agrawal

Partner

Membership No. 9067

Place : Kolkata

Date : 6th May, 2015

S. K. Khetan

President (Finance) & CFO

G. Saraf

V. P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

M. B. S. Nair

Directors

**Statement of Profit & Loss** for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
REVENUES			
Revenue from operations	2.20	52,102.14	54,656.51
Other income	2.21	694.33	337.74
Total Revenue		52,796.47	54,994.25
EXPENSES			
Cost of materials consumed	2.22	32,098.03	30,936.08
Changes in inventories of finished goods & work-in-progress	2.23	(1,167.69)	(156.51)
Employee benefits expense	2.24	3,113.92	2,870.90
Finance costs (net)	2.25	1,507.17	1,902.80
Depreciation and amortisation expenses	2.26	2,664.59	3,165.91
Other expenses	2.27	12,851.49	13,960.07
Total Expenses		51,067.51	52,679.25
Profit before exceptional and extraordinary items and tax		1,728.96	2,315.00
Exceptional items		–	–
Profit before extraordinary items and tax		1,728.96	2,315.00
Extraordinary Items		–	–
Profit before tax		1,728.96	2,315.00
Tax expense			
Current tax	2.28	–	241.22
Income tax for earlier years		0.06	–
Deferred tax		512.28	212.48
Profit after tax		1,216.62	1,861.30
Earnings per equity share	2.43		
(1) Basic		1.16	2.61
(2) Diluted		1.16	2.61
Significant accounting policies & notes on accounts	1 & 2		

In terms of our attached report of even date

For **S. K. AGRAWAL & CO.**

Chartered Accountants

S. K. Agrawal

Partner

Membership No. 9067

Place : Kolkata

Date : 6th May, 2015

S. K. Khetan

President (Finance) & CFO

G. Saraf

V. P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

M. B. S. Nair

Directors

Cash Flow Statement for the year ended 31st March, 2015

Description	(₹ in Lacs)	
	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,728.96	2,315.00
Adjustment for		
Depreciation	2,664.59	3,208.53
Notional forex loss/(gain)	(92.81)	79.75
Provision for gratuity (net)	124.20	57.54
Transferred from revaluation reserve on account of depreciation	-	(42.62)
Interest & Financial charges	1,507.17	1,902.80
Dividend income	(37.32)	(38.88)
Income from mutual fund	(554.01)	(211.62)
(Profit) / Loss on sale of fixed assets	(3.50)	(4.69)
Operating profit before working capital changes	5,337.28	7,265.81
Add : Decrease/Increase in working capital		
(Increase)/Decrease in trade & other receivables	(1,458.22)	1,389.56
(Increase)/Decrease in bank balances (other than cash/cash equivalent)	(462.16)	(66.02)
(Increase)/Decrease in inventories	(4,151.64)	354.47
Increase/(Decrease) in trade and other payables	4,840.49	1,051.51
Cash generated from operations	4,105.75	9,995.33
Taxes paid	(262.96)	(509.67)
Cash Flow before extraordinary items	3,842.79	9,485.66
Net cash from operating activities (A)	3,842.79	9,485.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed assets and CWIP	(46,527.56)	(10,460.42)
(Increase)/Decrease in capital advances	2,703.88	(2,999.96)
Sale of fixed assets	121.81	22.42
Dividend received	37.32	38.88
Interest received	1,243.02	1,628.91
Income from mutual fund	554.01	211.62
(Increase)/Decrease in investments	-	0.10
Net cash used in investing activities (B)	(41,867.52)	(11,558.45)



Cash Flow Statement for the year ended 31st March, 2015

Description	(₹ in Lacs)	
	2014-15	2013-14
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of preference share capital	7,500.00	9,000.00
Expenses for preference share issue	(8.44)	(15.00)
Net proceeds from/(repayment of) long term borrowings	26,499.76	6,117.65
Increase/(Decrease) in short term borrowings	(577.95)	(411.85)
Interest and other borrowing cost paid	(2,032.44)	(3,237.06)
Dividend & dividend tax paid	(709.63)	(426.74)
Net cash used in financing activities (C)	30,671.30	11,027.00
Net increase in cash & cash equivalents (A+B+C)	(7,353.43)	8,954.21
* Cash & cash equivalents (opening balance)	16,298.47	7,344.26
* Cash & cash equivalents (closing balance)	8,945.04	16,298.47

* Represents cash and bank balances as indicated in schedule.

Note : Cash & cash equivalents represents "Cash and bank balances" except ₹ 5.43 Lacs (₹ 5.00 Lacs) lying in designated account with scheduled banks on account of unclaimed dividend and ₹ 831.89 Lacs (₹ 116.72 Lacs) lying as fixed deposits with banks that are being pledged as security, which are not readily available for use by the Company.

In terms of our attached report of even date

For **S. K. AGRAWAL & CO.**

Chartered Accountants

S. K. Agrawal

Partner

Membership No. 9067

Place : Kolkata

Date : 6th May, 2015

S. K. Khetan

President (Finance) & CFO

G. Saraf

V. P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

M. B. S. Nair

Directors

Notes to Financial Statements for the year ended 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General :

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Accounting principles generally accepted in India and comply with the Accounting Standards notified by the Central Government of India and relevant provisions of the Companies Act, 2013.

All the assets & liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule - III to the Companies Act, 2013.

The significant accounting policies are as follows :

1.2 Fixed assets :

a) Tangible assets

- i) Fixed assets are stated at cost, less depreciation. Interest & other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the stabilisation of commercial production.
- ii) All pre-operative and trial run expenditure (net of realization, if any) are capitalized.
- iii) Projects under commissioning and other Capital Work-in-progress are carried at cost, comprising direct cost, related incidental expenses, interest on borrowings and effect of foreign exchange fluctuations on borrowings.

b) Intangible assets

Intangible assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

1.3 Depreciation :

Depreciation on fixed asset is provided to the extent of depreciable amount on pro-rata basis over the useful life of respective assets as prescribed under Schedule-II to Companies Act, 2013.

- a) On straight-line method at Balasore in respect of :
 - i) Buildings of paper machine-II & III, ETP-II and power generation unit - II.
 - ii) Plant & machinery of paper machine III, ETP-II and power generation unit - II.
- b) On written down value method in respect of other assets.
- c) Leasehold land is amortised over the period of lease.
- d) Software licenses are amortised over a period of six years.

If use of an asset has commenced before the Companies Act, 2013 came in force, remaining depreciable amount of such assets is depreciated over its remaining useful life determined in accordance with the provisions of Schedule-II. Addition to an asset, is depreciated over the remaining useful life of that asset, except when such addition retains a separate identity and is capable of being used after the asset is disposed off; such additions are depreciated independently over its own useful life. Where remaining useful life of assets is nil with reference to provisions of Schedule-II, remaining depreciable value of such assets, if any, is provided as depreciation for the year and recognized in the profit and loss statement.

Depreciable value of fixed asset is its cost of acquisition as reduced by residual value of five percent of the cost of acquisition of the asset.

1.4 Investments :

Non-current investments are stated at cost. Diminution in value of non-current investments other than temporary in nature is provided for in the accounts. Current Investments are stated at cost or net realisable value, whichever is lower.

1.5 Inventories :

- a) Finished goods, stock-in-process, raw materials, stores, chemicals and spare parts are valued at lower of cost or net realisable value.



Notes to Financial Statements for the year ended 31st March, 2015

b) Valuation of inventory is being done under weighted average cost formula.

1.6 Retirement benefits :

a) Contribution to provident fund is made at a pre-determined rate and charged to revenue on accrual basis.

b) Company's liability towards gratuity and leave encashment is actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in revenue. The contribution towards Gratuity and Leave Encashment liability are funded with the LIC.

1.7 Foreign currency transactions :

a) Transactions in foreign exchange covered by forward contracts are accounted for at the contracted rates.

b) Transactions other than those covered by forward contracts are recognised at the exchange rates prevailing on the date of their occurrence.

c) Monetary assets & liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year end exchange rates.

d) The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital assets. Other exchange differences arising from long-term foreign currency monetary items are transferred to "Foreign currency monetary item translation difference account" to be amortised over the life of such monetary items but not beyond 31st March 2020. Other exchange differences are recognized as income or expense in the profit & loss account.

1.8 Recognition of income and expenditure :

a) Income & expenditure are recognised on accrual basis.

b) Sales includes amount recovered towards excise duty and sales during trial run.

1.9 Contingent liabilities and provisions :

Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved. Provisions are recognized when the Company has legal / constructive obligation, as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made for the amount of the obligation.

1.10 Borrowing cost :

Borrowings cost that are attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

1.11 Taxation :

Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current tax rates based on assessable income. Deferred taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The deferred tax in respect of timing differences that originate during the tax holiday period and reverse during the tax holiday period is not recognized. Deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted.

1.12 Government subsidy/grant :

Capital subsidy granted by the government is treated as capital reserve and interest subsidy is treated as a revenue receipt except to the extent it is adjusted towards pre-operative cost for the specified assets.

1.13 Earnings per share :

Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for the events of bonus issue and share split.

Notes to Financial Statements for the year ended 31st March, 2015

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects for all dilutive potential equity shares.

1.14 Impairment of assets :

The company identifies impairable assets at the year-end in accordance with the guiding principles of Accounting Standard 28, notified by the Central Government of India, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, are charged against revenues for the year.

1.15 Segment reporting :

Segments have been identified and reported taking into account nature of products, the differing risks and returns associated with operations.

1.16 Operating lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

1.17 Cash and cash equivalents :

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2.1 SHARE CAPITAL		
Authorised		
6,20,00,000 Equity shares of ₹ 2/- each	1,240.00	1,240.00
61,25,000 (50,00,000) Preference shares of ₹ 100/- each	6,125.00	5,000.00
Issued, Subscribed & Paid up		
6,04,99,050 (6,04,99,050) Equity shares of ₹ 2/- each fully paid	1,209.98	1,209.98
61,25,000 (42,50,000) 8% Cumulative redeemable non-convertible preference shares (CRNPS) of ₹ 100/- each fully paid up	6,125.00	4,250.00
Total	7,334.98	5,459.98

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

i) Equity shares

Particulars	2014-2015		2013-2014	
	Number	Amount	Number	Amount
At the beginning of the year	6,04,99,050	1,209.98	6,04,99,050	1,209.98
At the end of the year	6,04,99,050	1,209.98	6,04,99,050	1,209.98

ii) Preference shares

At the beginning of the year	42,50,000	4,250.00	20,00,000	2,000.00
Add : Shares issued during the year	18,75,000	1,875.00	22,50,000	2,250.00
At the end of the year	61,25,000	6,125.00	42,50,000	4,250.00

Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

b) Terms / rights attached to shares

i) **Equity shares** : The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) **Preference shares** : The Cumulative Redeemable Non-Convertible Preference Shares (CRNPS) of ₹100 each fully paid up carry cumulative dividend @8% p.a.

The Company declares and pay dividends in Indian rupees on pro-rata basis from the date of allotment. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Holders of CRNPS have voting rights on matters pertaining to CRNPS.

