



emami
PAPER
MILLS LTD.



We can. We will.

Two sentences that encapsulate
the essence of what we are
and what we seek to do

Emami Paper Mills Limited
Annual Report 2021-22

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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What is the meaning of the cover?

The meaning of this cover is Emami Paper will combine innovations, concepts, and technologies to mould these multicoloured pages of this cover design into a variety of packing boxes that reflect the Company's enthusiasm and satisfaction via the use of those colours.

Market Capitalisation as at 31st March, 2022	₹990.67 Crores
*AGM Date	Friday, 19th August, 2022 at 10:30 a.m
BSE Code	533208
NSE Symbol	EMAMIPAP
*AGM Mode	Video conferencing

We can. We will.

Who we are is what we do.

The world passed through a challenging pandemic.

Emami Paper could have waited for the storm to blow over.

The Company reinvented mindsets and work practices instead.

The result is that the Company report a 61 percent growth in revenue and 125 percent increase in profit after tax in FY 2021-22.

All it took for the Company to be reimaged were four words.

'We can. We will.'

Our Founders



Mr. R. S. Goenka (standing) and Mr. R. S. Agarwal (sitting)

WHAT WE ARE

Emami Paper Mills is a modern broadbased paper and paper board manufacturer.

The Company is engaged in the manufacture of packaging board, writing & printing paper and newsprint.

This broadbasing has made the Company responsive to diverse consumer segments.

This approach has strengthened business sustainability and empowered the Company to competently address the growing needs of a modern India.

Background

The Company commenced its journey in 1981 through the manufacture of paper & paper board.

The Company specialises in the manufacture of newsprint, writing & printing paper as well as the multilayer-coated board.

The Company is the largest Indian manufacturer of newsprint and the only Eastern India manufacturer of multi-layer coated boards.

Promoters

The Company belongs to the prominent and respected Emami Group, having a group turnover of more than ₹ 25,000 crores, founded by visionary promoter RS Agarwal and RS Goenka. The Group possesses extensive interests in industries like FMCG, biodiesel and edible oil, paper, writing instruments, realty, healthcare, retail and contemporary art. The Emami Group has established respect for its entrepreneurial capability, innovation, new product category creation, cash liquidity, technology absorption, wide distribution presence, marketing competence and effective promotion. The promoters accounted for a 74.97 percent stake in the Company with no shares pledged.

Locations

The Company is headquartered in Kolkata; its only manufacturing plant is located in Balasore (Odisha). The Company generated 69.21 percent of its revenues from within India and 30.79 percent from 29 countries in FY 2021-22. The Company's principal manufacturing location is about 130 km from the nearest port.

Customers

The Company enjoys a prominent position in the high-end packaging board segment and continues to consolidate its favoured supplier status among leading end-use customers, front-line printers/converters and brands. With a sizable clientele in the pharmaceuticals, FMCG, and e-commerce sectors, the packaging board segment caters to the growing needs of clients. Its high-end writing and printing paper addresses demanding retail and institutional consumers. Its quality newsprint is consistently preferred by prominent Indian media houses.

Board of Directors



Mr. Aditya V. Agarwal
Executive Chairman



Mr. Manish Goenka
Whole-time Director



Mrs. Richa Agarwal
Non-executive Director



Mr. Amit Kiran Deb
Independent Director



Mr. Sumit Banerjee
Independent Director



Mrs. Mamta Binani
Independent Director



Mr. H.M. Marda
Independent Director



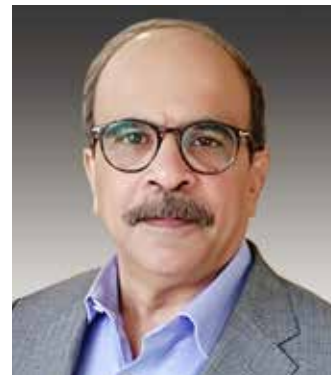
Mr. S. Balasubramanian
Independent Director



Mr. J.K. Khetawat
Independent Director



Mr. P.S. Patwari
Executive Director



Mr. Vivek Chawla
*Whole-time Director
& Chief Executive Officer*

Employees

The Company is a responsible employer comprising 1,121 employees as of 31st March 2022 across various competencies. The average age of employees was 43 years as of 31st March 2022.

Credit rating

The Company's fundamentals were rated favourably, reflected in 'IND A-/ Stable by India Ratings and Research. This favourable rating empowered the Company to mobilise low-cost debt.

Listing

The Company is listed on the BSE Ltd and the National Stock Exchange of India Ltd and enjoyed a market capitalisation of ₹990.67 Cr as of 31st March 2022. The Company's valuation strengthened 32 percent during the year under review.

Responsibility

The Emami Group is respected for clean environment practices, governance, business stability and community welfare. The Group has integrated sustainability into its strategic direction.

Awards

2021: The Company was awarded the 'First Prize' in the Paper & Pulp Sector for 2021 at the National Energy Conservation Award for energy conservation.

How we have evolved over the years

1983

Balasure facility commissioned with 15 TPD capacity.

1988

Increased manufacturing capacity to 30 TPD.

2001

Commissioned a 5 MW co-generation captive power plant.

2004

Commissioned the brick plant. Won an award for environment safety and green belt development.

2008

Emerged as one of the largest manufacturers of newsprint and a market leader in the country.

2010

The Company was listed on the Bombay Stock Exchange (BSE)



1994

Takeover of Gulmohar Paper Ltd in Kolkata.

1998

Capacity increased to 100 TPD following the successful commissioning of PM#2.

2000

Emami Paper Mills Ltd (factory in Balasore) merged with Gulmohar Paper Ltd; the name of the Company was changed from Gulmohar Paper Ltd to Emami Paper Mills Ltd.

2005

Company's Balasore production capacity was increased to 135TPD; the unit was awarded as the Best Medium-Scale Unit.

2006

Company received the Excellence Award for Industrial Environment Management; it received the TPM excellence award - 1st Category.

2007

- Commissioned 15 MW Co-generation captive power plant, de-inking plant of 300 TPD and Paper Mill-III of 250 TPD.
- Company increased the Balasore production capacity from 60,000 TPA to 145,000 TPA.

2015

A paper board plant of 1,32,000 TPA with 10.5 MW power plant was commissioned

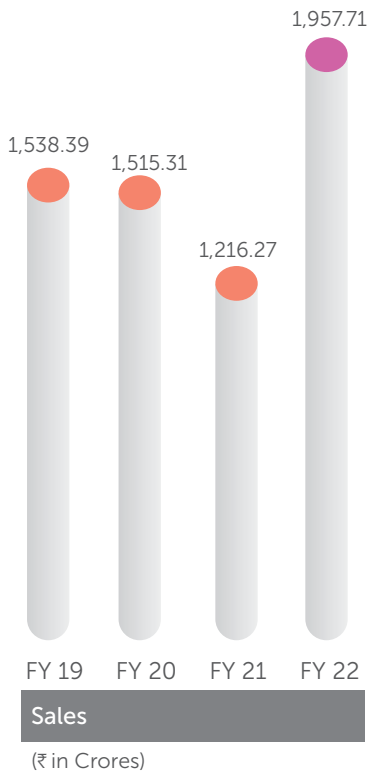
2017

Capacity of the board plant increased to 1,80,000 TPA. PM-II was modified to make it multi-functional and produce newsprint and writing & printing grade. The 15MW power plant was upgraded to 18MW

2019-20

Capacity of the board plant increased to 2,00,000 TPA. PM#1, PM#2 and PM#3 were modified to make it multi-functional to produce newsprint, writing & printing, and kraft grade with a combined capacity of 1,40,000 TPA. Total capacity increase to 3,40,000 MT

How we have grown over the years



Meaning

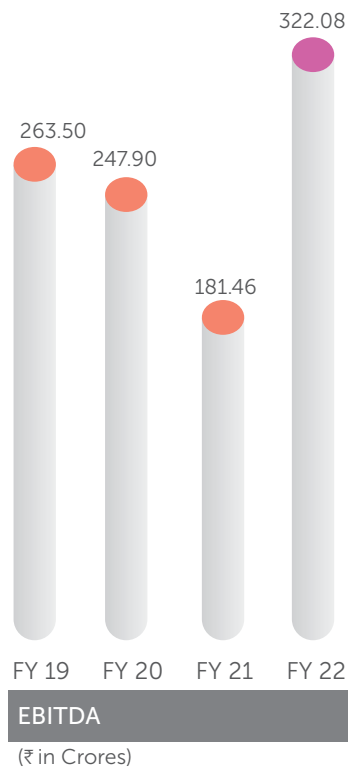
Sales refer to revenue earned by the Company that keeps it in business.

Importance

It provides an understanding of the Company's income from which expenses can be deducted

Performance

The Company reported ₹1,957.71 Crore of sales in FY 2021-22, its highest ever.



Meaning

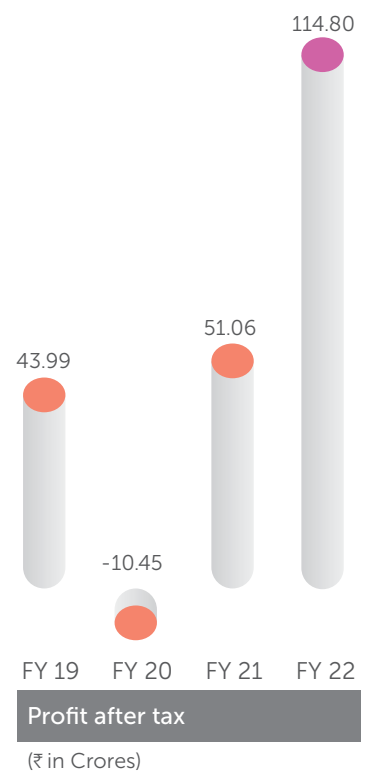
EBITDA refers to the earnings of a company before interest, tax, depreciation and amortisation.

Importance

Investors use EBITDA as an indicator to measure the profitability and efficiency of a company and compare it with similar companies.

Performance

The Company reported ₹322.08 Crore EBITDA in FY 2021-22, its highest ever.



Meaning

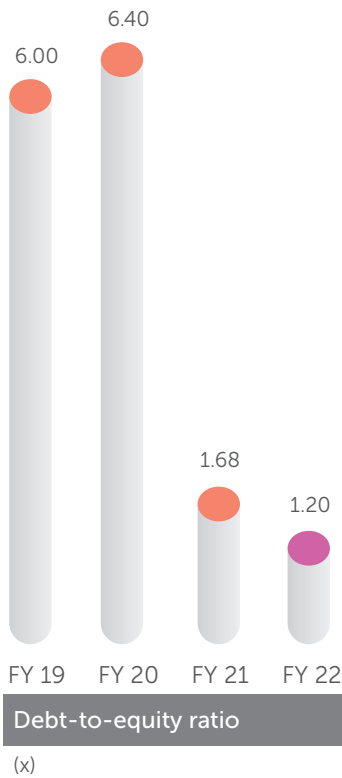
Profit after tax refers to the amount that remains after a company has paid its operating and non-operating expenses, other liabilities and taxes. This profit is distributed to shareholders as dividend or retained as reserves.