In the event of liquidation of the Company before redemption of CRNPS, the holders of CRNPS will have priority over equity shares in the repayment of capital. 50,00,000 (42,50,000) CRNPS are redeemable at a premium of ₹ 500 per share and 11,25,000 CRNPS are redeemable at a premium of ₹ 600 per share on the expiry of 12 years from the date of issue, with an option to redeem it earlier at a premium to be decided mutually between the Company and the CRNPS holders at a meeting of CRNPS holders called for this purpose.

c) Shareholders holding more than 5% shares in the Company

Name of Share Holders

	2014-15		2013-14	
	Number	% of Holding	Number	% of Holding
i) Equity shares				
a) Diwakar Viniyog Private Limited	94,69,810	15.65%	96,28,713	15.92%
b) Emami Limited	79,46,000	13.13%	79,46,000	13.13%
c) Suntrack Commerce Private Limited	76,33,900	12.62%	76,33,900	12.62%
d) Bhanu Vyapaar Private Limited	60,05,250	9.93%	60,05,250	9.93%
ii) Preference shares				
a) Emami Estates Private Limited	3,75,000	6.12%	3,75,000	8.82%
b) Zandu Realty Limited	12,80,000	20.90%	10,30,000	24.24%
c) Suraj Viniyog Private Limited	6,77,000	11.05%	4,27,000	10.05%
d) Pan Emami Cosmed Limited	2,50,000	4.08%	2,50,000	5.88%
e) Oriental Sales Agencies (India) Private Limited	6,75,000	11.02%	5,50,000	12.94%
f) Bhanu Vyapaar Private Limited	7,29,000	11.90%	6,04,000	14.21%
g) Suntrack Commerce Private Limited	3,17,000	5.18%	3,17,000	7.46%
h) Diwakar Viniyog Private Limited	4,05,500	6.62%	3,18,000	7.48%
i) Emami High Rise Private Limited	4,27,000	6.97%	52,000	1.22%

Notes to Financial Statements for the year ended 31st March, 2015

		(₹ in Lacs)	
Particulars		As at 31st March, 2015	As at 31st March, 2014
Note 2.2	RESERVES AND SURPLUS		
a.	Capital Reserve	133.50	133.50
b.	Securities premium account		
	Opening balance as per last balance sheet	14,518.01	7,783.01
	Add : Received on issue of preference share	5,625.00	6,750.00
	Less : Expenses incurred for issue of preference shares	8.44	15.00
		20,134.57	14,518.01
c.	Revaluation reserve		
	Opening balance as per last balance sheet	629.27	671.89
	Less : Written back in current year	-	42.62
	Less : de-recognised during the year (Refer Note no. 2.36)	629.27	-
		-	629.27
d.	General reserve		
	Opening balance as per last balance sheet	13,500.00	13,000.00
	Add : Transfer during the year	500.00	500.00
		14,000.00	13,500.00
e.	Surplus		
	Opening balance	1,821.99	1,170.32
	Add : Net profit / (net loss) for the current year	1,216.62	1,861.30
	Less : Appropriations		
	Proposed dividend on equity shares	363.00	363.00
	Proposed dividend on preference shares	428.27	243.55
	Corporate dividend tax - equity dividend	73.90	61.69
	Corporate dividend tax - preference dividend	87.19	41.39
	Transfer to general reserve	500.00	500.00
	Total appropriations	1,452.36	1,209.63
	Net surplus in the statement of profit & loss	1,586.25	1,821.99
	Total	35,854.32	30,602.77

During the year ended 31st March, 2015 the amount of per share dividend recognized as distributions to equity shareholders is ₹ 0.60 (₹ 0.60) per share.

During the year ended 31.03.2015 the amount of per share dividend recognized as distribution to preference shareholders is as follows :

ISIN No.	Allotment date	No. of Shares	Dividend (₹ / Share)	
INE830C04012	28.03.2013	20,00,000	8.00	8.00
INE830C04020	13.08.2013	15,00,000	8.00	5.06
INE830C04046	21.01.2014	4,80,000	8.00	1.53
INE830C04038	28.03.2014	2,70,000	8.00	0.09
INE830C04053	01.08.2014	7,50,000	5.33	(issued in 2014-15)
In physical form	17.09.2014	11,25,000	4.30	(issued in 2014-15)



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2.3 LONG-TERM BORROWINGS		
a. Secured Loans		
Term Loans		
From Banks	72,561.13	43,933.43
Less : Current maturities of long term debts *	7,125.78	6,817.52
Total	65,435.35	37,115.91

Nature of Security :

- (i) Term loans of ₹ 72,561.13 Lacs (₹ 43,719.09 Lacs) are secured by deposit of title deeds in respect of present and future immovable properties and hypothecation of present and future movable fixed assets on a pari-passu basis and second charge on current assets on pari-passu basis.
- (ii) Term loans of ₹ Nil Lacs (₹ 214.34 Lacs) are supported by personal guarantee of some of the promoters and second / subservient charge on all movable assets of the company ranking pari-passu.

Terms of repayment of term loans :

- (i) Allahabad Bank ECB USD 8.70 million equivalent to ₹ 5,417.49 Lacs (USD 8.70 million equivalent to ₹ 5,211.30 Lacs) carries interest @ 6 M Libor + 4.50% p.a. is repayable in 20 quarterly installments commencing from June, 2016.
- (ii) Exim Bank ECB USD 12.65 million equivalent to ₹ 7,877.20 Lacs (USD 0.72 million equivalent to ₹ 432.15 Lacs) carries interest @ 6 M Libor + 4.75% p.a. is repayable in 28 quarterly installments commencing from June, 2016.
- (iii) Axis Bank ECB USD 15 million equivalent to ₹ 9,340.50 Lacs (USD 4.50 million equivalent to ₹ 2,695.50 Lacs) carries interest @ 6 M Libor + 4.65% p.a. is repayable in 20 quarterly installments commencing from June, 2017.
- (iv) Axis Bank ECB USD 10 million equivalent to ₹ 6,227 Lacs (Nil) carries interest @ 6 M Libor + 4.65% p.a. is repayable in 20 quarterly installments commencing from April, 2018.
- (v) IDBI Bank ECB USD 13 million equivalent to ₹ 8,095.10 Lacs (USD 4 million equivalent to ₹ 2,396 Lacs) carries interest @ 6 M Libor + 5.00% p.a. is repayable in 24 equal quarterly installments commencing from June, 2017.
- (vi) Axis Bank FCNR (B) USD 8.06 million equivalent to ₹ 5,016.11 Lacs (Nil) carries interest @ 6 M Libor + 4.25% p.a. is repayable in 21 quarterly installments commencing from June, 2016.
- (vii) SBI FCNR (B) USD 3.10 million equivalent to ₹ 1,929.12 Lacs (USD 11.43 million equivalent to ₹ 6,845.37 Lacs) carries interest @ 6 M Libor + applicable spread p.a. is repayable in quarter ended 30th June, 2015.
- (viii) SBI FCNR (B) USD 11.625 million equivalent to ₹ 7,238.89 Lacs (USD 12.97 million equivalent to ₹ 7,771.29 Lacs) carries interest @ 6 M Libor + applicable spread p.a. is repayable in 20 quarterly installments starting from June, 2015.
- (ix) SBI FCNR (B) USD 9.75 million equivalent to ₹ 6,071.33 Lacs (Nil) carries interest @ 6 M Libor + applicable spread p.a. is repayable in 16 quarterly installments commencing from June, 2016.
- (x) SBH Rupee Term loan amounting to ₹ 3,998.85 Lacs (₹ 4,999.71 Lacs) carries interest @ SBH Base Rate + 3% p.a. is repayable in 8 (12) quarterly installments. The company has entered into principal only swap for this loan in USD, value of which as on 31.03.2015 ₹ 4,649.34 Lacs (₹ 5,590.82 Lacs).
- (xi) ICICI Rupee Term loan amounting to ₹ 5,400.00 Lacs (₹ 6,000 Lacs) carries interest @ ICICI Bank base rate + applicable spread p.a. is repayable in 18 (20) quarterly installments. The company has entered into principal only swap for this loan in USD, value of which as on 31.03.2015 ₹ 6,318.47 Lacs (₹ 6,753.32 Lacs).
- (xii) ICICI Rupee Term loan amounting to ₹ 4,000 Lacs (₹ 4,000 Lacs) carries interest @ ICICI Bank base rate + applicable spread p.a. is repayable in 20 quarterly installments commencing from September, 2015. The Company has entered into principal only swap for this loan in USD, value of which as on 31.03.2015 ₹ 4,380.58 Lacs (₹ 4,213.86 Lacs).

* The amount repayable within next 12 month for the above loans has been classified as "Current maturities" in Note No. 2.9.

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Note 2.4 DEFERRED TAX LIABILITY (NET)		
Deferred tax liabilities		
Tax impact due to difference between tax depreciation and book depreciation	4,640.21	4,101.00
Deferred tax assets		
Tax Impact of expenses charged off in financial statements but allowance under tax law deferred	88.59	61.66
Total	4,551.62	4,039.34
Note 2.5 OTHER LONG-TERM LIABILITIES		
Trade deposits	259.75	31.39
Retention money	7.39	14.96
Total	267.14	46.35
Note 2.6 LONG- TERM PROVISIONS		
Provision for gratuity	267.07	142.87
Total	267.07	142.87
Note 2.7 SHORT- TERM BORROWINGS		
Secured		
Loans repayable on demand :		
From banks	8,967.22	10,161.25
Buyers credit for capital goods	2,013.33	1,456.63
Total	10,980.55	11,617.88
Nature of Security :		
Short term borrowings are secured by hypothecation of present and future stock of materials, stock-in-process, finished goods, stores and spares, book debts, outstanding money, claims receivable and further secured by way of second charge on all immovable and movable properties/fixed assets both present and future on a pari passu basis.		
Note 2.8 TRADE PAYABLES		
Other than micro, small and medium enterprises		
Trade payables :		
- For goods	940.55	1,054.63
- For services	374.52	520.39
- For project	5,680.13	731.32
Micro, small and medium enterprises		
Trade payables :		
- For goods	15.07	103.40
- For services	-	24.12
- For project	48.81	122.59
Total	7,059.08	2,556.45

Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2.9 OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt	7,125.78	6,817.52
(b) Interest accrued but not due	447.79	194.81
(c) Unclaimed dividend	5.43	5.00
(d) Statutory dues	169.79	72.63
(e) Advance from customers	79.64	58.55
(f) Trade deposit	2.00	2.00
(g) Outstanding liabilities for expenses	263.60	265.21
Total	8,094.03	7,415.72
Note 2.10 SHORT-TERM PROVISIONS		
Dividend on equity shares	363.00	363.00
Dividend on preference shares	428.27	243.55
Tax on equity dividend	73.90	61.69
Tax on preference dividend	87.19	41.39
Total	952.36	709.63

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 01.4.2014	Additions	Disposals / de-recognition of revaluation	As at 31.3.2015	As at 01.4.2014	For the year	Disposals / de-recognition of revaluation	As at 31.3.2015	As at 31.3.2015	As at 31.3.2014
Note 2.11 FIXED ASSETS										
(a) Current year										
Tangible assets										
Land										
- Freehold land	916.34	47.07	238.43	724.98	-	-	-	-	724.98	916.34
- Leasehold land	1,331.20	42.90	151.89	1,222.21	71.19	14.03	35.49	49.73	1,172.48	1,260.01
Buildings										
- Factory buildings	3,970.96	-	499.72	3,471.24	1,721.47	118.54	413.12	1,426.89	2,044.35	2,249.49
- Non factory buildings	2,598.34	555.71	39.88	3,114.17	462.19	59.14	25.33	496.00	2,618.17	2,136.15
Plant and equipments	62,439.72	2,136.42	2,882.93	61,693.21	24,360.97	2,226.64	2,593.67	23,993.94	37,699.27	38,078.75
Furniture and fixtures	1,004.07	65.74	0.31	1,069.50	621.13	131.78	0.40	752.51	316.99	382.94
Vehicles	287.49	33.36	32.41	288.44	180.81	45.62	30.33	196.10	92.34	106.68
Office equipments	63.84	5.84	-	69.68	36.07	20.25	-	56.32	13.36	27.77
Computers	145.42	42.58	1.42	186.58	127.78	25.48	1.07	152.19	34.39	17.64
Total	72,757.38	2,929.62	3,846.99	71,840.01	27,581.61	2,641.48	3,099.41	27,123.68	44,716.33	45,175.77
Intangible Assets										
Computer software	140.81	-	-	140.81	73.33	23.11	-	96.44	44.37	67.48
Total	140.81	-	-	140.81	73.33	23.11	-	96.44	44.37	67.48
Capital work in progress	16,749.45	45,362.06	14.19	62,097.32	-	-	-	-	62,097.32	16,749.45
Total	16,749.45	45,362.06	14.19	62,097.32	-	-	-	-	62,097.32	16,749.45

Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 01.4.2013	Additions	Disposals	As at 31.3.2014	As at 01.4.2013	For the year	Disposals	As at 31.3.2014	As at 31.3.2014	As at 31.3.2013
Note 2.11 FIXED ASSETS										
(b) Previous year										
Tangible assets										
Land										
- Freehold land	911.66	4.68	-	916.34	-	-	-	-	916.34	911.66
- Leasehold land	1,328.45	2.75	-	1,331.20	55.61	15.58	-	71.19	1,260.01	1,272.84
Buildings										
- Factory buildings	3,960.35	10.61	-	3,970.96	1,597.90	123.57	-	1,721.47	2,249.49	2,362.45
- Non factory buildings	2,512.75	85.59	-	2,598.34	414.46	47.73	-	462.19	2,136.15	2,098.29
Plant and equipments	57,904.91	4,556.63	21.82	62,439.72	21,495.53	2,874.84	9.40	24,360.97	38,078.75	36,409.38
Furniture and fixtures	949.42	54.65	-	1,004.07	543.40	77.73	-	621.13	382.94	406.02
Vehicles	269.75	55.54	37.80	287.49	177.82	35.48	32.49	180.81	106.68	91.93
Office equipments	57.47	6.37	-	63.84	32.10	3.97	-	36.07	27.77	25.37
Computers	138.40	7.02	-	145.42	119.89	7.89	-	127.78	17.64	18.51
Total	68,033.16	4,783.84	59.62	72,757.38	24,436.71	3,186.79	41.89	27,581.61	45,175.77	43,596.45
Intangible Assets										
Computer software	119.52	21.29	-	140.81	51.59	21.74	-	73.33	67.48	67.93
Total	119.52	21.29	-	140.81	51.59	21.74	-	73.33	67.48	67.93
Capital work in progress	8,887.63	7,892.32	30.50	16,749.45	-	-	-	-	16,749.45	8,887.63
Total	8,887.63	7,892.32	30.50	16,749.45	-	-	-	-	16,749.45	8,887.63

(a) Revaluations

Land, buildings and plant & machinery of the Gulmohar unit and paper machine-1 of Balasore unit were revalued as on 01.04.98 and 01.04.99 respectively by independent approved valuers appointed for the purpose. The revaluation has resulted in increase in value of such assets by ₹ 3,097.20 Lacs. Due to the said revaluation, there is an additional charge of depreciation of ₹ 42.62 Lacs (₹ 49.24 Lacs) for the year and an equivalent amount has been withdrawn from revaluation reserve and credited to Profit & Loss Account. The net book value of such revaluation made till date stands at ₹ 629.27 Lacs (₹ 671.89 Lacs).



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2.12 NON-CURRENT INVESTMENTS		
(Long term, at cost)		
Non trade		
(a) Investment in equity instruments :		
Unquoted		
3,07,300 (3,07,300) Equity shares of ₹10/- each fully paid up of Pan Emami Cosmed Ltd.	0.62	0.62
Quoted		
833 (833) Equity shares of ₹ 2/- each fully paid up of Emami Infrastructure Ltd.	0.09	0.09
4,66,500 (4,66,500) Equity shares of ₹ 1/- each fully paid up of Emami Ltd.	55.41	55.41
(b) Investment in government securities :		
(lodged with government authorities)		
5 years national saving certificates	0.60	0.40
6 years national saving certificates	0.02	0.62
7 years national saving certificates	0.01	0.01
Total	56.75	57.15
Market value of quoted investment	4,670.92	2,030.81
Aggregate book value of quoted investment	55.50	55.50
Aggregate book value of unquoted investment	1.25	1.65
Note 2.13 LONG - TERM LOANS AND ADVANCES		
Secured		
(a) Capital advances	107.56	2,477.78
Unsecured, considered good		
(a) Capital advances	611.11	944.78
(b) Deposits	1,039.78	528.31
(c) Loans and advances to employees	26.00	23.10
(d) Other loans and advances		
- Balance with central excise	342.60	342.60
- MAT credit entitlement	2,142.46	1,787.82
- Other advances	272.00	272.96
Total	4,541.51	6,377.35
Note 2.14 OTHER NON CURRENT ASSETS		
Deposits with banks	—	1.18
Total	—	1.18

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Note 2.15 CURRENT INVESTMENTS		
Non-Trade		
Government securities		
(lodged with government authorities)		
6 Years national saving certificates	0.80	0.40
Total	0.80	0.40
Note 2.16 INVENTORIES		
Raw materials and chemicals	7,269.22	4,742.13
Work-in-progress	190.90	131.75
Finished goods	1,680.19	571.65
Stores and spares	2,318.56	1,861.70
Total	11,458.87	7,307.23
Inventory includes following inventories in transit :		
Raw materials & chemicals	516.18	96.37
Stores and spares	9.71	16.72
Total	525.89	113.09
Note 2.17 TRADE RECEIVABLES		
Unsecured, considered good :		
Outstanding for a period exceeding six months from the date they are due for payment	17.53	2.48
Others	4,369.07	4,600.91
Total	4,386.60	4,603.39
Note 2.18 CASH AND BANK BALANCES		
Cash & cash equivalents		
Balances with banks		
- Current account	319.82	76.56
- Fixed deposit with banks (maturing within 3 months)	8,615.18	16,209.70
Cash in hand	6.52	12.21
Cheques in hand	3.52	
Other bank balances		
Balances with banks in unpaid dividend accounts	5.43	5.00
Fixed deposit with banks for margin (excluding those considered as cash equivalent)		
- Maturing after 12 months	0.25	-
- Others	641.46	179.98
Total	9,592.18	16,483.45



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2.19 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Advance for supply of goods and for rendering services	849.08	1,647.74
(b) Advance income tax (net of provision)	(26.84)	64.89
(c) Deposits	164.41	169.93
(d) Other loans & advances		
- Prepaid expenses	92.54	83.41
- Interest receivable	67.95	121.30
- Balance with central excise	1,995.70	433.66
- Receivable from sales tax authorities	122.13	86.25
- Advances to employees	65.72	67.59
- Other advances	571.08	209.28
Total	3,901.77	2,884.05
Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Note 2.20 REVENUE FROM OPERATIONS		
Sale of paper	52,450.78	55,143.00
Other operating revenues	180.50	118.56
	52,631.28	55,261.56
Less : Excise duty	529.14	605.05
Total	52,102.14	54,656.51
Note 2.21 OTHER INCOME		
Insurance claim	12.21	27.79
Dividend from long-term investments	37.32	38.88
Profit on sale of current investments	554.01	211.62
Profit on sale of fixed assets	3.50	4.69
Others	87.29	54.76
Total	694.33	337.74
Note 2.22 COST OF MATERIALS CONSUMED		
Waste paper & pulp	28,599.91	27,544.73
Chemical & others	3,498.12	3,391.35
Total	32,098.03	30,936.08

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Note 2.23 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS		
Opening stock		
Finished goods	571.65	454.01
Work-in-progress	131.75	92.88
	703.40	546.89
Closing stock		
Finished goods	1,680.19	571.65
Work-in-progress	190.90	131.75
	1,871.09	703.40
Total	(1,167.69)	(156.51)
Note 2.24 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	2,626.39	2,391.27
Contribution to provident and other funds	234.03	220.19
Workmen & staff welfare expense	253.50	259.44
Total	3,113.92	2,870.90
Note 2.25 FINANCE COSTS		
Interest expense	2,122.62	2,794.68
Applicable net gain or loss on foreign currency transaction and translation	510.24	511.74
Other borrowing costs	63.98	155.61
	2,696.84	3,462.03
Less : Interest received	1,189.67	1,559.23
Total	1,507.17	1,902.80
Note 2.26 DEPRECIATION AND AMORTISATION EXPENSES		
On Tangible assets	2,641.48	3,186.79
On Intangible assets	23.11	21.74
	2,664.59	3,208.53
Less: Recoupment from revaluation reserve	-	42.62
Total	2,664.59	3,165.91



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Note 2.27 OTHER EXPENSES		
Consumption of stores and spare parts	2,181.75	2,097.63
Power and fuel	6,391.52	6,529.09
Manufacturing expenses	1,049.57	1,033.05
Rent	45.64	45.22
Repairs to building	25.96	17.01
Repairs to machinery	239.46	234.77
Repairs to others	88.63	107.87
Insurance	78.76	99.31
Rates and taxes	831.41	766.55
Donation	35.91	48.14
Bad debts written off	–	3.43
Directors' sitting fees	8.35	3.80
Freight outward	697.60	969.87
Selling expenses	539.57	532.97
Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)	(73.56)	755.64
Miscellaneous expenses	710.92	715.72
Total	12,851.49	13,960.07
Note 2.28 CURRENT TAX		
Current tax (MAT)	354.63	477.15
Less : MAT credit entitlement	(354.63)	(235.93)
Total	–	241.22

Note 2.29 | CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities not provided for in respect of :

- i) Outstanding guarantees and letters of credit furnished by the bankers on behalf of the Company amounting to ₹ 1,735.86 Lacs (₹ 937.78 Lacs) are secured by hypothecation of current assets, as specified in Note 2.7 and those amounting to ₹ 436.03 Lacs (₹ 13,807.42 Lacs) are secured by deposit of title deeds of immovable properties and hypothecation of movable fixed assets, as specified in Note 2.3.
- ii) Sales Tax / VAT / Income tax / entry tax / central excise duties / service tax / ESI contribution and other taxes under appeal / review - ₹ 238.31 Lacs net of advances of ₹ 137.47 Lacs (₹ 1,419.49 Lacs net of advances of ₹ 128.90 Lacs).
- iii) Bonds / undertakings given under EPCG scheme to custom authority - ₹ 5,963.21 Lacs (₹ 1,228.42 Lacs)
- iv) Withdrawal of incentive tariff of electricity by NESCO ₹ 46.26 Lacs net of deposit of ₹ 61.93 Lacs (₹ 46.26 Lacs net of deposit of ₹ 63.93 Lacs).

b) Capital and other commitments :

Estimated amounts of capital contracts remaining to be executed and not provided for (net of advances) ₹ 2,890.95 Lacs (₹ 25,537.71 Lacs).

Notes to Financial Statements for the year ended 31st March, 2015

Note 2.30 ENTRY TAX

As per the interim order of Hon'ble Supreme Court of India dated 03.02.2010 and 09.04.2013 the Company is directed to deposit 1/3rd and 50% respectively of the entry tax on goods imported from outside and not manufactured within the state of Orissa. In pursuance to the said orders the company has deposited a sum of ₹ 377.35 Lacs (₹ 112.98 Lacs) for the financial year 2008-09 to 2014-15.

Note 2.31 DEFERRAL/CAPITALIZATION OF EXCHANGE DIFFERENCES

The Company has exercised the option permitted by Accounting Standard Amendment Rule, 2009 under the transitional provisions contained in Para 46 of Accounting Standard (AS) 11 (vide GOI Notification No.GSR 225(E) dated the 31st March 2009 as amended by Notification No. GSR 378(E) dated 11th May, 2011 and GSR 913 (E) dated 29th December, 2011). A sum of ₹ 1,208.65 Lacs (₹ 4,119.72 Lacs) being the exchange loss for the year arising on reporting of Long-Term Foreign Currency Monetary Items has been added to the cost of depreciable capital asset as at 31st March 2015. The net loss of ₹ 12,183.41 Lacs (₹ 10,974.76 Lacs) in the carrying amount of the depreciable capital asset(s) would be depreciated over the remaining useful life of the assets.