Importance

Profit after tax reflects the surplus that a company generates in an operating year, an index of its productivity

Performance

The Company reported ₹114.80 Crore in PAT in FY 2021-22, its highest ever.



Debt-to-equity ratio

(x)

Meaning

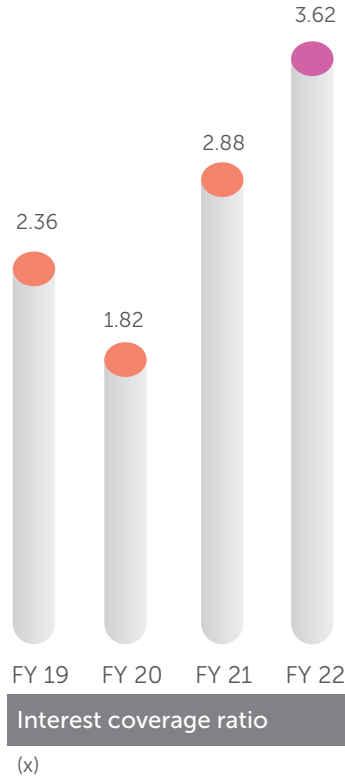
The debt-to-Equity ratio (also called gearing) is a leverage ratio that calculates the weight of total debt and financial liabilities against total shareholders' equity

Importance

This ratio highlights how a company's capital structure is tilted either toward debt or equity financing.

Performance

The Company reported a debt-to-equity ratio of 1.20 for FY 2021-22, its lowest in years.



Interest coverage ratio

(x)

Meaning

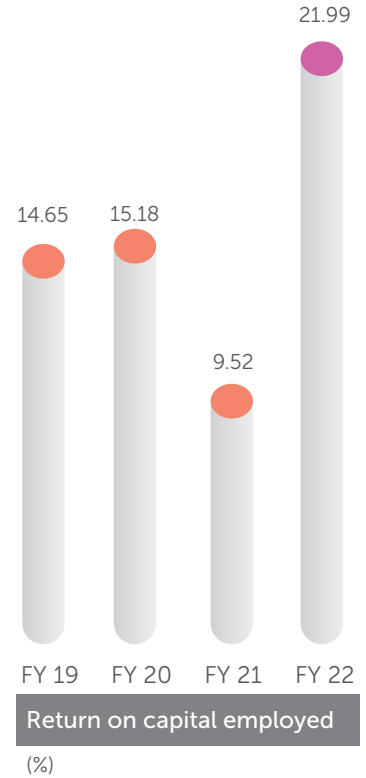
The Interest Coverage Ratio (ICR) is a financial ratio that is used to determine how well a company can pay interest on its outstanding debt.

Importance

The ICR is commonly used by lenders, creditors, and investors to determine the riskiness of lending debt to a company.

Performance

The Company reported 3.62 interest coverage ratio in FY 2021-22, its highest in years and indicative of rising liquidity.



Return on capital employed

(%)

Meaning

Return on Capital Employed (ROCE), a profitability ratio, measures how efficiently a company is using its capital to generate profits.

Importance

The return on the capital employed metric is considered one of the most trusted profitability ratios and commonly used by investors to determine whether a company is suitable to invest in or not.

Performance

The Company reported 21.99 percent Return on capital employed for FY 2021-22, its highest ever.

'We can. We will.' denotes a new way of doing things at Emami Paper



Aditya V. Agarwal,
Executive Chairman

Manish Goenka,
Whole-time Director

DEAR SHAREHOLDERS,

The biggest development at Emami Paper during the year under review was not something that our shareholders will be able to discern on the Balance Sheet.

The biggest transformation was in the 'how' and not in the 'what'. This 'how' was manifested in a 'We can. We will.' commitment to counter challenges with passionate, resolved and informed team working.

The transformation was in the culture, which represented a new way of doing things.

The new Emami Paper is about empowering employees to believe that they 'own' the Company. During the year under review, this was reflected in various kaizen projects and initiatives being driven from the bottom up. We believe that nothing can stand in the way of a company that is driven by hundreds of 'owners' and it is this conviction that will translate into Emami Paper's sustained outperformance.

The new Emami Paper is about seeking a better way. During the year under review, this manifested in the Company customising products around specific customers, especially in sectors where the Company had a negligible exposure. The result is that by the end of the year under review the Company had begun to generate revenues from newly launched products, which inspires the optimism that we have extended into diverse categories with differentiated products, broadbasing our risks and enhancing our relevance.

The new Emami Paper is about teamwork. During the year under review, we formalised engagements between employees that resulted in a sharing

of perspectives related to enhanced plant output and productivity. This cross-functional exchange accelerated interventions and informed decision making.

The new Emami Paper is a networked company with data as the basis of decision-making, turning the organisational needle towards structured information seeking.

The new Emami Paper is about passion. The operative term at our company is not about how we perform; it is about how well we outperform. The result is a culture that does not place a priority on conformance; it puts a premium on the capacity to think differently and do differently.

The new Emami Paper is not singularly focused on revenue as much as it is focused on profitability. The result has been a subtle shift from 'maximise output' to 'maximise margins', which has translated into a Return on Capital Employed focus, strengthening value-addition, realisations and margins.

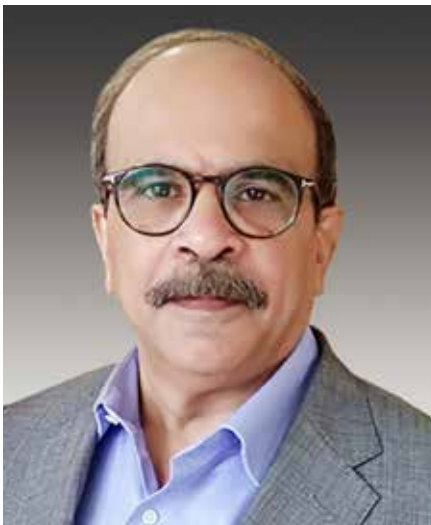
We are optimistic about this framework of a reinvented Emami Paper that will enhance value for all those associated with our company.

With best regards,

Aditya V. Agarwal,
Executive Chairman

Manish Goenka,
Whole-time Director

Emami Paper intends to emerge as a ₹5000 Crore revenue company by 2025.



Vivek Chawla,
Whole-time Director & CEO

Overview

Emami Paper reported its best results during FY 2021-22, a year when one of its operating segments underperformed on account of a sustained closure of academic institutions.

The Company reported profitable growth: even as revenues increased 61 percent, EBIDTA strengthened 77 percent and profit after tax improved 125 percent.

The Company reported ₹ 1,957 cr revenue in FY 2021-22, ₹ 322.08 cr in EBIDTA and ₹ 114.80 cr in profit after tax.

Performance driver

It would be simplistic to assume that this improvement was the result of a swing in commodity realisations of the products manufactured by your company or inventory profits during an inflationary environment. The improvement was the result of a coming together of dozens of small improvements across operations. The gains that were generated by

these improvements translated into an attractive increment over the prevailing industry average, deepening our outperformance.

In turn, these extensive improvements were derived from a culture of 'We can. We will.', which is the theme of this Annual Report. Across the last financial year, 'We can. We will.' was heard more often within our company across operating levels. The enunciation of these words was not in response to the routine and the usual; these words emphasised that the Company would prevail in the face of intimidating challenges, targets and objectives. It represented the coming together of various positive forces of our company and the articulation of a unified spirit in the pursuit of a common goal.

The rationale

I have been asked: why was a passionate response even necessary? Why was there a need to look within the Company to address the transforming realities of the paper industry?



The improvement was the result of a coming together of dozens of small improvements across operations.

There was a need for an important reason. During the last few years, it has become increasingly evident that the only way to effectively counter the volatility of the external market is internal stability. It has become increasingly manifest that the old response of watching and waiting for market realities to improve now needs to be revisited. It is becoming widely understood that profits need to be generated from efficiencies internal to companies. It is now extensively recognised that cost increases cannot be passed on to customers and that companies need to enhance sustainability by eliminating the wasteful and inefficient.

At Emami Paper, these realities have put a premium on the way the Company thinks, decides and implements. In short, the challenges of the external environment have warranted a complete rethink in the way we do business.

A new way of thinking

Emami Paper believes that perseverance and persistence represent the key to success.

In our quest to build a differentiated company, we resolved that we would need to do something different. This warranted that we question conventional practices; that we reverse the paradigm; that we replace the standard 'Why?' when someone attempts the contrarian with 'Why not?'

More importantly, we attempted something that was for long considered radical within our serious and systems-driven capital-intensive business. We selected to reverse the erstwhile command structure; we decided to grow the business bottom-up.

This is how the unconventional approach played out. While the overall strategic guidelines would be defined by the senior management, the Company would provide teams across levels to drive their growth targets and explore improvement room. This is possibly the most decisive initiative ever undertaken by our company. This single initiative has inspired a new way of thinking, acting and achieving.

Creating platforms

It is necessary to explain how we worked in the past to appreciate what we accomplished during the year under review.

Senior executives would direct their reportees on what needed to be done, when to do it and how to do it. Some of this was understandable in a process-driven industry where linear rigour was valued. However, we asked ourselves: Is it necessary for our people to be instructed at every step? Can we trust and inspire them to seek a better way?

These two questions initiated a cultural revolution at our company. Morning meetings began to be conducted across functions. A brief

morning meeting in the head office invited one employee to address the group, strengthening confidence and articulation. The day's shop floor activities began to be deliberated across teams. The daily activity now began to be aligned with the monthly business target. Responsibilities began to be collectively owned. The word 'we' began to be heard more often than 'me'. Dozens of kaizens (continuous improvement) now began to be proposed from the shop floor level. An increasing number of kaizens began to generate savings. The credit for these kaizens began to cascade to those who had proposed them. Roles were defined with enhanced clarity, connecting individual employees to the larger picture. Multi-tasking was widened; Technology investment was accelerated to enhance people's productivity.

Positive outcomes

The 12 months of FY 2021-22 have been a watershed for our company.

Our record performance was the result of various targets being achieved. Our targets were achieved because teams were encouraged to define their stretch objectives. These team members were motivated to devise their means without seniors looking over their shoulders.

The creative ferment between and within teams had an effective impact. Today's Emami Paper reflects a deeper



Our record performance was the result of various targets being achieved. Our targets were achieved because teams were encouraged to define their stretch objectives.

concern for resources used and returns generated. Every team works with an RoCE mindset; each cost is questioned; each positive outcome is no longer appraised from the realisations perspective but a more holistic RoCE filter.

This was one of the drivers of the closure of the Company's longstanding Gulmohur unit on the outskirts of Kolkata. Over time, the plant had become sub-optimal in size and could not be expanded. The Company selected to discontinue operations at this facility during the last financial year following a sensitive engagement with all employees that was followed by a voluntary retirement scheme. With operations having been discontinued, the idle facility is likely to be monetised, enhancing resources for reinvestment.