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Note 2.32 DISCLOSURE AS REQUIRED BY AS 29		
Opening Balance of Provision for Tax	1,320.09	842.94
Provided During the year	354.63	477.15
Reversed during the year	230.11	–
Closing Balance	1,444.61	1,320.09

Note 2.33

The company has incurred ₹ 155.95 Lacs (₹ 153.79 Lacs) towards corporate social responsibility, including a sum of ₹ 83.53 Lacs, which comes within the purview of CSR expenditures as specified in Schedule-VII to the Companies Act, 2013.

Note 2.34 DISCLOSURES REQUIRED UNDER THE MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT.

Delayed payment made during the year on account of principal - Nil (Previous Year NIL) and delayed payment due as at end of the year on account of principal - Nil (Previous Year NIL); hence, no interest is paid / payable under MSMED Act, 2006.

Note 2.35 DEPRECIATION PURSUANT TO SCHEDULE-II TO COMPANIES ACT, 2013

The company has provided depreciation for the year in accordance with the provisions of Schedule – II to Companies Act, 2013, which has resulted into lower depreciation of ₹ 554.41 Lacs for the year, with a corresponding increase in the profit before tax for the year. Depreciation for the year includes a sum of ₹ 162.85 Lacs, which is provided on account of the assets having nil useful life as on 01.04.2014.

Note 2.36 REVALUATION

Land, buildings and plant & machinery of the Gulmohar unit and paper machine-1 of Balasore unit were revalued as on 01.04.1998 and 01.04.1999 respectively. The revaluation resulted in increase in value of such assets by ₹ 3,097.20 Lacs and the corresponding credit was given to revaluation reserve. Since such revaluation does not exhibit true valuation of the assets involved, the same has been de-recognized. As such net book value of ₹ 629.27 Lacs arisen on such revaluation has been written off and adjusted with the corresponding assets.



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	2014-15	2013-14
Note 2.37 CAPITAL WORK-IN-PROGRESS INCLUDES THE FOLLOWING EXPENSES		
Project inventory	977.30	584.27
Interest & financial charges	4,108.89	2,446.76
Foreign exchange fluctuation	2,165.24	1,287.66
Pre-operative expenses	4,072.65	3,023.71
Power & fuel	800.08	–
Trial run expenses (net)	444.38	–
Work-in-progress (trial run)	103.84	–
Total	12,672.38	7,342.40

Particulars	31st March 2015	31st March 2014
Note 2.38 VALUE OF IMPORT ON CIF BASIS DURING THE YEAR		
a) Raw material & chemicals	5,960.69	4,949.60
b) Stores and spares	300.17	256.36
c) Capital goods	19,634.92	1,641.84
d) Others	92.68	115.90

Particulars	31st March 2015	31st March 2014
Note 2.39 EXPENDITURE INCURRED IN FOREIGN CURRENCY DURING THE YEAR		
a) Interest & financial charges paid to scheduled banks	2,016.71	2741.71
b) Other interest	73.42	122.26
c) Travelling expenses	84.37	26.19
d) Professional fees	451.60	4.59

Particulars	31st March 2015		31st March 2014	
	₹/Lacs	%	₹/Lacs	%
Note 2.40 IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED DURING THE YEAR				
a. Consumption of raw materials & chemicals				
Indigenous	26,443.86	82.38	25,545.32	82.57
Imported	5,654.17	17.62	5,390.76	17.43
Total	32,098.03	100.00	30,936.08	100.00
b. Consumption of stores & spares				
Indigenous	1,911.69	87.62	1,744.97	83.19
Imported	270.06	12.38	352.67	18.81
Total	2,181.75	100.00	2,097.64	100.00

Particulars	31st March 2015	31st March 2014
Note 2.41 EARNINGS IN FOREIGN CURRENCY		
Export of goods on FOB basis	Nil	Nil

Notes to Financial Statements for the year ended 31st March, 2015

Note 2.42 LITIGATION

The company is subject to legal proceedings which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Particulars	31st March 2015	31st March 2014
Note 2.43 EARNINGS PER SHARE (EPS)		
Net Profits after tax (₹ in Lacs)	1,216.62	1,861.30
Less :		
- Proposed Dividend on Preference Share	428.27	243.55
- Tax on Proposed Preference Dividend	87.19	41.39
Net Profit available for Equity Share Holders	701.16	1,576.36
Number of equity shares (Nos. lacs)	604.99	604.99
Basic and diluted earnings per share (₹)	1.16	2.61
Nominal Value per share (₹)	2.00	2.00

Note 2.44 RELATED PARTY DISCLOSURES

a. Key management personnel

Shri A. V. Agarwal, Executive Chairman
Shri Manish Goenka, Whole time director
Shri P. S. Patwari, Executive Director
Shri M. B. S. Nair, Director Operations*
Shri S. K. Khetan, President (Finance) & CFO**
Shri G. Saraf, VP (Finance) & Secretary**

Other Directors

Shri J. N. Godbole, Independent Director
Shri S. Balasubramanian, Independent Director
Shri H. M. Marda, Independent Director
Shri J. K. Khetawat, Independent Director
Shri U. G. Bhat, Independent Director
Smt Richa Agarwal, Non-Executive, Woman Director

* Inducted in the Board with effect from 25.04.2014.

**Re-designated as Key Managerial Personnel (KMP) with effect from 01.04.2014 as per section 203 of the Companies Act, 2013.

b. Relatives of key management personnel

Shri R. S. Agarwal
Smt. Usha Agarwal
Shri Harsh Vardhan Agarwal
Smt. Preeti Sureka
Shri Shyam Patwari

c. Enterprises where key management personnel and their relatives are able to exercise significant influence

Emami Limited
Emami Cement Limited
Emami Capital Market Limited
Advance Medicare & Research Institute Limited
Oriental Sales Agencies (India) Private Limited
Suntrack Commerce (P) Ltd.
Sneha Enclave Private Limited
Sneha Gardens Private Limited
Emami Estates Private Limited
Bhanu Vyapaar Private Limited
Auto Hi-Tech Private Limited
Diwakar Viniyog Private Limited

* Became key management personnel w.e.f 01.04.2014 pursuant to Companies Act, 2013.

Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Disclosure of transaction between the company and related parties and its status of outstanding :

Particulars	Key management personnel		Relatives of key management personnel		Enterprise described in (c) above		Total	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Remuneration to Key Management Personnel	405.04	197.68	-	-	-	-	405.04	197.68
Rent, Maintenance & Other Charges Payable	0.53	0.53	1.44	1.44	90.01	95.94	91.98	97.91
Commission Paid	-	-	-	-	-	3.14	-	3.14
Salary Paid	-	-	18.51	11.41	-	-	18.51	11.41
Preference Share allotment	-	-	-	-	2,000.00	1,314.00	2,000.00	1,314.00
Purchase of Fixed Assets	-	-	-	-	-	7.76	-	7.76
Reimbursement for SAP maintenance	-	-	-	-	21.09	21.20	21.09	21.20
Reimbursement of professional fees	-	-	-	-	2.12	-	2.12	-
Purchase of services	-	-	-	-	0.81	-	0.81	-
Advance Received Back	-	-	-	-	-	2,000.00	-	2,000.00
Interest received	-	-	-	-	643.46	296.61	643.46	296.61
Interest on inter corporate deposits	-	-	-	-	0.01	1.58	0.01	1.58
Dividend Received	-	-	-	-	37.32	38.88	37.32	38.88
Balance as on 31st March 2015								
- Investments	-	-	-	-	55.41	55.41	55.41	55.41
- Security Deposit Given	-	-	-	-	25.83	25.83	25.83	25.83
- Creditors	-	-	-	-	16.88	-	16.88	-
- Inter Corporate Deposit	-	-	-	-	272.00	-	272.00	-
- Interest receivable on ICD	-	-	-	-	34.68	-	34.68	-

Note 2.45 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT

The Company's obligation towards the gratuity fund and leave encashment fund are defined Benefit Plans. The details of actuarial valuation is given below :

Particulars	2014-15		2013-14	
	Gratuity Funded	Leave encashment Funded	Gratuity Funded	Leave encashment Funded
A Components of employer expenses				
1 Current service cost	63.53	11.08	54.03	5.28
2 Interest cost	63.83	13.29	59.30	13.35
3 Expected return on plan assets	(47.30)	(17.15)	(49.03)	(16.81)
4 Actuarial losses/(gains)	103.32	(7.43)	50.22	4.40
5 Total expenses recognized in the statement of profit & loss	183.38	(0.21)	114.52	6.22
B Net asset/(liability) recognized in balance sheet				
1 Present value of defined benefit obligation	879.52	173.77	716.14	158.56
2 Fair value of plan assets	612.45	232.76	573.27	197.08
3 Net asset/(liability) recognized in balance sheet	(267.07)	58.99	(142.87)	38.52

Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Leave encashment	Gratuity	Leave encashment
	Funded	Funded	Funded	Funded
C Change in defined benefit obligation during the year				
1 Present value of PBO at beginning of period	716.14	158.56	601.72	138.05
2 Current service cost	63.53	11.08	54.03	5.28
3 Interest cost	63.83	13.29	59.30	13.35
4 Actuarial (gains)/losses	100.73	(7.76)	48.11	3.67
5 Benefits paid	(64.71)	(1.40)	(47.02)	(1.79)
6 Present value of PBO at the end of period	879.52	173.77	716.14	158.56
7 Actuarial Return on plan assets	44.71	16.82	46.92	16.09
D Change in fair value of assets				
1 Plan assets at beginning of period	573.27	197.08	516.39	176.57
2 Expected return on plan assets	47.30	17.15	49.04	16.81
3 Actuarial gains/(loss)	(2.59)	(0.33)	(2.11)	(0.72)
4 Actuarial company contributions	59.18	20.26	56.98	6.21
5 Benefits paid	(64.71)	(1.40)	(47.03)	(1.79)
6 Plan assets at the end of period	612.45	232.76	573.27	197.08
E Actuarial assumptions				
1 Mortality table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
2 Discount rate (%)	8.00%	8.00%	8.50%	8.50%
3 Expected return on plan assets (%)	8.00%	8.00%	9.00%	9.00%
4 Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

Present value of the defined benefit obligation and fair value of the plan assets

Position at year end	As at 31.03.2015		As at 31.03.2014		As at 31.03.2013		As at 31.03.2012		As at 31.03.2011	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
Obligations	879.52	173.77	716.14	158.56	601.72	138.05	569.50	132.90	489.68	93.74
Fair value of plan assets	612.45	232.76	573.27	197.08	516.39	174.98	512.23	162.13	440.29	137.70
Surplus/(deficit) in the plan	(267.07)	58.99	(142.87)	38.52	(85.33)	36.93	(57.27)	29.23	(49.39)	43.96

Experience adjustment percentage

Particulars	For the year ending									
	31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
% of Opening Plan Liabilities	4.45%	3.28%	-8.00%	-2.66%	-	-	-	-	-	-
% of Opening Plan Assets	-0.45%	-0.17%	-0.41%	-0.41%	-	-	-	-	-	-



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Note 2.46 PAYMENT TO AUDITORS		
As auditors		
Audit fee	7.87	7.87
Tax audit fees	1.20	1.12
Branch auditors	1.80	1.80
In other capacity		
For certification		
- To statutory auditors	2.75	2.97
- To branch auditors	0.23	–
Out of pocket expenses to branch auditors	0.36	0.27
Total	14.21	14.03

Note 2.47 | EXPOSURE TOWARDS FOREIGN CURRENCY BORROWINGS NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE

The newsprint prices are moving in tandem with landed cost of imported newsprint and carrying a risk of rupee appreciation and to mitigate this risk of rupee appreciation, the company availed unhedged foreign currency borrowings. Newsprint being an import substitute product, the company is having natural hedging for its' foreign currency borrowings. Unhedged foreign currency exposure by a derivative instrument or otherwise are given below :

Particulars	Currency	Foreign Currency (in Million)		Amount (₹/Lacs)	
		31.03.15	31.03.14	31.03.15	31.03.14
Amounts payable in foreign currency	USD	136.20	93.25	84,811.87	55,855.16
	EURO	2.42	1.81	1,627.09	1,488.52
	GBP	0.50	0.50	462.85	498.07
				86,901.81	57,841.75

Note 2.48

The Company's business activity falls within a single primary business segment which is "Manufacture of Paper" and the Company primarily operates in India and thus the disclosure requirements of AS- 17 "Segment Reporting", notified in the Companies (Accounting Standard) Rules, 2006 are not applicable.

Note 2.49

Amount due and outstanding to be credited to Investor education and protection fund – Nil (PY Nil).

Note 2.50

Exchange differences on the principal amount of the foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as mandated by paragraph 4(e) of Accounting Standard – 16 have been disclosed under Notes "Finance cost." Such exchange differences on principal amount of foreign borrowing are not interest on the foreign borrowing.

Notes to Financial Statements for the year ended 31st March, 2015

Note 2.51

The Company has entered into operating lease agreements for office space, godowns, and guest house. The total charge to statement of profit and loss for the year on account of operating lease is ₹ 32.83 Lacs (₹ 31.31 Lacs).

Lease rental are charged on the basis of agreed terms. No significant restrictions have been imposed by the lessor on the leases. The leases can be renewed after completion of the lease term by mutually discussing the renewal terms with the lessor.

Note 2.52

Previous year's figures have been reclassified/regrouped/rearranged wherever necessary.

In terms of our attached report of even date

For **S. K. AGRAWAL & CO.**

Chartered Accountants

S. K. Agrawal

Partner

Membership No. 9067

Place : Kolkata

Date : 6th May, 2015

S. K. Khetan

President (Finance) & CFO

G. Saraf

V. P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

M. B. S. Nair

Directors

A GLIMPSE OF OUR CSR ACTIVITIES



PROVISION FOR DESK CUM BENCH



SCHOLARSHIP PROGRAMME (2014-15)



RUNNING OF BAL VIKAS KENDRA



PROVIDED WITH WINTER CLOTHES



MEDICAL CAMPS



ANIMAL WELFARE



ERADICATION OF HUNGER (Mass Feeding)



ENVIRONMENTAL PROTECTION



AWARDS



Greentech CSR Award, 2014



Greentech Environment Award, 2014





emami* paper mills limited
687, Anandapur, E.M.Bypass, Kolkata - 700 107
(Landmark - Near Ruby Hospital)
CIN : L21019WB1981PLC034161

Notice

NOTICE TO MEMBERS

Notice is hereby given that the Thirty Third Annual General Meeting of EMAMI PAPER MILLS LIMITED will be held on Tuesday, the 11th August, 2015 at 11.00 a.m. at 687, Anandapur, E. M. Bypass, Kolkata – 700107 (Landmark- Near Ruby Hospital) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity and Preference Shares for the year ended 31st March, 2015.
3. To appoint a Director in place of Shri Manish Goenka having Directors Identification Number-00363093, who retires by rotation and being eligible offer himself for re-appointment.
4. To ratify the appointment of the Auditors and Unit Auditors (Kolkata Unit) of the Company and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution** thereof:

"RESOLVED THAT pursuant to section 139,142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on August 11, 2014, the appointment of M/s. S. K. Agrawal & Co., Chartered Accountants, Registration No.306033E) as the Auditors of the Company and the appointment of M/s. Salarpuria Jajodia & Co., Chartered Accountants, (Registration No.302111E) as unit Auditors (Kolkata Unit) to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March, 31,2016 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the Auditors and the Board of Directors.

SPECIAL BUSINESS

5. To appoint Smt. Richa Agarwal (DIN.01505726) as a Woman Director and in this regard, to consider and if

thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provision of Sections 149(1),152 and other applicable provisions if any and rules made thereunder the consent of the members of the Company be and is hereby accorded to appoint Smt. Richa Agarwal (DIN.01505726) who was appointed as woman director of the company and also as an additional director of the Company by the Board of Directors with effect from 27th January, 2015 and who holds Office until the date of Annual General Meeting, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Richa Agarwal as a candidate for the Office of Director of the Company, be and is hereby appointed as a Director (Woman Director) of the Company, liable to retire by rotation."

6. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2016 and in this regards to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s.V. K. Jain & Company, Cost Auditors reappointed by the Board of Directors of the Company to conduct the Audit of the Cost Records of the Company for the financial year ending 31st March, 2016, be paid remuneration of ₹ 1,00,000/- (Rupees one lac only) per annum plus Service Tax as applicable as approved by the Board of Directors be and is hereby ratified."

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

7. To re-appoint Shri Aditya Vardhan Agarwal, (DIN.00149717) as Whole-Time Director designated as Executive Chairman and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

"RESOLVED THAT, in accordance with the provisions of Sections 196,197 & 203 read with Schedule V and all other applicable provisions of the Companies Act,

2013 and the Company's (Appointment & Remuneration of Managerial Personnel) Rules , 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to such sanction as may be necessary, approval and sanction of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Shri Aditya Vardhan Agarwal (DIN.00149717), Whole-Time Director, designated as Executive Chairman for a period of 3 (three) years with effect from 8th November, 2015, on the terms and conditions including remuneration and other perquisites and benefits as set out in the Explanatory Statement annexed to this 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 and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may acceptable to within the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT pursuant to the provision of Section 197 of the Act, where in any financial year during currency of the terms of office, the Company has no profits or its profits are inadequate, it may pay remuneration to Shri Aditya Vardhan Agarwal by way of salary and perquisites as Minimum remuneration notwithstanding that such remuneration is in excess of the limits specified in Schedule V of the Companies Act, 2013 or any modification thereof from time to time."

"RESOLVED FURTHER THAT subject to the provisions of Section 152 of the Companies Act, 2013, Shri Agarwal shall be liable to retire by rotation during his tenure as a Whole-Time Director of the Company."

"RESOLVED FURTHER THAT Shri Manish Goenka, Shri P. S. Patwari, Directors and Shri G. Saraf, Vice President(Finance) & Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give full effect to this resolution."

8. To re-appoint Shri Manish Goenka, (DIN.00363093) as Whole Time Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

"RESOLVED THAT, in accordance with the provisions of Sections 196, 197 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Company's (Appointment & Remuneration of Managerial Personnel) Rules , 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to such sanction as may be necessary, approval and sanction of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Shri Manish Goenka (DIN.00363093) as Whole Time Director for a period of 3 (three) years with effect from 1st July, 2015, on the terms and conditions including remuneration and other perquisites and benefits as set out in the Explanatory Statement annexed to this 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 and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may acceptable to Shri Manish Goenka, which may exceed the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT pursuant to the provision of Section 197 of the Act, where in any financial year during currency of the terms of office, the Company has no profits or its profits are inadequate, it may pay remuneration to Shri Manish Goenka by way of salary and perquisites as Minimum remuneration notwithstanding that such remuneration is in excess of the limits specified in Schedule V of the Companies Act, 2013 or any modification thereof from time to time."

"RESOLVED FURTHER THAT subject to the provisions of Section 152 of the Companies Act, 2013, Shri Manish Goenka shall be liable to retire by rotation during his tenure as a Whole-Time Director of the Company."

"RESOLVED FURTHER THAT Shri Aditya Vardhan Agarwal, Shri P. S. Patwari, Directors and Shri G. Saraf, Vice President(Finance) & Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give full effect to this resolution."

Registered Office :
Emami Tower, 4th Floor
687, Anandapur E.M.Bypass,
(Near Ruby Hospital)
Kolkata – 700 107
Email :emamipaper@emamipaper.in
Website: www.emamipaper.in
Phone: 033-6613-6264, Fax: 033-6613-6400
Dated 6th May, 2015

By order of the Board

G. SARAF
Vice President (Finance) & Secretary

ROUTE MAP OF EMAMI TOWER



NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Company has notified closure of Register of members and Share Transfer Books of the Company from Tuesday, 4th August, 2015 to Tuesday, 11th August, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity shares and Preference shares, if declared at the meeting.
5. Explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No.5 to 8 is Annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, (except Saturdays, Sundays and public holidays) during business hours up to the date of Meeting.
9. Dividend on Equity and Preference Shares for the Financial year ended 31st March, 2015, if declared at the Annual General Meeting, shall be paid to those members whose names (in case of shares held in electronic form) appear as beneficial owners as at close of business hours on 3rd August, 2015 and for the shares held in physical form, whose names appear in the Register of Members on the date of the Annual General Meeting.
10. In order to provide protection against fraudulent encashment of dividend warrants, the members holding shares in physical form are requested to provide, if not already provided, their bank account number, name and address of the Bank and Branch latest by 25th July, 2015 to enable the Company to incorporate the same in the dividend warrants.

In case the shares are held in dematerialized form, the above intimation, along with any request for effecting changes in the details provided earlier, should only be forwarded to the respective depository participant.
11. Members are requested to immediately notify to the Company their change of Address, Mandate, Bank Particulars etc. to ensure prompt action. Members are requested to clearly mention their Registered Folio Number in every correspondence with the Company. In case the shares are held in dematerialized form, the above mentioned intimation is to be forwarded to the respective depository participant.

12. Those members who have not encashed their dividend warrant for the Financial years 2007-08 to 2013-14 may return the time barred dividend warrant or write to the Company's Share Transfer Agents, M/s Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata-700 001 for issue of duplicate dividend warrant.
13. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividend for the Financial Year 2007-08 and thereafter which remain unclaimed for a period of 7(Seven) years will be transferred to the Investor Education and Protection Fund(The Fund) constituted by the Central Government under section 125 of the Companies Act, 2013. Unclaimed Equity Dividend for the Financial Year 2007-08 will fall due for transfer to the said fund on 12th October, 2015. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 11th August, 2014 (Date of last Annual General Meeting) on the website of the Company (www.emamipaper.in) as also on the website of the Ministry of Corporate Affairs.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar M/s Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001, Phone : 033-2243 5029/5809, Fax : 033-2248 4787, Email : mdpldc@yahoo.com.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar M/s Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001, for consolidation into a single folio.
16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
17. Non-Resident Indian Members are requested to inform M/s Maheshwari Datamatics Pvt. Ltd. Registrar and Transfer Agent of the Company immediately regarding :
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account, maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
18. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically.
19. VOTING OPTIONS
 - i. Pursuant to Section 108 of the Companies Act, 2013, Companies (Management & Administration) Rules, 2014 and provisions of clause 35B of the listing agreement, the shareholders can vote on all the business to be transacted at the Annual General Meeting by way of any one of the following methods:
 - a) Remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of the Annual General Meeting
 - b) Voting through ballot
 - c) Voting at venue of the Annual General Meeting through e-voting facility or poll, as will be provided by the Company.
 - ii. A shareholder can opt for only one mode of voting. In case a shareholder votes through remote e-voting as well as sends his/her vote through ballot form, the vote cast through remote e-voting shall be considered and the voting through physical ballot shall not be considered by the scrutinizer
 The shareholders who have cast their votes either through remote e-voting or ballot shall be entitled to attend the meeting, however, shall not be allowed to cast their vote again at the venue of the Annual General Meeting.
 - iii. The Company has signed an agreement with the Central Depository Services (India) Limited (CDSL) for facilitating e-voting.
 - iv. The shareholders as on the cut-off date viz. Tuesday, 4th August, 2015 shall only be eligible to vote on the resolutions mentioned in the Notice of Annual General Meeting.
 - v. The shareholders shall have one vote per equity share held by them. The facility of voting would be provided once for every folio / client id, irrespective of number of joint holders.
 - vi. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of the Annual General Meeting and holding shares as on the cut-off date i.e. 4th August, 2015 may obtain the Login ID and password by sending a request at e-voting@cdsl.co.in. However, if a person is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.
 - vii. The Company has appointed Mr.Sandip Kumar Kejriwal, practicing company secretary # 332, 3rd floor, Martin Burn House, 1, R.N.Mukherjee Road, Kolkata-700001 as the scrutinizer for conducting the voting process in a fair and transparent manner.
 - viii. The scrutinizer will submit his final and consolidated report to the Chairman of the Company within three days after the conclusion of Annual General Meeting. The scrutinizer's decision on the validity of all kinds of voting will be final.