The big picture

At Emami Paper, we find ourselves in a buoyant market. The demand for writing & printing paper has revived; the offtake of paperboard continues to be the Company's principal revenue driver; the offtake of newsprint has recovered following the waning of the pandemic. During the current financial year, we expect the Company to be firing on all three revenue engines.

Our operating landscape continues to be optimistic: the robust economic growth extracted out of India across the coming years is expected to cascade into a higher demand for packaging boards. This growth is likely to be driven by the country's FMCG, pharmaceutical and other retail focusing sectors.

We would be under-shooting on the rich potential in our business if we planned to grow incrementally through capacity debottlenecking. The Company is weighing the options for either backward or forward integration. All our cash flows are likely to be allocated in this business with the objective that we graduate Emami Paper 2.5x into a ₹5000 cr revenue company by 2025. This means that whatever growth we generated in the past year of our existence could be more than replicated in only the next three years.

I welcome our stakeholders to be a part of this exciting journey.

Vivek Chawla,
Whole-time Director & Chief Executive Officer

How Emami Paper transformed its personality

At Emami Paper, we believe that success in a dynamic business is derived from the ability to keep one step ahead

Our 'We can. We will.'
spirit in action.

We began to share operational and financial numbers across our Company

In conventional companies, there is an information premium.

Much of the information related to a company's operations is locked into silos that can be accessed only by the senior management.

At Emami Paper, we questioned this bias.

During the last financial year, we deepened the practice of sharing operational and financial numbers across the line.

We informed. We educated. We enriched.

The result is that most employees began to refer to the same set of numbers. They began to make decisions based on this data. They began to set targets that were precise and defined.

The result: the greater the awareness, the more passionate the engagement and the more visible the outcomes.

Our 'We can. We will.' spirit in action.

Creating wider and focus teams to enhance our procurement economies

Emami Paper's procurement function encountered a challenge.

In a business where we import all our pulp – an estimated 1,40,000 tons per annum – a small error in timing or cost could translate into a sizable transaction 'loss'.

In the past, this function was completely managed by a small, focused team.

A reinvented Emami Paper widened this function to include young executives who examined the global market for leads and trends. The result is that this function was no longer completely dependent on one or few executives; it was enriched by perspectives coming in from different directions.

The team entrusted with this responsibility was now empowered with data and developments; it was able to take an informed decision that made it possible for us to buy adequate pulp stock just before an imminent price rise (as prompted by our young team), strengthening competitiveness.

The result was a sizable saving, enhancing our surplus for the year under review.

Our 'We can. We will.'
spirit in action.

The focus is now on new product developing

In the past, customers came to Emami Paper and expressed their new product application needs.

In the reinvented Emami, this practice was altered. Our empowered young product development teams were empowered to go and speak to customers to comprehend their evolving needs.

One of these teams - a young team of paper technologists from our product development cell - studied the requirements of customers in the fast-food sector. The result was the development of oil and grease-resistant paper, which opened us to a completely new packaging paper application.

The effect has been transformative for our culture. There has been a spate of new product developments addressing a range of applications across different sectors.

Suddenly, the word going around our shop floor is different. It is no longer 'How much did we manufacture today on the overall?'

It is 'How much did we make of new paper varieties for niche customer...?'

A small change has translated into a big cultural transformation

Our 'We can. We will.' spirit in action.

How we integrated backwards to enhance resource security

The last year was challenging for most businesses seeking to import resources.

There was a sharp increase in ocean freight costs; there was a shortage of shipping containers that affected schedules.

At Emami Paper, we could have said 'There is nothing we can do about this as things are out of our control'.

We responded with a different mindset. We integrated backwards instead.

We launched a 'raddi se samridhi' programme, where we began to access local markets to collect as much newsprint as we could.

This experimental initiative is no longer experimental; the Company aggregates 300 tons per month of newsprint from neighbourhoods.

It succeeded because nobody said 'We can't'; someone said 'We can. We will.' and everyone joined in.

Our 'We can. We will.'
spirit in action

How we developed SAP S/4Hana to strengthen our decision making

In a growing company, there was no question that we would need to graduate to a higher SAP version that would empower us with deeper data simulations and evolve us from 'what is' to 'what could be'.

Emami Paper invested in SAP S/4Hana with this perspective as well. With one difference.

The Company created a focused team to address its implementation.

The team was inspired by the big picture of how critical its timely implementation was to decision-making and competitiveness.

The team worked long hours. The team created specialists. The team delegated to others. The team conducted periodic project reviews. The team accelerated.

The result is that in the reinvented Emami Paper, the complete implementation of SAP S/4 Hana was completed in just eight months.



Our Stakeholder Value-Creation Report, FY 2021-22

How we enhanced value in an integrated, inclusive and sustainable way

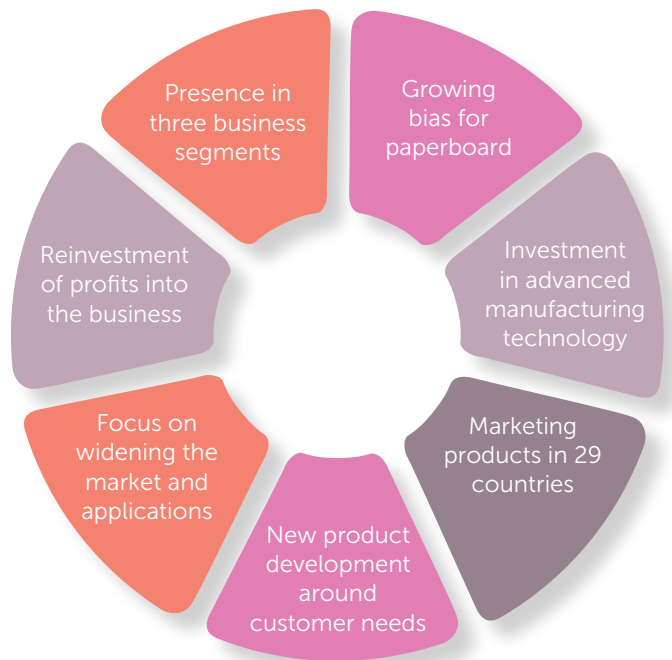
Overview

The Integrated Value-Creation Report overcomes the conventional approach with a comprehensive framework that captures a wider set of initiatives and addresses a larger family of stakeholders.

The Integrated Reporting approach explains the sectoral context and analyses corporate strategy and competitiveness leading to different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organisation's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital how an organisation enhances value. Its impact extends beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.

Our overall value enhancement strategy





Drivers of Emami Paper value

At Emami Paper, we believe that the interplay of value for our various stakeholders has translated into superior profitability and sustainability.

Stakeholder: Our employees represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, sales and distribution, finance etc.).

Stakeholder: Our shareholders provided capital when we went into business.

Stakeholder: Our vendors provide a credible and continuous supply of resources (steel) and services

Focus: Our focus is to provide an exciting workplace, generate stable employment, and enhance productivity.

Focus: Our focus is to generate cashflow, growing RoCE and enhanced investment value.

Focus: Our focus is to maximise quality procurement at declining average costs to widen our market, strengthening sustainability.

Stakeholder: Our customers keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations.

Stakeholder: Our communities provide social capital (education, culture etc.).

Stakeholder: Our governments provide us with a stable structural framework that ensures law, order, policies etc.

Focus: Our focus is to provide products diversified across applications customised around different sectors

Focus: Our focus is to support and grow communities through consistent engagement.

Focus: Deepen our positioning as a responsible citizen.

The resources of value-creation

Financial capital: The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Manufactured capital: Our assets, technologies and equipment for service delivery constitute our Manufactured capital.

Human capital: Our management and employees form a part of our workforce, their experience and competence enhancing value.

Intellectual capital: Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge, account for our intellectual resources.

Natural capital: We depend on nature and have a moderate impact on the natural environment.

Social and relationship capital: Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizens.

How we enhance the value

Our resources

Financial capital: The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Manufactured capital: Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics

for the transfer of raw materials and finished products are integral to our manufacturing competence.

Human capital: Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.

Intellectual capital: Our focus on cost optimisation and operational excellence, as well as our repository of

proprietary knowledge, account for our intellectual resources.

Natural capital: We depend on raw materials sourced from nature, including pulp and crude oil derivatives.

Social and relationship capital: Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Value created

Financial capital

Turnover
₹1,957.71 cr

Earnings per share
₹18.17

ROCE
24.81 percent

Manufacturing capital

Quantum of tonnage produced
309,628

Quantum of tonnage sold
310,301

Human capital

Direct and indirect people
3,000

Total employee cost, FY 2021-22
₹105.09 cr

Intellectual capital

Cumulative senior management experience **127** years

Among a handful of large companies in India's organised paperboard sector

Natural capital

Waste materials recycled
183,531 tons

Social and relationship capital

Number of customers
537

Number of vendors
1,511

Value shared with

Investors: The Company enriched investors through dividends and capital appreciation.

Suppliers: The Company sourced ₹1,406.02 cr of materials from suppliers.


Employees: The Company provided remuneration worth ₹105.09 cr and stable employment.

Customers: The Company manufactures products for a diverse range of applications.

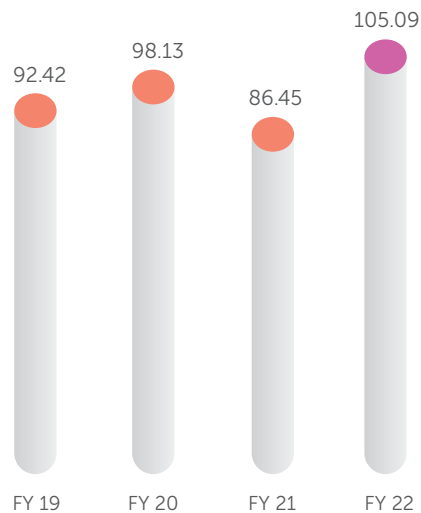
Government and regulations: The Company paid ₹156.17 cr to the exchequer (including GST); the employment catalysed the local community through downstream economic benefits.

Distributors and suppliers: The Company enhanced value for distributors and retailers through sustained resource offtake.