- ix. The results of Annual General Meeting shall be declared by the Chairman or his authorized representative or any one Director of the Company after the Annual General Meeting within the prescribed time limits.
- x. The results of voting will also be placed at the website of the Company viz. www.emamipaper.in and on CDSL website viz. www.cdslindia.com.
20. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 7th August, 2015 at 10.00 a.m.(IST) and ends on 10th August, 2015 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 4th August, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the "Emami Paper Mills Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and

click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

21. The remote e-voting facility will be available during the following period :

Commencement of remote e-voting: From 10.00 a.m.(IST) on August 7,2015.

End of remote e-voting: Up to 5.00 p.m.(IST) on August 10,2015.

22. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz. Tuesday, 4th August, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

23. **INSTRUCTIONS FOR VOTING THROUGH BALLOT**

- i. Members who hold shares as on the cut-off date viz. Tuesday 4th August, 2015 and do not have access to remote e-voting facility may send duly completed ballot form in the postage pre-paid envelope with their assent or dissent in writing in respect of the resolutions as set out in this notice.
- ii. The envelope containing ballot form, if sent by courier or by registered post or by speed post at the expense of the registered member will also be accepted. The ballot form may also be deposited personally at the address mentioned on the self-addressed postage pre-paid envelope. The ballot form should reach the scrutinizer by Monday, 10th August, 2015 before 5.00 p.m. The ballot forms received after the said date and time will be treated as if no reply from the shareholder has been received.
- iii. A shareholder may request for a duplicate ballot form, if so required by writing to the registrar and transfer agent at their email id: mdpldc@yahoo.com. However, the duly completed duplicate ballot form should reach the scrutinizer before the above mentioned date and time.
- iv. Detailed instructions for voting are provided in the ballot form.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

ITEM NO. 5

The Board at its meeting held on 27th January, 2015 appointed Smt. Richa Agarwal as Woman Director of the Company in compliance with section 149(1) of the Companies Act, 2013 and as an Additional Director with effect from 27th January, 2015 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt. Richa Agarwal will hold office up to the date of ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Smt. Richa Agarwal for the office of Director.

The Company has received from Smt. Richa Agarwal (i) consent

in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

It is proposed to seek the members approval for the appointment of Smt. Richa Agarwal as Woman Director of the Company, in terms of the applicable provisions of the Act.

Except Shri Aditya Vardhan Agarwal, Executive Chairman and Smt. Richa Agarwal herself, none of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

ITEM NO.6

The Board, on the recommendation of the Audit Committee, has approved the reappointment of M/s. V. K. Jain & Co., as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending March, 31, 2016 at a remuneration of ₹ 1,00,000 (Rupees One lac only) per annum.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

ITEM NO.7

Shri Aditya Vardhan Agarwal was re-appointed as the Executive Chairman of the Company for a period of 3 years w.e.f.8th November, 2012 with the approval of the Shareholders in the Annual General Meeting held on 13th August, 2013.

Further, the Board of Directors of the Company ("the Board") at its meeting held on 6th May, 2015 has subject to approval of the Members in the Annual General Meeting of the Company re-appointed Shri Aditya Vardhan Agarwal, as Executive Chairman, for a period of 3 years w.e.f.8th November, 2015 at the remuneration recommended by the Nomination and Remuneration Committee ("the Committee") of the Board and approved by the Board.

It is proposed to seek the members approval for the reappointment of and remuneration payable to Shri Aditya Vardhan Agarwal, as Executive Chairman, in terms of the provisions of the act.

Broad particulars of the terms of re-appointment and remuneration payable to Shri Aditya Vardhan Agarwal as Executive Chairman are as under:-

A. PERIOD OF APPOINTMENT:

8th November, 2015 to 7th November, 2018.

B. SALARY :

Basic salary ₹ 5,00,000/- (Rupees Five Lacs) per month.

Additional increment(s) will be considered by the Board of Directors on merits and at its absolute discretion.

C. BONUS: As per rules of the Company.

D. PERQUISITES :

- a) Unfurnished accommodation shall be provided by the Company.
- b) Reimbursement of medical expenses for self and family and Leave Travel Concession as per the rules of the Company.

- c) Use of Company's Car for official purposes and telephone expenses at residence.
- d) The perquisites shall be evaluated as per Income Tax Rules wherever applicable. In absence of any such rules the perquisites shall be evaluated at actual cost.
- e) Shri Aditya Vardhan Agarwal shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration.
 - A) Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
 - B) Gratuity payable at a rate not exceeding half a month's salary of each completed year of service,
 - C) Leave as per Rules of the Company including encashment of un-availed leave at the end of the tenure and
 - D) The above remuneration shall be subject to the ceiling prescribed under Section 196,197 read with Schedule V of the Companies Act, 2013 (hereinafter called the said Act) and the Nomination and Remuneration Committee is authorized to make such changes in remuneration, if such changes are required to be made as per the said Act.

E. OTHER TERMS AND CONDITIONS :

- a. Shri Aditya Vardhan Agarwal, Executive Chairman, shall discharge specific duties and functions of Business Development, Corporate strategic planning and Finance under the superintendence, direction and control of the Board of Directors from time to time.
- b. Shri Aditya Vardhan Agarwal, Executive Chairman, shall discharge duties and functions under the superintendence, direction and control of the Board of Directors from time to time.
- c. Shri Aditya Vardhan Agarwal, Executive Chairman shall be liable to retire by "Rotation".
- d. The Executive Chairman, so long as he functions, as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- e. Shri Aditya Vardhan Agarwal, Executive Chairman shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets and shall use his best endeavors to prevent any other person from doing so. However, such divulgence or disclosure by him to officers and

employees of the Company and others for the purpose of business of the Company shall not be deemed to be a contravention of this clause.

- f. As long as Shri Aditya Vardhan Agarwal acts as Executive Chairman, no sitting fees will be paid to him for attending the meeting of the Board of Directors or Committee thereof.
- g. The terms and conditions of the said re-appointment may be altered, amended, varied and modified from time to time by the Board of Directors or Committee thereof as it may be permissible and if deemed fit in terms of the Companies Act, 2013 or any amendments or modifications or re-enactments made thereto in consultation with Shri Aditya Vardhan Agarwal.

F. MINIMUM REMUNERATION

Notwithstanding anything contained in this part where in any financial year during currency of the term of Office, the Company has no profits or its profits are inadequate, it may pay the aforesaid remuneration by way of salary and perquisites as Minimum remuneration subject to the limit provided under schedule- V of the Companies Act, 2013 or any modification thereof from time to time.

Shri Aditya Vardhan Agarwal, Executive Chairman shall act in accordance with the Articles of Association of the Company and shall abide by provisions contained in section 166 of the Act with regard to duties of the Director.

Shri Aditya Vardhan Agarwal, Executive Chairman shall adhere to the Companies Code of Business Conduct and Ethics for Directors and Management Personnel.

Shri Aditya Vardhan Agarwal satisfies all the conditions set out in part 1 of schedule V to the Act as also conditions set out under sub-section(3) of section 196 of the act and he is not disqualified from being appointed as Director in terms of section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Shri Aditya Vardhan Agarwal under section 190 of the Act.

The Resolution set out in Item No.7 of the accompanying Notice is intended to obtain the consent of the shareholders relating to remuneration payable to Shri Aditya Vardhan Agarwal.

MEMORANDUM OF CONCERN OR INTEREST OF DIRECTORS

Except Shri Aditya Vardhan Agarwal and Smt. Richa Agarwal, Woman Director being relative of Shri Aditya Vardhan Agarwal, none of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board recommends the resolutions as set out in the

accompanying Notice for your approval as Special Resolution in the interests of the Company.

The Agreement entered into with Shri Aditya Vardhan Agarwal will be opened for inspection by the members at the Registered Office of the Company on all working days (except Saturday) between 10.00 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.

The statement as per Section II (IV) of Part II of Schedule V to the Companies Act,2013 for appointment of Shri Aditya Vardhan Agarwal, as Executive Chairman, is set out as Annexure-I to this Explanatory Statement.

ITEM NO.8

Shri Manish Goenka was re-appointed as Whole Time Director of the Company for a period of 3 years w.e.f.1st July, 2012 with the approval of the Shareholders in the Annual General Meeting held on 13th August, 2012.

Further, the Board of Directors of the Company ("the Board") at its meeting held on 6th May, 2015 has subject to approval of the Members in the Annual General Meeting of the Company re-appointed Shri Manish Goenka, as Whole Time Director, for a period of 3 years w.e.f.1st July, 2015 at the remuneration recommended by the Nomination and Remuneration Committee ("the Committee") of the Board and approved by the Board.

It is proposed to seek the members approval for the reappointment of and remuneration payable to Shri Manish Goenka, as Whole Time Director, in terms of the provisions of the act.

Broad particulars of the terms of re-appointment and remuneration payable to Shri Manish Goenka as Whole Time Director are as under:-

- A. **PERIOD OF APPOINTMENT :**
1st July, 2015 to 30th June, 2018.
- B. **SALARY :**
Basic salary ₹ 5,00,000/- (Rupees Five Lacs) per month.
Additional increment(s) will be considered by the Board of Directors on merits and at its absolute discretion.
- C. **BONUS :**
As per rules of the Company.
- D. **PERQUISITES:**
 - i. Unfurnished accommodation shall be provided by the Company.
 - ii. Reimbursement of medical expenses for self and family and Leave Travel Concession as per the rules of the Company.
 - iii. Use of Company's Car for official purposes and telephone at residence (including payment for local calls and long distance official calls).
 - iv. Shri Manish Goenka shall also be eligible to the

following perquisites which shall not be included in the computation to the ceiling on remuneration.

- A) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
- B) Gratuity payable at a rate not exceeding half a month's salary of each completed year of service,
- C) Leave as per Rules of the Company including encashment of un-availed leave at the end of the tenure and
- D) The above remuneration shall be subject to the ceiling prescribed under Section 196,197 read with Schedule V of the Companies Act, 2013 (hereinafter called the said Act) and the Nomination and Remuneration Committee is authorized to make such changes in remuneration, if such changes are required to be made as per the said Act.

E. OTHER TERMS AND CONDITIONS :

- a. Shri Manish Goenka, Whole Time Director, shall discharge specific duties and functions of system development under SAP, Marketing and its strategy formulation, scope of new marketing exposure and Corporate planning under the superintendence, direction and control of the Board of Directors from time to time
- b. Shri Manish Goenka, Whole Time Director shall be liable to retire by "Rotation".
- c. The Whole Time Director, so long as he functions, as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- d. Shri Manish Goenka, Whole Time Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets and shall use his best endeavors to prevent any other person from doing so. However, such divulgence or disclosure by him to officers and employees of the Company and others for the purpose of business of the Company shall not be deemed to be a contravention of this clause.
- e. As long as Shri Manish Goenka acts as Whole Time Director, no sitting fees will be paid to him for attending the meeting of the Board of Directors or Committee thereof.
- f. The terms and conditions of the said re-appointment may be altered, amended, varied and modified from

time to time by the Board of Directors or Committee thereof as it may be permissible and if deemed fit in terms of the Companies Act, 2013 or any amendments or modifications or re-enactments made thereto in consultation with Shri Manish Goenka.

F. MINIMUM REMUNERATION :

Notwithstanding anything contained in this part where in any financial year during currency of the term of Office, the Company has no profits or its profits are inadequate, it may pay the aforesaid remuneration by way of salary and perquisites as Minimum remuneration subject to the limit provided under schedule- V of the Companies Act, 2013 or any modification thereof from time to time.

Shri Manish Goenka, Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in section 166 of the Act with regard to duties of the Director.

Shri Manish Goenka, Whole Time Director shall adhere to the Companies Code of Business Conduct and Ethics for Directors and Management Personnel.