Our strategy

 Strategic focus	 Vendor focus	 Shareholder focus	 Customer focus	 Employee focus	 Community focus	 Government focus
Key enablers	<p>EMAMI PAPER has generated a growing appetite for resources and services, a robust platform for vendors with a long-term focus and capable of supplying a consistent quality</p> <p>The Company works with a domestic and international base of resource providers (pulp and waste paper)</p>	<p>EMAMI PAPER emphasises governance, operational excellence, cost-effective capacity creation, cost leadership and information transparency.</p> <p>The Company is focused on profitable topline growth</p> <p>The Company reported ₹233.21 cr of cash profit in FY 2021-22</p>	<p>EMAMI PAPER remains a preferred provider of paperboard, writing & printing paper and newsprint</p> <p>The Company's capacity to customise products in line with demanding downstream applications has resulted in a multi-year engagement</p>	<p>EMAMI PAPER engages direct and indirect workforce of about 3,000 people</p> <p>The Company empowers professionals through growing roles and responsibilities</p> <p>It trains employees, provides stable employment and other supports</p>	<p>EMAMI PAPER is a responsible corporate citizen.</p>	<p>EMAMI PAPER pays taxes in the geographies of its presence, generates local employment, complies with laws and statutes and enriches the communities where it is present.</p> <p>The Company generated ₹560.97 cr in foreign exchange earnings for its Indian operations in FY 2021-22.</p>
Material issues / addressed	<p>Superior use of cutting-edge technologies leading to solution differentiation</p>	<p>Creating the basis of long-term viability through a superior price-value proposition</p>	<p>Enhancing revenue visibility through multi-year customer agreements</p>	<p>Creating a professional culture seeking overarching excellence in everything the Company does</p>	<p>Inspiring the community's confidence through mutually beneficial engagement</p>	<p>Addressing the deals and taxes to the government ontime</p>

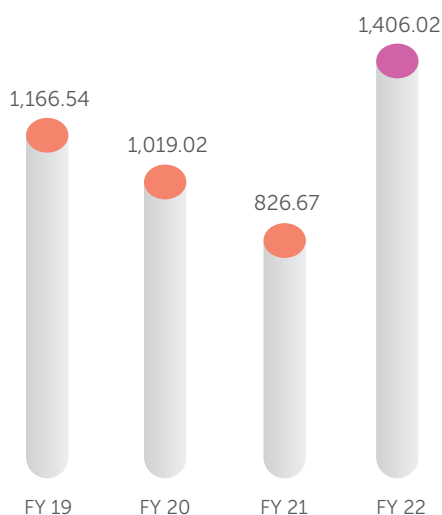
Our value-creation in numbers



Employee value

Salaries and wages (₹ cr)

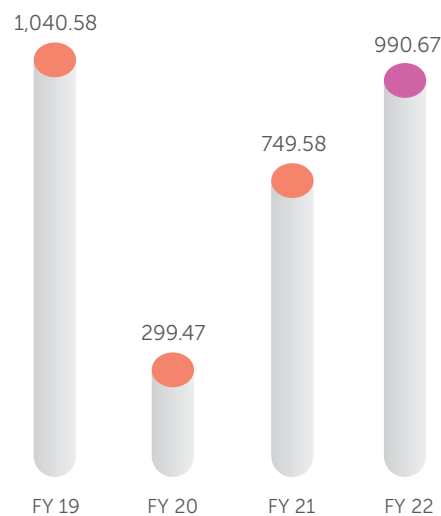
The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer.



Vendor value

Procurement (₹ cr)

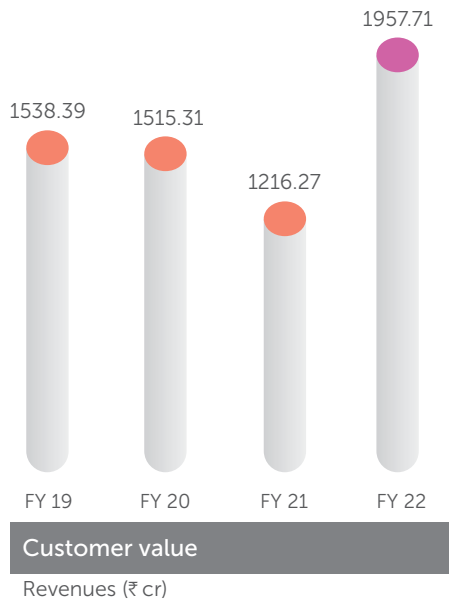
The Company procured a larger quantum of resources through the years, strengthening procurement economies.



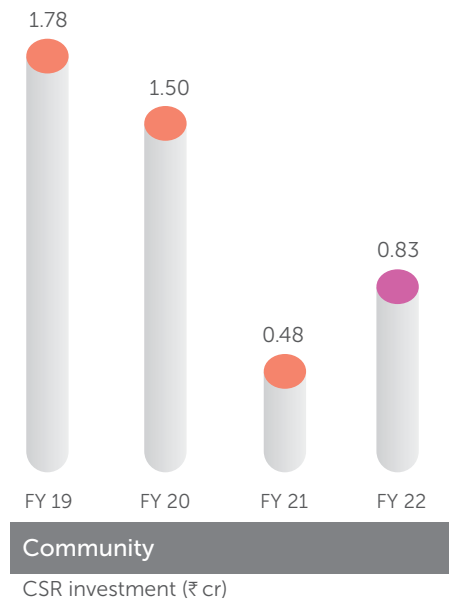
Shareholder value

Market capitalisation (₹ cr)

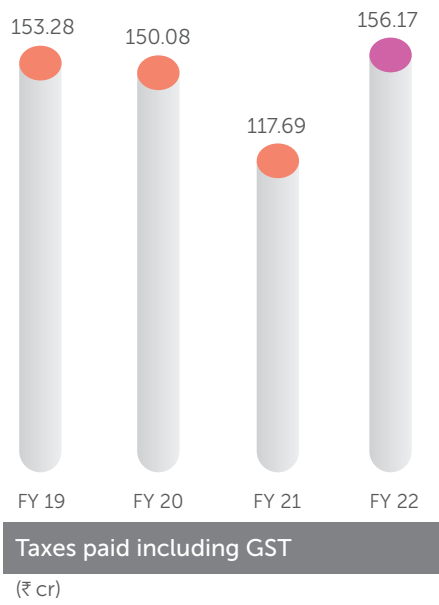
The Company strengthened shareholder value through a complement of prudent business strategy, accrual reinvestment, leveraging of its value chain, cost management and share buyback.



The Company has generated increased revenues, an index of the value created for customers coupled with an increase in average items sold to each customer.

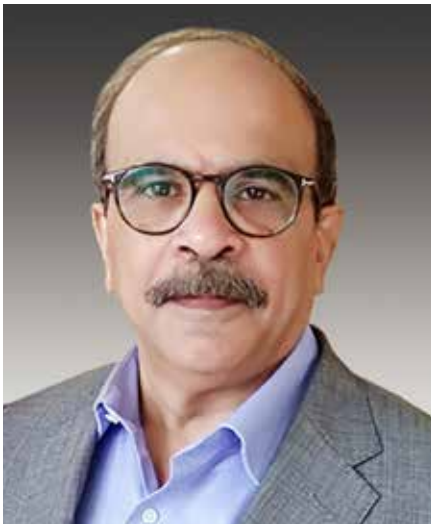


The Company enriched communities in the geographies of its presence.



The Company reinvested in the nations where its operations are located through the prompt payments of taxes and other statutory dues.

How we strengthened our financial foundation during a volatile FY 2021-22



Vivek Chawla,
Whole-time Director & CEO

Overview

At Emami Paper, we believe that financial management represents the heart of business sustainability. In a capital-intensive business-like paper manufacturing, the importance of this function cannot be exaggerated: There is a continuous need to moderate debt and related obligations (interest servicing); there is a need to manage cash flows to leave aside an investable surplus; there is a need to alter the product mix in line with evolving nature of the marketplace; there is a premium on the need to maximise value-addition to escape the commodity nature of the business.

The big message that we wish to send out is that despite two of three businesses working sub-optimally during the year under review, the Company delivered record performance, underlining the robustness of the business model.

The challenges that we faced

The Company addressed multiple challenges during the year, comprising a decline in the demand for two product segments on account of the pandemic, logistical bottlenecks, increase in raw materials costs that

stretched working capital requirements and increased freight costs that influenced the business in various ways.

Our achievements in FY 2021-22

Profitable growth: The Company reported profitable growth; revenue growth of 61 percent was exceeded by EBIDTA growth of 77 percent PAT growth of 125 percent. The Company's EBIDTA margin strengthened 1.5 bps to 16.4 percent and RoCE strengthened 1300 bps to 25 percent, validating that the improvement was comprehensive and holistic.

Divisional outperformance: The improvement in the Company's performance was largely driven by the outperformance of the packaging board business, validating the foresight of the Company to invest in this business in 2016. The packaging board business accounted for 69 percent of the Company's revenues during the year under review. The performance improvement was the result of the Company's decision to achieve rated capacity utilisation, mature the customer base and allocate 28 percent of its output for exports, broad basing the Company's sales presence without depressing realisations.

Raw material security: One of the important achievements of the Company was access to adequate liquidity, empowering the Company to secure its raw material requirements. A visible marker of the Company's resource security was its capacity utilisation; by the virtue of keeping the manufacturing lines completely running and serviced with adequate raw material, the Company's capacity utilisation increased from 72 percent in FY 2020-21 to 91 percent in FY 2021-22. The Company deepened its sourcing arrangement with Talcher coalfields to procure coal at competitive costs, ensuring that its captive power plant continued to provide two-thirds of the Company's power appetite, moderating resource costs.

There was an unprecedented increase

in imported newsprint waste prices (landed) by 193 percent from its low to the peak, which prompted the Company to mobilise non-newsprint waste. Besides, the Company leveraged its liquidity to buy raw materials at relatively low prices. The result is that even as average raw material cost per tons increased 35 percent to ₹35,000 during the year under review, the Company's raw material cost as a proportion of revenues moved from 51 percent in FY 2020-21 to 55 percent in FY 2021-22.

Working capital management: The Company encountered challenges in its working capital management. The relative increase in working capital outlay was the result of an increase in raw material costs that were beyond the Company's control. However, the

Company responded to the need to strengthen working capital hygiene. The Company's average finished good inventory declined from 8 days at the close of FY 2020-21 to 3 days in FY 2021-22. The overall working capital cycle declined from 52 days to 32 days.

Surplus allocation: The Company utilised its cash flows to pare long-term debt from ₹608.89 cr in FY 2020-21 to ₹475.87 cr in FY 2021-22; gearing strengthened from 1.68 to 1.20. Cumulative debt (including short-term loans) declined from ₹907.79 cr to ₹785.59 cr during the year under review. Average debt cost was 7 percent towards the year under review. The Company averaged its improved credit rating (BBB+ to A-), which helped to reduce the finance cost both on working capital and long term loan.

How our credit rating improved between FY 2020-21 and FY 2021-22



Big numbers

907.79	1.13
₹ cr, cumulative debt, 31 March 2021	Debt-equity ratio (ex-short-term debt), 31 March 2021
785.59	0.73
₹ cr, cumulative debt, 31st March 2022	Debt-equity ratio (ex-short-term debt), 31st March 2022

How we strengthened our culture of manufacturing excellence



Ashish A. Gupta, President

Overview

A culture of manufacturing excellence resides at the heart of Emami Paper. This culture is marked by quality products, supply reliability, cutting-edge processes, customer-centric attitude and knowledgeable employees. The Company enjoys a prominent pan brand within India and abroad. The Company's manufacturing competence is marked by continuous improvement, quality assurance, product innovation and sustainability.

Strengths

Brand: Emami Paper's manufacturing competence has helped it emerge as a respected paper and board brand in the markets of its presence

Team: The Company possesses a pool of experienced technical professionals, competent to provide manufacturing insights and solutions

Technology: The Company invested in state-of-the-art manufacturing technologies to generate superior paper qualities that can be customised

around demanding market needs

Synergies: The Company invested in three cutting-edge paper machines and one board machine; all paper machines are fungible, capable of producing writing & printing paper, high-grade kraft paper and newsprint.

Diversification: The Company's product mix is vertically diversified across paper and board and horizontally diversified across diverse grades, features and grammages. The Company entered the packaging board segment in 2016 and has since emerged as a respected manufacturer.

Challenges and responses

Raw material availability: The Company encountered challenges related to raw material procurement due to a decline in the availability of old newsprint waste.

To address this challenge, the Company converted two paper machines from newsprint to writing & printing paper, replacing its dependence on paper waste with a steady supply of

pulp. Besides, the Company's 'Raddi se samriddhi' initiative aggregated wastepaper raw material from local sources and this may be extended to neighbouring states.

Shipping delays: There were significant shipping delays due to a container shortage, which created a bottleneck in pulp import from Europe.

The Company addressed the challenge through increased domestic sourcing.

Rising input costs: The raw material procurement challenge was aggravated by rising input costs.

The Company addressed this challenge through initiatives that moderated

electricity and steam consumption and enhancing systemic productivity. Yield gains were reported across all grades, moderating overall costs.

Highlights, FY2021-22

- The Company recorded a peak output of 310,000 TPA (packaging board 1,98,000 TPA).
- The overall plant capacity utilisation was 91.07 percent compared with 69.97 percent in the previous year; packaging board machines operated at nearly 100 percent.
- The Company received prestigious National Energy Conservation Award, 2021 (First Prize in the Pulp & Paper

Industry) from Ministry of Power, Govt. of India.

- The Company enhanced output quality; a Korean customer approved the Company's grey back board quality in addition to other multinational FMCG companies.

Outlook, FY 2022-23

The Company intends to enhance capacity utilisation, widen the portfolio to cover new oil and grease-resistant grades as well as cup stock in the board machine. The Company will seek to moderate energy consumption.

FY 2021-22

0.19

Lakh tons, writing & printing paper manufactured in 2021-22

1.98

Lakh tons, packaging board manufactured in 2021-22

0.81

Lakh tons, newsprint manufactured in 2021-22

0.12

Lakh tons, kraft manufactured in 2021-22

FY 2020-21

0.23

Lakh tons, writing & printing paper manufactured in 2020-21

1.82

Lakh tons, packaging board manufactured in 2020-21

0.27

Lakh tons, newsprint manufactured in 2020-21

0.12

Lakh tons, kraft manufactured in 2020-21

Case studies

Case study #1: Timely reorientation

The newsprint market was affected during the pandemic. Emami Paper moved with speed. The Company reoriented its production capacity to quality and low grammage kraft following equipment modification. The timely reorientation helped the Company arrest a probable decline in revenues and enhance its presence in another market segment.

Case study #2: Logistical support

The Company encountered a challenge of being located in East India with a large part of its market concentrated in West and South India. The Company addressed this geographic imbalance with a culture of urgency. The Company's manufacturing function was dovetailed into its marketing and logistical functions; a flexible manufacturing schedule made it possible to produce at short notice; a 'We can. We will.' commitment empowered the Company to deliver pan-India within 72 hours.

How we strengthened our sales and marketing function in FY 2021-22



Soumyajit Mukherjee,
Jt. President (Sales & Marketing)

Overview

At Emami Paper, we manufacture and market products across three different categories – packaging board, writing & printing paper, and newsprint. Within these categories, the Company manufactures a range of grades in line with market needs and the Company's desired profitability. The objective of the Company has been to market the desired product mix, sell with speed, transform a product into a service (respected for timely delivery) and retain customers.

The challenges that we faced

The pandemic was a challenge that the Company encountered at the onset, which was marked by restrictions on the physical movements of employees and the associated decline in product demand. Besides, the closure of educational institutions affected the offtake of writing & printing paper in comparison to pre-pandemic periods.

There was a skew in the demand away from writing & printing paper and newsprint through the course of the year, which put a larger pressure on the packaging board business to outperform.

The external environment was marked by challenges related to the availability

of shipping containers and shipping freight costs, which surged from the second half onwards, affecting the costing dynamics of the business.

There was a sharp increase in raw material costs that affected the intrinsic profitability of the business, making it imperative for the Company to pass costs to consumers.

Our achievements in FY 2021-22

Sales growth: The Company reported a 26.03 percent increase in offtake by volume and 60.96 percent increase in offtake by value, which was creditable for a year marked by two pandemic-driven lockdowns and a volatile external environment. The increase in sales was largely on account of pent-up demand that translated into offtake during the year under review. There was a decline in imports into India due to logistical bottlenecks; exports also increased, affecting the domestic market balance which translated into greater reliance on domestic materials.

Vertical-wise performance: The Company's revenue mix was altered, given a change in the external market realities. Packaging board revenues grew by 48 percent over the previous financial year. Revenues grew 97

percent in the newsprint and writing & printing segments.

Exports: The Company broad-based its geographic sales coverage, following which exports increased from 26.20 percent of overall sales to 30.79 percent during the last financial year. The Company prospected virgin grade packaging boardsales in the country with similar demographics like Italy, Turkey and Egypt where the Company enjoyed a logistics advantage over China. The Company also marketed material to the USA, Canada and Australia.

Broad basing: The Company broad-based its customer mix, especially in the newspaper business where sales were largely accounted for by a handful of large media houses. During the year under review, the Company diluted its revenue concentration by reaching out to a larger spread of customers in West and North India. Besides, the Company moderated its excessive dependence on one dealer by accessing sales from a handful of dealers.

Accreditations: The Company received accreditations for its packaging board products from large multi-national consumer-facing brands that are large packaging board users. The Company's products were certified for use by the subsidiaries of these multinationals in South Asia and ASEAN.

Our strengths

The Company enjoys an enduring relationship with packaging board customers, where the board quality is critical to the customer's market positioning and perception.

The Company is engaged with several prominent converters working on behalf of some of the most prominent FMCG brands in India, serving their needs. The Company collaborates with its primary customers to develop different grades customised around specific downstream needs – especially lighter, higher stiffness, and environment-friendly grades.

The Company's sales and the marketing

team were of an average age of 35-40 years as of 31st March 2022.

Our outlook

The prospects of your company appear attractive on account of a recovery in the writing & printing segment following the opening of educational institutions in the last quarter of the year under review. There was a sharp improvement in the international newsprint price; a high freight helped protect the Indian market from the incidence of extensive product dumping. The emergence of the Russia-Ukraine war affected the flow of newsprint into India on account of the disturbed logistical pipeline.

The Company seeks to enhance its packaging board capacity across the foreseeable future given the sustained increase in demand. In the interim, the Company will seek to debottleneck its capacity at a relatively low cost and generate incremental production.

FY 2020-21

34

% of revenues derived from customers of three years or more, FY 2021-22

53

% growth in the number of customers serviced, FY 2021-22

68.61

% of revenues derived from packaging board, FY 2021-22

30.79

% of revenues derived from exports, FY 2021-22

Passion in action

During the pandemic lockdown during the first quarter of the last financial year, Emami Paper was approached by converters working on behalf of a prominent mutational retail brand. The customer had encountered an unexpected rebound on offtake; the MNC was running low on product packaging. Faced with the prospects of not being able to put products on retail shelves, the Company (through its converters) turned to Emami Paper. Emami Paper responded with speed. The Company altered its production schedule. It manufactured and delivered with speed. It kept servicing the needs of this large client with periodic dispatches. The result is that the MNC client continued to protect shelf space and market share.

Passion in action

During the last two pandemic years, there was a premium on physical engagement. Nowhere was this handicap more critical perceived than in the engagement with the Company's dealers. The dealers were accustomed to a physical engagement with the Company's management once a year where they sought assurance about the Company's direction and liquidity. Given the reality that no physical engagement would be safe, Emami Paper responded with a differentiated idea – a virtual meet instead. This virtual event on 28th August, 2021 was attended by more than 50 trade intermediaries with their families.

What Emami Paper employees have to say about our culture

“

“My Emami Paper career commenced seven years ago when I joined as Deputy Manager; I am now Regional Sales Manager (North Zone) which is the result of Emami Paper treating each one like a family member and providing a career advancement opportunity. What sets us apart is that we under-promise and over-deliver. What fills me with pride is that we built our paper board success from scratch and made it a national success story.”

Rohan Tiwari, Assistant General Manager Sales (North Zone)

“

“If anyone was diagnosed as Covid-positive, Emami Paper connected that person to a WhatsApp group where doctors were made available 24/7. An employee was hospitalised but not diagnosed with Covid. As his health deteriorated, the Company arranged for him to be moved from Balasore to AMRI Bhubaneswar, where he was provided adequate care. Another colleague, who suffered heart problems, was alone with his child; the Company ensured that the procedure was performed immediately.”

Sreejit S, Sr DGM (Mechanical)

“

“We manufacture a specific paper board quality for Samsung mobile phone boxes, the only ones in the country to do so. This year, a request for those boxes came from Korea, but required some modifications. We implemented immediately, producing international standard packaging and we now enjoy recurring orders. This highlights our ability to adapt.”

Rajesh Pawar, Sr DGM (Production)

“

“Our Emami Paper mantra is ‘We can, we will, and we are one team.’ This approach has enhanced a sense of inclusion and enhanced our collective energy.”

Susanta Paul, DGM (Finance & control)



"I joined from a different industry, but this company never made me feel like an outsider. Our packaging board materials business is the pride of the Company; it is now compared with industry leaders. What sets us apart is that we never falter on our commitments. Customers trust our eyes closed – that we will deliver on time, in full and around the promised quality."

Ajit Bhat, Assistant General Manager Sales (South Zone)



"If there is one word that describes our company, then it is 'Dependable.' We didn't shy from commitments made during the pandemic; we delivered. What gives me pride is that we have become the paper board industry benchmark."

Sadhu Srinvasa Rao, Sr. DGM Sales (East & Exports)



"I was hospitalised due to a tumour in my jaw, and the Emami Paper management processed my claim during trying times. I was hospitalised and could not speak properly as it was a jaw operation; the Company arranged for the claim to be processed by the insurance company. All I worried about was recuperation; my employer took care of everything else."

Rahul Hazari, Assistant Manager (Secretarial & Legal)



"Our pulp is imported, dried and worked on - a three-month process. In one case, there was a shipment delay in the face of large orders, but thanks to our quick decision-making, we completed the order without sacrificing quality."

Lodagala Suresh, AGM (QA and R&D)



"When we were starting out, we imported equipment from China; the assembly was complex but we responded like a team and prevailed over the challenges. That DNA of encountering challenges is what makes Emami Paper a differentiated paper company today."

Sabyasachi Chakraborty, AVP - Engineering



"When we got a new CEO in 2021, there was resistance to change among workers of more than two decades at our company. However, the CEO's differentiated approach opened a new chapter, guiding us through the pandemic challenges. This approach comprised a commitment to profitability over mere revenue growth, team working, cross-functional morning call and the methodical achievement of big targets."