Shri Manish Goenka satisfies all the conditions set out in part 1 of schedule V to the Act as also the conditions set out under sub-section(3) of section 196 of the act and he is not disqualified from being appointed as Director in terms of section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Shri Manish Goenka under section 190 of the Act.

The Resolution set out in Item No.8 of the accompanying Notice is intended to obtain the consent of the shareholders relating to remuneration payable to Shri Manish Goenka.

MEMORANDUM OF CONCERN OR INTEREST OF DIRECTORS

Except Shri Manish Goenka, none of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board recommends the resolutions as set out in the accompanying Notice for your approval as Special Resolution in the interests of the Company.

The Agreement entered into with Shri Manish Goenka will be opened for inspection by the members at the Registered Office of the Company on all working days (except Saturday) between 10.00 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.

The statement as per Section II(IV) of Part II of Schedule V to the Companies Act,2013 for appointment of Shri Manish Goenka, as Whole Time Director, is set out as Annexure-II to this Explanatory Statement.

ANNEXURE I TO THE NOTICE OF ANNUAL GENERAL MEETING

STATEMENT OF INFORMATIONS FOR SHRI ADITYA VARDHAN AGARWAL

PROVIDED IN TERMS OF THE SECTION II(IV) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

- 1) Nature of Industry : Manufacturing and selling of 'PAPER' including 'Newsprint'
- 2) Expected date of Commencement of Commercial Production : Not applicable
- 3) In case of new companies expected date of commencement of activities as per project approved by Financial Institution appearing in the prospectus : Not applicable.
- 4) Financial Performance/Key indicators during last three years : (₹ in Lacs)

		2014-15	2013-14	2012-13
a)	Paid up Share Capital	7,334.98	5,459.98	3,209.98
b)	Reserve & Surplus (Excluding Revaluation Reserve)	35,854.32	29,973.50	22,086.83
c)	Sale/Income from operation	52,102.14	54,656.51	51,001.61
d)	Total Income	52,796.47	54,994.25	51,182.41
e)	Profit before Tax	1,728.96	2,315.00	1,293.25
f)	Profit after Tax	1,216.62	1,861.30	1,155.48

II. Information about the appointee:

- 5) Shri Aditya Vardhan Agarwal aged about 40 years, joined the Company in the year 23.10.2000. He was elevated to the position of Executive Chairman on 08.11.2012. He has an extensive knowledge of Accounting, Marketing, Corporate Planning, Business Development, Strategy formulation and overall management. His brilliance, dedication during the critical phase of the unit and outstanding ability coupled with keen insight, tenacity and fair-sightedness, soon made him the Senior Executive of the Company. He has always an excellent flavor of Public relation.

He is associated with various federations and social organizations.

- 6) **Past Remuneration** (₹ in Lacs)

2014-15	2013-14	2012-13
49,56,083/-	45,96,357/-	18,30,896/-

- 7) **Recognition, Award & Achievements :**

He has been awarded by various chamber of commerce.

- 8) **Job profile and his suitability :**

Shri Aditya Vardhan Agarwal presently holds office as Executive Chairman of the Company and has made significant contribution for development of the Company.

With his rich and varied experience backed by family background Shri Aditya Vardhan Agarwal has contributed significantly to consolidating the paper business during the critical integration phase before and after merger of two units and commissioning of Paper Machine No. III and IV for Multi-Layer Coated Board Paper project with an installed capacity of 132000 T.P.A. including captive

power plants at Balasore, Odisha.

He has successfully contributed in business development, corporate strategic planning and finance planning for expansion plan and working capital requirements for Multi-Layer Coated Board Paper project with a vision to reach the Company to become the largest Paper and Paper Board Manufacturer in the Country.

Considering his extensive business experience, ability, commandable leadership, expertise in Marketing, Corporate Planning, business development, strategy formulation, overall management, dedicated service, Commitment and with a view to avail his service for sustaining the growth and progress of the Company, the Board considered it necessary to re-appoint Shri Aditya Vardhan Agarwal as Whole-Time Director, designated as Executive Chairman of the Company for a period of 3 years w.e.f. 8th November, 2015. Accordingly, the Board of Director in its meeting held on 6th May, 2015 re-appointed Shri Aditya Vardhan Agarwal as Whole-Time Director, designated as Executive Chairman subject to approval of the Members in the General Meeting.

As Executive Chairman of the organization, he is always been in front for the improved performance and all round progress of the Company. Keeping in view his expertise, dedication and experience the Board recommend for re-appointment of Shri Aditya Vardhan Agarwal for a period of 3 years w.e.f. 8th November, 2015.

- 9) **Remuneration Proposed :**

- A) **SALARY :**
Basic salary ₹ 5,00,000/- per month.

The Annual increment(s) will be considered by the Board of Directors on merits and at its' absolute discretion. .

- B) **BONUS :**
As per rules of the Company.
- C) **PERQUISITES :**
- i. Unfurnished accommodation shall be provided by the company.
 - ii. Reimbursement of medical expenses for self and family and Leave Travel concession as per the rules of the Company.
 - iii. Use of Company's Car for official purposes and, telephone at residence.
 - iv. Shri Aditya Vardhan Agarwal shall also be eligible to the following perquisites which shall not be included in the computation to the ceiling on remuneration.
 - A. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
 - B. Gratuity payable at a rate not exceeding half a month's salary of each completed year of service,
 - C. Leave as per Rules of the Company including encashment of un-availed leave at the end of the tenure and
 - D. The above remuneration shall be subject to the ceiling prescribed under Section 196 & 197 read with schedule V of the Companies Act, 2013 (hereinafter called the said Act) and the Remuneration Committee is authorized to make such changes in remuneration, if such changes are required to be made as per the said Act.

MINIMUM REMUNERATION :

To be paid by way of Salary, Perquisites and allowances, notwithstanding that such remuneration is in excess of the limits specified in Schedule-V of the Companies Act, 2013 or any modification thereof from time to time.

10) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :**

Considering the size, complexity and nature of business the remuneration and other pecuniary benefits proposed to be paid to the Executive Chairman are commensurate with the increased job requirements, responsibilities and is in the line with other similar companies

However, in the event of loss or inadequacy of profits in any financial year, during the currency of tenure of service of the Executive Chairman, the payment of Salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule V of

the Companies Act, 2013 and the Remuneration Policies of the Company.

11) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :**

Excepting the payment of remuneration for his service as Executive Chairman as detailed hereinabove, he has no other pecuniary relationship with the Company or any relationship with the managerial personnel of the Company except Smt. Richa Agarwal being Women Director of the company.

III. Steps taken for improvement

- 1) The Company has adopted the following strategy to restructure the Company thoroughly to make itself capable of handling the adverse market conditions in the present global competitive scenario :
 - ▶ Continued efforts on reduction of cost of production with its special emphasis on the conservation of energy.
 - ▶ Redesign the financial structure of the Company to bring down the Interest Costs on its Term Loan and Working Capital.
 - ▶ Adopt flexibility in the product-mix in line with the customers' requirements.
 - ▶ Concentrated efforts to improve its productivity, reduction of break-down, increase in efficiency at all level and creation of an atmosphere to build a profitable culture through involvement of 100% employees-simultaneously implementing Total Productive Maintenance (TPM).
- 2) **Steps proposed to be taken :**
 - a) Continuous research on improvement of pulp yield of Waste Paper resulting in optimization.
 - b) Conduct studies on optimization of wet-end chemicals for writing and printing paper.
 - c) Conduct studies on optimization of de-inking and bleaching chemicals for newsprint and writing & printing pulp.
 - d) Studies on optimization of moisture in writing & printing paper.
 - e) Exploring new markets.

IV. Disclosures :

- a) The details of remuneration to Shri Aditya Vardhan Agarwal are given in the proposed resolution and the explanatory statements annexed herewith. This may be treated as an abstract for the purpose of Section 190 of the Companies Act, 2013.
- b) The Remuneration Package and other terms applicable to the Directors shall be disclosed in the Corporate Governance Report forming part of the Annual Report of the Company.

ANNEXURE II TO THE NOTICE OF ANNUAL GENERAL MEETING

STATEMENT OF INFORMATIONS FOR SHRI MANISH GOENKA

PROVIDED IN TERMS OF THE SECTION II(IV) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

- 1) **Nature of Industry** : Manufacturing and selling of 'PAPER' including 'Newsprint'
- 2) **Expected date of Commencement of Commercial Production** : Not applicable
- 3) **In case of new companies expected date of commencement of activities as per project approved by Financial Institution appearing in the prospectus** : Not applicable.
- 4) **Financial Performance/Key indicators during last three years :** (₹ in Lacs)

		2014-15	2013-14	2012-13
a)	Paid up Share Capital	7,334.98	5,459.98	3,209.98
b)	Reserve & Surplus (Excluding Revaluation Reserve)	35,854.32	29,973.50	22,086.83
c)	Sale/Income from operation	52,102.14	54,656.51	51,001.61
d)	Total Income	52,796.47	54,994.25	51,182.41
e)	Profit before Tax	1,728.96	2,315.00	1,293.25
f)	Profit after Tax	1,216.62	1,861.30	1,155.48

II. Information about the appointee:

- 5) Shri Manish Goenka aged about 41 years, joined the Company on 01.02.2000. He was elevated to the position of Whole-Time Director on 01.07.2007. He has an extensive knowledge of Marketing, Corporate Planning, Business Development, Strategy formulation and overall management. His brilliance, dedication during the critical phase of the unit and outstanding ability coupled with keen insight, tenacity and fair-sightedness, soon made him the Senior Executive of the Company. He has always an excellent flavor of Public relation

He is associated with various federations and social organizations.

- 6) **Past Remuneration** (₹ in Lacs)

2014-15	2013-14	2012-13
45,91,768	45,98,147	41,33,035

- 7) **Recognition, Award & Achievements :**
He has been awarded by various chamber of commerce.
- 8) **Job profile and his suitability :**

Shri Manish Goenka presently holds office as Whole-Time Director of the Company and have been managing the affairs of the Company. He has made significant contribution for system development under S.A.P. Under his leadership marketing organization has been performing exceedingly well and the Company is commanding a respectable position in the Newsprint Industry.

With his rich and varied experience backed by family background Shri Manish Goenka has contributed significantly to consolidating the paper business during

the critical integration phase before and after merger of two units and commissioning of Paper Machine No. III and IV for Multi-Layer Coated Board Paper project with an installed capacity of 132000 T.P.A. including captive power plants at Balasore, Odisha.

Considering his ability, commendable leadership, expertise in system development under SAP, Marketing, business development, strategy formulation, overall management, dedicated service, Commitment and experience; and with a view to avail his service for sustaining the growth and progress of the Company, the Board considered it necessary to re-appoint Shri Manish Goenka as Whole-Time Director of the Company for a period of 3 years w.e.f. 1st July, 2015. Accordingly, the Board of Director in its meeting held on 6th May, 2015 re-appointed Shri Manish Goenka as Whole-Time Director of the Company subject to approval of the Members in the General Meeting.

As Whole-Time Director of the organization, he is always been in front for the improved performance and all round progress of the Company. Keeping in view his expertise, dedication and experience the Board recommend for re-appointment of Shri Manish Goenka for a period of 3 years w.e.f. 1st July, 2015.

- 9) **Remuneration Proposed :**

A) **SALARY:**
Basic salary ₹ 5,00,000/- per month.

The Annual increment(s) will be considered by the Board of Directors on merits and at its' absolute discretion.

B) **PERIOD :**
1st July, 2015 to 30th June, 2018.