Bikash Agarwal, Executive Assistant to the CEO

Our ESG commitment

Overview

Emami Paper prioritises investments in ESG, strengthening holistic business growth, quality, sustainability and respect. Investors are increasingly aligned through a desire to

understand a company’s long-term value creation plan and also receive credible, standardised information to support long-term risk assessment. This information is used by socially-conscious investors and shareholders

to screen investments and assess the Company’s impact on the world. It affects how the Company gathers and retains funding from investment funds with a socially responsible investment strategy.

Our ESG strategy

Environment

Investment in superior manufacturing technology

Focus on yield increase

GHG emissions reduction

Responsible waste disposal

Responsible waste use (newsprint business)

Pulp outsourcing has moderated carbon footprint

Environmental awareness/ training; technology upgradation

Saplings plantation

Society

Monitor/improve health safety

Risk-based training programs

Zero fatal accidents

Safety of plant area inhabitants

Rewards & Recognition programme

Donation and financial assistance

Governance

Strong Board with respected Independent Directors

6 (Six) Independent Directors out of 11 (eleven) [1 (One) woman]

Effective Board Committee structures

Anti-bribery policy, Quality policy and Sustainability policy

Whistleblower policy/Vigil mechanism

Sexual Harassment policy

Prohibition of Insider trading Policy

Overview on sustainability

A growing number of global manufacturers are recognising financial and environmental benefits from sustainable business practices. Besides, stringent environmental norms regulating agencies are helping reduce resource depletion, water scarcity, pollution and other harmful impacts.

The result of these realities is a greater emphasis on sustainable manufacturing. This comprises the manufacture of products through economically-sound processes that moderate the consumption of energy and natural resources while reducing negative environmental impact, in addition to enhancing employee, community and product safety.

Besides, there is a growing emphasis on aligning business existence with United Nations' 10 principles for manufacturing responsibility and environmental sustainability, covering Human Rights, Labor interests, Environment responsibility and Anti-Corruption initiatives.

Our approach

In today's world, any failure to meet ESG standards can result in fines, legal action, compensation claims, higher insurance premiums, lower productivity or profitability, and reputational harm. As a result, appropriate ESG compliance is no more optional or incidental; it is critical to an organisation's profitability and long-term viability.

Emami Paper's overarching focus lies in consuming less and manufacturing more while minimising environmental impact. It is the Group's conviction that the most successful, profitable and sustainable companies are ones benchmarked with the most stringent environmental standards.

Emami Paper progressively produced paper and paperboard through responsible alternatives. It invested in low-carbon technologies that translated into enhanced resource and energy efficiency. The risk mitigation policies were outlined keeping in mind its long-term vision on the one hand and enhanced sustainability-driven prosperity on the other. In doing so, the Company focused on the reduction of its environmental footprint, planet preservation and moderated resource consumption through a proactive investment in the use of modern technologies, practices, methodologies and standards.

At Emami Paper, we emphasise manufacturing scalability on the one hand without depleting finite natural resources on the other. This environmental responsibility was reinforced through the various R's comprising reduction, recycling, restoration, replacement and renewables.

Our implementation

Emami Paper Mills provides a clean, safe and healthy work environment

across its manufacturing operations and offices. The Company adheres to all health, safety and environmental regulations.

The Company is responsible for the complete safety of its workers and employees, making ESG integral to its existence. The Company's ESG department ensures compliance and improvements; it investigates incidents to prevent a recurrence. It publishes observations to enhance awareness. It undertakes efficacy audits to enhance systemic awareness.

Emami Paper consumes waste paper and virgin bleached pulp to manufacture writing & printing, newspaper, kraft and grey back/bleached grade board. Waste paper processing waste is a major contaminant; the Company has invested in a robust environmental management system for superior control of emission/discharge to achieve the stipulated standard even if some process parameters deviate from the mean. This self-correcting mechanism regulates peak deviations.

Our initiatives, FY22

By-products/effluents/emissions management: All the ETP sludge is utilised as fuel with coal in the power boiler. All fly ash generated from the boiler is supplied to brick manufacturing plants. Plastic reject is provided to authorised cement plants for co-processing in lime kilns.

Hazardous waste or used oil is supplied to authorised processing units.

Reduce waste generation: Maximising yield from each raw material,

Reducing water consumption: Water conservation measures have been taken across all plants

Regulatory compliance: 100 percent compliance is towards SPCB, CPCB, MOEF and CGWB/CGWA

Team: The Company strengthened measures as and when necessary.

Certifications: The Company strengthened its operational integrity

through the Integrated Management System i.e. ISO 9001:2015 - Quality Management System, ISO 14001:2015 Environment Management System and ISO 45001:2018 Occupational Health & Safety Management System

Our health measures & initiatives

Adopted safe proven technologies, periodically up-graded

Formulated Standard Operating Procedures (SOP) and Standard Maintenance procedures (SMP) for all processes

Complied with statutory safety and health regulations

Made all sectional heads responsible for the safety and health of workers under their influence. Safety Officers acted as coordinators between sectional and unit heads; they acted as catalysts in matters related to safety.

Made all workers (regular/contractor) undergo pre-medical health checks as per statute.

Engaged in safety audits, risk assessments and periodic assessments of the status of health and environment in compliance with statutory provisions coupled with remedial measures

Our safety measures & initiatives

Adopted proven technologies; focused on the up-gradation of safety and health standards

Made all sectional heads responsible for the safety of workers under their control

Organised Safety Committee meetings monthly

Encouraged workers to participate in awareness training programmes (Safety Day/Fire Safety Day/Chemical Disaster Management Day)

Involved all employees in the safety movement; maintained documents for evaluation; made safety records integral to career advancement

Engaged contractors/sub-contractors/transporters and other agencies with a respect for human safety

Adopted relevant techniques and methods (safety audits, risk assessments at different locations, and periodical assessment of the status of health and environment in compliance with statutory provisions of law) and implemented remedial measures suggested by experts

Certifications

ISO 45001:2018 - Occupational Health & Safety Management System.

Our environment management initiatives

Water pollution control investments

Manual bar screens in individual plant drains; mechanical bar screen in the main drain of ETP

Hill screen for fibre recovery & reuse

Equalisation system comprising three tanks for better mixing

Flash mixture followed by flocculation tank for combined effluents

Chemical preparation and dosing system

Primary clarifiers (three)

UA SBR system for better COD, BOD reduction and Biogas generation with Scrubber facility

Diffused Aeration System with Activated Sludge Process

Secondary clarifiers (two)

Decanter/Belt press for the secondary sludge treatment

MGF system etc.

Sewage treatment plant

Air pollution control system investments

Dust suppression system; consists of water mist spraying in coal conveyer/crushing zone/transfer point

ESPs with three fields for co-generation units in the flue gas path (each with a standby field for expansions)

Closed pneumatic ash handling system, fly ash & bed ash silos with vent filter arrangement and ash conditioner with spray arrangement. The recycled water from the ETP/water treatment plant is used for conditioning the fly ash.

Sprinkler and water spraying device in the coal yard; recycled water from the ETP/water treatment plant is used for dust control.

Stack (chimney) with 64m height (5MW), 70m height (18MW) and 70m height (10.5MW)

Plantations in and around the plant area

Certifications, FY22

ISO 14001:2015 - Environment Management System

Emami is the only waste paper mill in India burning 100 percent primary sludge of the ETP in its power boiler to avoid landfilling and groundwater contamination.

Fly ash utilisation

Due to the different fillers, coating pigments, residual chemicals and contaminant contents in waste paper ash produced by the combustion of de-inking sludge, there is no consistent composition. Ash properties vary from paper mill to paper mill, depending on the fuel mixture. The contents of different oxides present in the ash are of interest to the construction sector. The oxide composition indicates that the combustion ash is suitable for cement production while other use areas comprise road construction, production of sand lime bricks and concrete etc. Three brick manufacturing plants are running successfully, using the Company's fly ash. The Company intends to reclaim the wasteland/excavated morrum pit by filling fly ash soil followed by green belt development. This is likely to lead to the reclamation of excavated abandoned stone quarries and green belt development and the responsible use of fly ash as resource material.

Using secondary sludge as manure

The activated sludge process involves the addition of nutrients like urea and DAP in the aeration system for the growth of microorganisms. The result is that BOD and COD are consumed as food by the biomass, enriching effluent

quality with Potassium, Nitrogen, Phosphorous, fine cellulose and other minerals. About 50-60 percent of the biomass is re-circulated inside the biological system to maintain the MLSS and MLVSS stability and efficiency, making it suitable as manure. The excess biomass is removed from the ETP system to enhance process uniformity.

Online ambient air and stack emissions monitoring

The installed online ambient quality monitoring instrument helps maintain a clean environment in and around our plant. All three stack emissions are monitored online and the quality parameters are transmitted to the plant main gate for public information and to the CPCB and SPCB.

Sludge burning

Emami is the only waste paper mill in India burning 100 percent primary sludge of the ETP in its power boiler to avoid landfilling and groundwater contamination. Various other process initiatives moderated emissions. The dewatering system rationalised moisture content in the waste sludge through suitable polymers, making it suitable for utilisation as boiler fuel. The result has been reduced coal consumption in the boiler, lower emissions and no land or groundwater contamination.

Did you know?

The paper industry plants at least six times more trees than it cuts. Most of the integrated pulp and paper industry meet their raw material demand from their Social Forestry or Captive Plantation. In India, more than 83 percent paper is now made by using recycled fiber/ waste paper and remaining by using agri-residue, baggase, grass and little from wood. Thus, paper industry never support or run with deforestation activity. Hence there is no ecological imbalance or adverse impact on environment due to more recycling and no deforestation.

Emami Paper and Corporate Social Responsibility

Overview

Emami Paper Mills Ltd has been engaging with communities for more than 40 years, focusing on integrated development.

The Company primarily aims at eradicating poverty through health and education interventions, enhancing rural life quality. The Company also provides infrastructure, basic life necessities, improved road connectivity, sanitation and rural community welfare in addition to animal welfare.

Highlights, 2021-22

Education

- Distributed 14,034 notebooks in more than 30 schools
- Provided study materials (school bags, study materials and dresses) to 34 orphans of Marilac Sevasadan
- Installed Aquaguard (120 litre capacity with chiller) at New Science Block of Remuna College
- Developed infrastructure (30 pairs of bench-cum-desk for Nuapadhi High School in Nuapadhi and 6 cemented benches for Swarnachud College, Mitrapu)

Health care

- Provided two inverters to Remuna PHC
- Installed an oxygen pipeline at DHH, Balasore

- Commissioned ayurvedic dispensaries across 8 locations, benefiting 5185 individuals
- Commissioned homeopathic dispensaries across 9 locations, benefiting 3884 people

Animal welfare

- Arranged shelter, food and medicines for 230 abandoned cattle

Environmental sustainability

- Planted 600 saplings
- Distributed 400 fruit-bearing plants across 100 families in Chaturkhunta Village
- Distributed 400 fruit-bearing across four educational institutes (Swaraswati Shishu Vidyamandir at Mitrapur and Adarsha Vidyalaya in Sutei, Chachaji High School and Govt. Polytechnic College, Bidyadharpur)



Regular Ayurvedic Dispensaries – 8 Locations

Community welfare/ rural development

- Distributed 1736 blankets
- Sponsored a cricket tournament (Emami Cup Remuna Premier League)
- Renovated the kitchen of Marilac Sevasadan Orphanage
- Engaged in activities at Shree Jagannath Mandir, Chandan Yatra, Snana Purnima, Rathayatra and Bahuda Yatra
- Engaged in 7th Patotsav Celebration



Regular Homeopathic Dispensaries – 9 Locations



Fruit Bearing Plant Distribution in Local Village

Big numbers

83.12

(₹ in lacs), Total CSR spending in FY 2021-22

39.92

(₹ in Lacs) CSR obligations as per Companies Act in FY 2021-22

43.20

(₹ in Lacs) CSR excess amount spent in FY 2021-22

Corporate Information

BOARD OF DIRECTORS

Mr. Aditya V. Agarwal
Executive Chairman

Mr. Manish Goenka
Whole-time Director

Mrs. Richa Agarwal
Non-executive Director

Mr. H. M. Marda
Independent Director

Mr. S. Balasubramanian
Independent Director

Mr. J. K. Khetawat
Independent Director

Mr. Amit Kiran Deb
Independent Director

Mr. Sumit Banerjee
Independent Director

Mrs. Mamta Binani
Independent Director

Mr. P. S. Patwari
Executive Director

Mr. Vivek Chawla
Whole-time Director & CEO

COMPANY SECRETARY

Mr. Debendra Banthiya

REGISTRAR AND TRANSFER AGENTS:

Maheshwari Datamatics Private Limited,
23, R N Mukherjee Road
Kolkata – 700001, West Bengal, India
☎ +91 33 2248 2248
✉ mdpldc@yahoo.com

BANKERS

State Bank of India
ICICI Bank Limited
DBS Bank India Limited
Yes Bank Limited
IDBI Bank Limited
Axis Bank Limited
HDFC Bank Limited
Export Import Bank of India
RBL Bank Limited
DCB Bank Limited
IDFC First Bank Limited
IndusInd Bank Limited
SBM Bank India Limited

REGISTERED OFFICE:

687, Anandapur, 1st Floor
E.M.Bypass, Kolkata-700 107
☎ +91 33 6613 6264
✉ investor.relations@emamipaper.com
🌐 www.emamipaper.in
CIN: L21019WB1981PLC034161

WORKS:

- Balgopalpur, Balasore- 756020, Odisha

STATUTORY AUDITORS

Agrawal Subodh & Co.,
Chartered Accountants
301, Victoria House, 3rd Floor
1, Ganesh Chandra Avenue ,
Kolkata-700013

SECRETARIAL AUDITORS

MKB & Associates,
Company Secretaries
Shantiniketan, 5th Floor
8, Camac Street
Kolkata- 700017

COST AUDITORS

V. K. Jain & Co.
Cost Accountants,
Bikaner Building, 3rd Floor
8/1, Lalbazar Street
Kolkata – 700001



Management discussion and analysis

Global economic overview

The global economy grew at an estimated of 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout in the world over and a revival in economic activities based on catch-up consumption.

The global economic recovery is attributed to accelerated vaccine rollout across 4.4 billion people, around 56% of the global population (single dose). The spot price of Brent crude oil increased by 53.34% from USD 50.37 per barrel at the beginning of 2021 to USD 77.24 per barrel at the end of the calendar year, strengthening the performance of oil exporting countries and moderating growth in importing nations. Global FDI reported an increase from \$929 billion in 2020 to an estimated \$1.65 trillion in 2021.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices

to record levels following the drop at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised of steel, coal, oil, copper, foodgrains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Performance of major economies

United States: The country reported GDP growth of 5.7% in 2021 compared to a de-growth of 3.4% in 2020, following the government's investment of trillions of dollars in COVID relief.

China: The country's GDP grew 8.1% in 2021 compared to 2.3% in 2020 despite it being the novel coronavirus epicentre.

United Kingdom: The country's GDP grew 7.5% in 2021 compared to a 9.9% de-growth in 2020.

Japan: The country reported growth of 1.7% in 2021 following a contraction in the previous year.

Germany: The country reported a GDP growth of 2.9% in 2021 compared to a decline of 4.9% in 2020.

(Source: World Bank, IMF, Business Standard, Times of India)

Indian economic overview

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to a growth of 8.7 % in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

Growth of the Indian economy, 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	4.1

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6% in the last quarter of FY 2020-21, the Indian economy grew 20.1% in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon, lower though than in the previous year. The estimated production of rice and pulses recorded volumes of 127.93 Million tons and 26.96 Million tons respectively. The total oilseeds production of the country recorded a volume of 371.47 Million tonnes. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY 2021-22 is anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5%, the agriculture sector 3.9%, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in FY 2021-22.

There were positive features of the Indian economy during the year under review.

Foreign direct investments (FDI) in India increased 15% to USD 87 billion in 2021 from USD 74.01 billion in 2020, a validation of global investing confidence in India's growth story. The government approved 100% FDI for insurance intermediaries and increased the FDI limit in the insurance sector from 49% to 74% in Union Budget 2021-22.

India surpassed the ₹ 88,000 Crore target set for asset monetisation in 2021-22, raising over ₹ 97,000 Crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four year ₹ 6 lakh Crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received USD 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 billion as on 3rd September, 2021, crossing USD 600 billion in FOREX reserves for the first time.

India's currency weakened 3.59% from ₹ 73.28 to ₹ 75.91 to a USD through FY 2021-22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹ 1.42 lakh Crore, which is 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹ 51,000 Crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of \$3.21 trillion in March 2022.

The fiscal deficit was estimated at ~₹ 15.91 trillion for the year ended 31st March, 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹ 1.29 lakh in FY 2020-21 to ₹ 1.50 lakh in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹ 27.07 lakh Crore in FY 2021-22 compared with a budget estimate of ₹ 22.17 lakh Crore. While direct taxes increased 49%, indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in FY 2020-21 to 11.7% in FY 2021-22, the highest since 1999.

Retail inflation in March at 6.95% was above the RBI's tolerance level of 6% but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Indian economic reforms and Budget 2022-23 provisions

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasizing the role of PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

The capital expenditure target of the Indian government expanded by 35.4% from ₹ 5.54 lakh Crore to ₹ 7.50 lakh Crore. The effective capital expenditure for FY 2022-23 is seen at ₹ 10.7 lakh Crore. An outlay of ₹ 5.25 lakh Crore was made to the Ministry of Defence, which is 13.31% of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹ 20,000 Crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for 2022-23 for the national highways network. To boost the agricultural sector, an allocation of ₹ 2.37 lakh Crore was made towards the procurement of wheat and paddy under MSP operations. An outlay of ₹ 1.97 lakh Crore was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

Economic Outlook

India's medium-term optimism is derived from the fact that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time. The long-term downtrend, as a result of non performing assets, scams and over capacity could be over; the medium-term downtrend that was caused by the ILFS crisis, select banks collapse and weakening NBFCs could well be over; the short-term downtrend on account of the pandemic has weakened following the acceleration of the vaccine rollout.

There is a possibility of each of these downtrends having played out, which could well lead to a multi-year revival in capital investments. Some USD 500 billion worth of investments are expected to be made in the wind and solar infrastructure, energy storage and grid expansion.

The Indian economy is projected to grow by 8% in FY 2022-23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should be about ₹ 5 trillion. Besides, the government's production linked incentives (PLI)-led capex should generate an incremental ₹ 1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

Global paper industry

Ironically, the role of paper has increased in the digital age, riding the e-commerce revolution and being used as packaging material. The global production of paper and cardboard was more than 400 Million metric tons a year. The most produced paper type was packaging paper and board, growing in demand due to the online shopping boom. Some 409 Million metric tons of paper was consumed globally in 2021, the world's paper consumption being roughly equal to the amount of paper produced annually.

The largest paper-consuming country worldwide was China, which consumed more than 100 Million metric tons of paper and paperboard in 2021, followed by the United States and Japan, who in the same year consumed over 70.6 Million metric tons and 25.5 Million metric tons, respectively. The most in-demand type of paper worldwide was container board, which was used to make corrugated boxes (or cardboard) and used in packaging solutions.

(Source: *statista.com*)

Challenges faced

Since 2020, the paper industry has encountered diverse challenges. The onset of the Covid-19 pandemic resulted in lower newsprint consumption; this made it difficult for the paper industry to obtain old newspapers while procurement costs increased. The prolonged pandemic impact, which affected shipping freight and container availability, impacted pulp procurement. The Russian-Ukraine war made it difficult to obtain coal for energy generation and export/import also effected due to non-availability of shipping containers.

Indian paper industry

The paper and paperboard segments of India are expected to grow at a CAGR of 5.5% during the forecast period of 2021-2026. During the COVID-19 pandemic, the Indian e-commerce industry witnessed significant growth due to restrictions imposed on peoples movement and the shutdown of physical stores. People across the country increasingly purchased online groceries, food items, and daily essentials while also purchasing merchandise online.

The packaging industry in India is growing rapidly, spanning various end-user segments like food and beverages, healthcare, hygiene, and home care, among others Strong favorable demographics aside, disposable income levels, increasing consumer awareness and demand for processed food and multinational giants entering the food, beverages, e-commerce and pharmaceuticals spaces are key drivers of the growth of the paper and paperboard packaging industry.

(Source: *mordorintelligence.com*)

Outlook

The Indian paper market is expected to grow more than ₹ 75,000 Crore by 2022-23. The paper market comprises of paperboard and industrial packaging paper, paper stationery,

newspaper print, and speciality paper. As India's paper industry becomes more competitive on account of superior logistics, a modification of the Forest Policy will be increasingly necessary so that plantations can be developed by industry, farmer cooperatives and state governments. Besides, a growing Indian economy will increase disposable incomes, literacy, FMCG sector growth and encourage use of Paper for paperboard and packaging accounts for the majority of the entire paper market; stationery accounts for the second largest. At the conclusion of the estimated period, both categories are expected to sell more than 15 Million tonnes. Speciality paper, which includes paper used in banks, bonds, cheques, currency notes, security printing paper, stamp paper, and other applications, is a growing segment with development potential.

Consumers are showing a preference for paper over plastic packaging applications following tightening environmental norms. A wide availability of eco-friendly paper is driving market.

(Source: *researchandmarkets.com*)

Emami's presence

Emami Paper has one of the most environmentally friendly paper mill across East India, the mill is located in Balasore (Odisha). The USD manufactures premium grade kraft paper, newsprint and writing & printing paper across 1,40,000 TPA of aggregate capacity. The packaging board plant with an installed capacity of 2,00,000 TPA manufactures consumer packaging boards of recycling and virgin grades. The paperboard segment established respect in the export market with about 40% of the recycle grade paperboard output exported to the overseas markets.