- C) **BONUS :**
As per rules of the Company.
- D) **PERQUISITES :**
- i. Unfurnished accommodation shall be provided by the company.
 - ii. Reimbursement of medical expenses for self and family and Leave Travel concession as per the rules of the Company.
 - iii. Use of Company's Car for official purposes and, telephone at residence (including payment for local calls and long distance official calls).
 - iv. The Perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rules the perquisites shall be evaluated at actual cost.
 - v. Shri Manish Goenka shall also be eligible to the following perquisites which shall not be included in the computation to the ceiling on remuneration.
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
 - b. Gratuity payable at a rate not exceeding half a month's salary of each completed year of service,
 - c. Leave as per Rules of the Company including encashment of un-availed leave at the end of the tenure.

The above remuneration shall be subject to the ceiling prescribed under Section 196 & 197 read with schedule V of the Companies Act, 2013 (hereinafter called the said Act) and the Remuneration Committee is authorized to make such changes in remuneration, if such changes are required to be made as per the said Act.

MINIMUM REMUNERATION :

To be paid by way of Salary, Perquisites and allowances, notwithstanding that such remuneration is in excess of the limits specified in Schedule-V of the Companies Act, 2013 or any modification thereof from time to time.

10) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :

Considering the size, complexity and nature of business the remuneration and other pecuniary benefits proposed to be paid to the Whole-Time Director are commensurate with the increased job requirements, responsibilities and is in the line with other similar companies

However, in the event of loss or inadequacy of profits in any

financial year, during the currency of tenure of service of the Whole-Time Director, the payment of Salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013 and the Remuneration Policies of the Company.

11) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :

Excepting the payment of remuneration for his service as Whole-Time Director as detailed hereinabove, he has no other pecuniary relationship with the Company or any relationship with the managerial personnel of the Company.

III. Steps taken for improvement

3) The Company has adopted the following strategy to restructure the Company thoroughly to make itself capable of handling the adverse market conditions in the present global competitive scenario :

- ▶ Continued efforts on reduction of cost of production with its special emphasis on the conservation of energy.
- ▶ Redesign the financial structure of the Company to bring down the Interest Costs on its Term Loan and Working Capital.
- ▶ Adopt flexibility in the product-mix in line with the customers' requirements.
- ▶ Concentrated efforts to improve its productivity, reduction of break-down, increase in efficiency at all level and creation of an atmosphere to build a profitable culture through involvement of 100% employees-simultaneously implementing Total Productive Maintenance (TPM).

4) Steps proposed to be taken :

- a) Continuous research on improvement of pulp yield of Waste Paper resulting in optimization.
- b) Conduct studies on optimization of wet-end chemicals for writing and printing paper.
- c) Conduct studies on optimization of de-inking and bleaching chemicals for newsprint and writing & printing pulp.
- d) Studies on optimization of moisture in writing & printing paper.
- e) Exploring new markets.

IV. Disclosures :

- a) The details of remuneration to Shri Manish Goenka are given in the proposed resolution and the explanatory statements annexed herewith. This may be treated as an abstract for the purpose of Section 190 of the Companies Act, 2013.
- b) The Remuneration Package and other terms applicable to the Directors shall be disclosed in the Corporate Governance Report forming part of the Annual Report of the Company.

ANNEXURE – III TO THE NOTICE OF ANNUAL GENERAL MEETING
ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT
AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Name of Director	Shri Aditya Vardhan Agarwal	Shri Manish Goenka	Smt. Richa Agarwal
Date of Birth	06.01.1975	07.02.1974	09.11.1977
Date of Appointment	23.10.2000	01.02.2000	27.01.2015
Expertise in Specific Functional areas	Well-known industrialist, Rich and varied experience in marketing, Business Development, Corporate strategic planning, finance planning for expansion plan and working capital requirement.	He is an Industrialist with extensive business experience, expertise in Marketing, Corporate Planning, Business Development, Strategy Formulation and overall Management.	She has extensive experience in the area of Corporate Planning, Business Development, Marketing and Overall Business Management.
Qualification	B.Com.	M.B.A.	B.Com.
Chairman/Director of other Companies	<ul style="list-style-type: none"> - Emami Limited - Emami Cement Ltd. - T.M.T. Viniyogan Ltd. - Ajanta Suppliers Pvt. Ltd. - Emami Group of Companies Pvt. Ltd. - Suntrack Commerce Pvt. Ltd. - Merchants Chamber of Commerce 	<ul style="list-style-type: none"> - Emami Cement Limited - Prestige Vyapaar Limited - Bhanu Vyapaar Private Limited - Emami Group of Companies Pvt. Ltd. 	NIL
Shareholding in the Company	12,500	87,000	1,500

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGO LANE, 2ND FLOOR, KOLKATA - 700001
Phone : (033) 2243-5029/5809 Fax : (033) 2248-4787
E-mail: mdpldc@yahoo.com
CIN: U20221WB1982PTC034886

SI No. :

Date :

Dear Sir(s)/Madam,

Unit : **Emami Paper Mills Limited**

As per Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule, 2014, the following information relating to each shareholder to be maintained by the Company in its Register of Members as per Form No. MGT - 1 :

PARTICULARS	1st/Sole Holder	1st Joint Holder	2nd Joint Holder
E-mail ID (1st holder only)			
PAN No.			
AADHAR No. (UI No.)			
Mother's Name			
Occupation			
PARTICULARS	INFORMATION FURNISHED		
CIN No. (in case Member is body corporate)			
Name of Guardian (in case Member is minor)			
Date of birth of Member(in case of minor)			

Date : _____

Signature of Member
(Sole/First Holder)

Signature of Member
(1st Joint Holder)

Signature of Member
(2nd Joint Holder)

Place : _____

Signature Attested by Bank
under Rubber Stamp with Name,
Designation and SI. No.

We request you to provide us the above information in respect of the first holder and joint-holder(s),if any,as indicated above and return us this letter duly signed together with (i) self-attested photocopy of PAN Card of all holders (ii) photocopy of share certificate(s) for verification of holding.

Thanking you,

Yours faithfully,
For **MAHESHWARI DATAMATICS PVT. LTD.**
REGISTRARS

Encl. : as stated.

P.S. : Being computer generated letter, no signature is necessary.

emami paper mills limited

CIN: L21019WB1981PLC034161

Regd. Office: 687, Anandapur, E.M.Bypass Kolkata – 700 107 (Near Ruby Hospital); **Phone:** (91-33) 6613-6264; **Fax:** (91-33) 6613 6400

E-mail: emamipaper@emamipaper.in; **Website:** www.emamipaper.in

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	User ID	Password

Please refer to the AGM Notice for e-voting instruction.

The e-voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
10.00 a.m. (IST) on August 07, 2015	5.00 p.m. (IST) on August 10, 2015

ATTENDANCE SLIP

I/We hereby record my/our presence at the **33rd Annual General Meeting** held on **Tuesday, August 11, 2015 at 11.00 a.m.** at **687, Anandapur, E. M. Bypass, Kolkata – 700107.**

Folio/DP ID & Client ID No.:
Share Holding :
Serial No.:
Name:
Name(s) of joint Holder(s), if any:
Address:

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

emami paper mills limited

CIN: L21019WB1981PLC034161

PROXY FORM – MGT.11

Regd. Office: 687, Anandapur, E.M.Bypass Kolkata – 700 107 (Near Ruby Hospital); **Phone:** (91-33) 6613-6264; **Fax:** (91-33) 6613 6400

E-mail: emamipaper@emamipaper.in; **Website:** www.emamipaper.in

33rd Annual General Meeting held on Tuesday, August 11, 2015 at 11.00 a.m. at 687, Anandapur, E. M. Bypass, Kolkata – 700107.

I/We, being the member(s), holding.....shares of Emami Paper Mills Limited hereby appoint :

- | | | |
|----------------|----------------|-------------------------|
| (1) Name | Address..... |or failing him/her |
| E-mail Id..... | Signature..... | |
| (2) Name | Address..... |or failing him/her |
| E-mail Id..... | Signature..... | |
| (3) Name..... | Address..... |or failing him/her |
| E-mail Id..... | signature..... | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 11.00 a.m. at 687, Anandapur, E. M. Bypass, Kolkata – 700107 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of the Audited Financial Statements of the Company for the year ended 31 March, 2015 including Balance Sheet as at 31 March, 2015 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.			
2.	Declaration of dividend on equity shares and preference shares for the financial year 2014-15.			
3.	Appointment of a Director in place of Shri Manish Goenka (DIN-00363093), who retires by rotation and being eligible, offers himself for re-appointment.			
4.	Ratification of the appointment of M/s. S. K. Agrawal & Co., as Auditors of the Company and M/s. Salarpuria Jajodia & Co., as Unit Auditors (Kolkata Unit) of the Company.			
Special Business				
5.	Appointment of Smt. Richa Agarwal as a Woman Director of the Company.			
6.	Approval of the remuneration of the Cost Auditors, M/s. V. K. Jain & Co. for the financial year ending 31 st March, 2016.			
7.	Re-appointment of Shri Aditya Vardhan Agarwal, (DIN.00149717) as Whole-Time Director designated as Executive Chairman for a period of 3 (three) years with effect from 8 th November, 2015.			
8.	Re-appointment of Shri Manish Goenka, (DIN.00363093), as Whole Time Director for a period of 3 (three) years with effect from 1 st July, 2015.			

Signed thisday of2015

Member's Folio / DP ID & Client ID No.....Signature of Shareholder(s).....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

- Note :**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33rd Annual General Meeting.
 - It is optional to put a 'X' in the appropriate column against the Resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all 'Resolutions' your proxy will be entitled to vote in the manner as he/she thinks appropriate.



emami* paper mills limited

CIN: L21019WB1981PLC034161

Regd. Office : 687, Anandapur, E.M.Bypass, Kolkata-700 107
(Landmark - Near Ruby Hospital)

Phone: (033) 6613, 6264; Fax: (033) 6613 6400

E-mail: emamipaper@emamipaper.in; Website: www.emamipaper.in

BALLOT FORM

Serial No.:

1. Name and Registered Address of the sole / first named shareholder :
2. Name(s) of the Joint Holder(s) if any :
3. Registered Folio No./DP ID & Client ID :
4. Number of Share(s) held :

I/We hereby exercise my/our vote(s) in respect of the following resolutions stated in the Notice of 33rd Annual General Meeting (AGM) of the Company to be held on Tuesday, 11th August, 2015 by sending my/our assent or dissent to the said Resolutions by the tick (✓) mark at the appropriate box below:

Resolution Number	Description of Resolution	No. of Shares	(FOR)	(AGAINST)
			I/We assent to the Resolution	I/We dissent to the Resolution
Ordinary Business:				
1.	Adoption of the Audited Financial Statements of the Company for the year ended 31st March, 2015 including Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.			
2.	Declaration of dividend on equity shares and preference shares for the financial year 2014-15.			
3.	Appointment of a Director in place of Shri Manish Goenka (DIN-00363093), who retires by rotation and being eligible, offers himself for re-appointment.			
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8.	Re-appointment of Shri Manish Goenka, (DIN.00363093), as Whole Time Director for a period of 3 (three) years with effect from 1st July, 2015.			

Electronic Voting Particulars

EVSN (E-Voting Sequence Number)	User ID	Password
		Existing Password

Place:

Date:

(Signature of the Shareholder)

NOTE: Please read the instructions carefully before exercising your vote.

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both the modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form and send it so as to reach the Scrutinizer, Mr.Sandip Kumar Kejriwal, Practicing Company Secretary, at the self-address envelope enclosed with the form.
2. The Form should be signed by the Member(s) as per the specimen signature registered with the Company/Depository. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next name joint holder. A Power of Attorney (PoA) holder may vote on behalf of a Member, mentioning the registration number of the PoA registered with the Company or enclosing an attested copy of the PoA. Exercise of vote by ballot is not permitted through proxy.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
4. Votes should be cast in case of the resolutions, either in favour or against by putting the tick (✓) mark in the column provided in the ballot form.
5. The voting right of the members shall be in proportion to the paid up value of their shares in the equity share capital of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than Monday, 10 August, 2015 (5 p.m.IST). Ballot Form received after Monday, 10 August, 2015 will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot will be final.