Segment-wise performance

Writing & printing paper and Newspaper: The demand for printed books, notebooks, and commercial-grade printing was affected as most educational institutions, government agencies, and business entities moderated consumption. However, owing to government investment in education through Right to Education Schemes and steady recovery of the economy, demand is expected to revive. Demand for newsprint was impacted by e-newspapers and decline in advertisement revenues for print media publishers. Demand for printing paper was impacted by a decline in expenditure on calendars, brochures and periodicals, but is now expected to revive following increased government spending, the company supply and jobber requirements.

Packaging grade: The pharmaceutical, food and vital packaging segments are projected to report increased demand. Increased e-commerce, pharmacy, FMCG and other consumer packaging could boost demand. Single-use paper cups and disposables are likely to encounter increased

demand. However, following the COVID-19 epidemic, the Indian packaging sector is likely to report improved demand.

The financial performance with respect to operational performance has been detailed in the Board's Report.

Opportunities

Your Company is one of the largest manufacturers of paper and paper boards in a country, which is the second-largest global newspaper printing market. India's packaging industry is expected to register a CAGR of approximately 26.7% during the period (2022-2027). The demand for packaging is growing due to a growing population, increasing incomes, changing lifestyles, increased media penetration through the internet, television and a growing economy. To maximize the potential of the packaging sector, the Indian government has been continuously consulting the industry experts. PIAI (Packaging Industry Association of India) has been asked to suggest guidelines to augment India's exports.

(Source: *mordorintelligence.com*)

Threats

- ▶ Quality and cost of raw materials procurement
- ▶ Increasing competition from the digital media especially for newsprint
- ▶ Predominance of small unorganised players
- ▶ Capital intensive industry; high cost of technology

Risk management

Economic risk: The economic downturn and consequent demand volatility could impact the Company's profitability.

The company has broad-based its product mix to moderate an excessive dependence on any one segment, though the packaging segment accounted for the largest revenue proportion.

Regulatory risk: Compliance lapses could affect the Company's operations and respect.

The company instituted a team to monitor compliances, ensuring that this was done promptly and comprehensively.

Competition risk: Competition could affect the company's market share and presence.

The company leveraged a regional advantage, cost competitiveness, ESG integrity, product customisation and adequate capacity to service the on-time and in-full needs of customers

Geographical risk: An excessive dependence on a single geography could enhance the company's vulnerability in the event of a decline in the offtake from specific regions.

The company generated 70% of its revenues from India and 30% from abroad (spread across 29 countries with no country accounting for more than 9% of sales).

Technological risk: In a technology-critical business, obsolescence could result in a high replacement cost and business moving to other companies.

The company invested in manufacturing and quality control technologies with the objective to manufacture high paper grades customised around user needs. The result is that the company's customers remained loyal; it generated 34% revenues from companies with whom it worked for three years or more in FY 2021-22.

Talent risk: The Company faces the risk of talent attrition.

The company strengthened its people-facing initiatives, enhancing a pride of association. The company provided

an exciting workplace that was delegated, empowered and incentivised. The result is that people retention was a high during the year under review.

Asset utilization risk: Erratic demand could affect asset utilization.

The company possessed a fungible capacity between newsprint as well as writing & printing paper, responding flexibly to market movements that ensured that its capacity was adequately utilized, empowering the company to amortise fixed costs effectively.

Liquidity risk: The incidence of large debt could affect liquidity and profitability.

The company continued to make value-added paper varieties, enhanced capacity utilisation, negotiated competently for resources (terms of trade) and moderated debt through timely repayment, strengthening its liquidity.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Particulars	Key Financial Ratios		Changes between current F.Y. and Previous F. Y	Explanation
	2021- 22	2020-21		
Debtors' Turnover	9.35	5.93	3.42	Ratio improved as the Company is able to keep its level of inventories, trade receivables and trade payable more or less at the same level, despite significant increase in turnover.
Inventory Turnover	10.94	5.91	5.03	
Interest Coverage Ratio	3.62	2.29	1.33	Improved operating performance alongside interest reduction leads to better interest coverage.
Current Ratio	0.83	0.67	0.16	Ratio improved due to utilisation of internal accruals for reducing current borrowings and for increasing net current assets leads to improvement in current ratio.
Debt Equity Ratio	1.20	1.68	-0.48	Ratio improved as networth is increased by internal accruals and substantial amount of long term debts are repaid.
Operating EBITDA Margin (%)	16.45%	14.92%	1.53%	Higher productivity, increased operational efficiency and cost optimisation resulting into increase in profitability and related ratios.
Operating Profit Margin (%)	13.86%	10.09%	3.77%	
Net Profit Margin (%)	5.86%	4.20%	1.66%	
Return on net worth	19.25%	10.18%	9.07%	

Human resources and industrial resources

Competent and inspired human resources represent the backbone of the company's growth. The company's employment philosophy and practices have been based on peoples respect, role clarity and empowerment. Your Company's human resources policy is founded around the principles of equal opportunity, personal development, fairness, trust and teamwork. The company invests extensively in skill development and people retention, goal setting, performance-based appraisal, conducive workplace, employee engagement and leadership development. The number of people employed as on 31 March, 2022 was 1,121.

Internal control systems

Your Company has an adequate and effective Internal Control Mechanism in place to ensure efficient conduct of its operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information as per its Management Information System (MIS). These controls have been designed to provide reasonable assurance about maintaining proper accounting controls for ensuring the reliability of financial reporting, monitoring of operations, and protecting assets from unauthorised use or losses, compliance with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Apart from strong internal control, your Company has also appointed external and independent Audit Firm as its Internal Auditors for periodical checking and monitoring of the Internal Control Measures for its operations.

Internal Auditors are present at the Audit Committee Meetings where Internal Audit Reports are discussed alongside management comments and the findings and observation of the Internal Auditors. The Terms of Reference of the Audit Committee, *inter-alia* includes reviewing the adequacy of the internal control environment, monitoring implementation of the action plans emerging out of Internal Audit findings including those relating to the strengthening the Company's Risk Management Systems and discharge of statutory mandates.

Your Company has a Comprehensive Budgetary Control System in operation and its' 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 are chaired by the Whole-time Director of the Company and participated by all departmental heads and necessary corrective and preventive actions are being 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 includes 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.

Board's Report

Dear Shareholders

Your Directors are pleased to present the Company's 40th Annual Report on business and operations, together with the Audited Financial Statements for the year ended March 31, 2022.

1. FINANCIAL SUMMARY

	(₹ in Crore)	
Particulars	2021-22	2020-21
Revenue from Operations	1,957.71	1,216.27
Other Income	1.70	20.31
Total Income	1,959.41	1,236.58
Profit before Finance Cost, Depreciation & Tax	322.08	197.57
Less: Finance Cost	88.87	95.27
Less: Depreciation & Amortization	73.88	72.14
Profit Before Exceptional items and Tax	159.33	30.16
Add/(Less): Exceptional Items	(5.94)	72.46
Profit before Tax	153.39	102.62
Less : Tax expense	38.59	51.56
Profit after Tax	114.80	51.06
Earnings per Equity Share (EPS) (Face value ₹ 2/- each)		
- Basic (in ₹)	18.17	8.43
- Diluted (in ₹)	14.45	8.40

2. STATE OF COMPANY'S AFFAIRS AND OUTLOOK

During the year under review, your Company achieved record revenue while steering through the challenges of the pandemic, inflation and supply chain disruptions. In this challenging environment, your Company's performance was strong and we were able to achieve the highest ever revenue from operations i.e. ₹ 1,958 Crore in FY 2021-22 compared to ₹ 1,216 Crore in FY 2020-21 achieving remarkable growth of 61%. Compared to FY 2020-21, EBITDA, Cash Profit and Profit after tax stood at ₹ 322 Crore, ₹ 233 Crore, and ₹ 114 Crore which recorded a strong growth of 77%, 97% and 125 % respectively. A strong focus on enhancing operational efficiency and several cost-saving measures yielded a superlative performance coupled with improvement in net sales realisation as well as product portfolio.

The improvement in the Company's performance has largely been driven by the outperformance of the export sale of packaging board, validating the foresight of the Company to invest in this segment during 2014. The strong demand from FMCG, pharma and e-Commerce sectors helped the company to post the robust growth. The COVID-19 pandemic continued to generate global health and economic challenges in 2021-22. The disruption caused by the pandemic has reshaped the paper Industry. Despite that, we were able to efficaciously manage through it all with a focus on partnering with our customers and helping them navigate this changing environment

The demand for Writing & Printing Paper was significantly impacted during FY 2021-22 as schools and colleges remained closed in most parts of the globe and moreover due to adoption of digital technologies in education and increased demand of e-books in developed countries. Due to continued impact of COVID-19, the demand for newsprint witnessed a sharp reduction. The circulation of newspapers were impacted due to lockdown as well as shifting towards online channels and platforms in the developed nations.

During the year under review, there was a sharp increase in energy cost and cost of major raw materials such as wastepaper, pulp due to increased coal prices, low collection of waste paper and unavailability of shipping containers. In order to counter the same, your Company implemented several initiatives encompassing cost management, supply chain optimization, smart procurement, long term coal linkages and productivity improvements through automation which helped in absorbing escalation in input costs, product development etc.

During the FY 2021-22, the company announced a Voluntary Retirement Scheme for eligible employees of Gulmohar unit (Kolkata, West Bengal) of the Company. All the staffs and workers of the unit have been mutually separated. The Production capacity of the Gulmohar unit is about 5% of the

total production capacity of the Company. The continuation of the suspension of production and subsequently the closure of the Gulmohar unit will have no material impact on the overall production of the Company. This step has helped in optimizing the capacity and resources of the Company as well as reduction in the fixed costs.

Your Company continued to maintain its leadership position in the high-end packaging board segment and continues to consolidate its preferred supplier status amongst leading end-use customers & brands. Further, your Company remains confident of fortifying its market standing in the paper & paperboard segment leveraging its superior strategies, execution excellence, investments in technology and a future ready product portfolio.

During the period 2021-26, Paper and Paperboard Industry in India are expected to grow at a CAGR of 5.5%. Considering the changed and challenging scenario, your Company has incorporated flexibility to manufacture premium grade kraft papers, newsprint and writing & printing paper on all its paper machines. Your Company expects demand for packaging to improve globally since consumers are discarding plastic and shifting to paper packaging. It is anticipated that this will prove to be major turnaround for the paper industry over the next decade as paper being the best eco-friendly alternative to plastic.

The Pandemic had a substantial impact on the paper industry as well as the shipping industry. In spite of the challenges as above, we were able not only to accomplish our budget but have exceeded the same. It was the result of the teamwork as well as timely decision making. Going forward, the state-of-the-art manufacturing facilities along with market leadership in value added paperboards, writing & printing paper and newsprint, world class product quality, established supply chain system strategically positions your company to further enhance its leadership status in the Indian Paperboard and Paper Industry in coming years.

3. DIVIDEND

Your Director's are pleased to recommend dividend of ₹ 8 (i.e. 8%) per preference share of face value of ₹ 100/- each and ₹ 1.60 (i.e. 80%) per equity share of face value of ₹ 2/- each for the financial year ended 31st March, 2022.

The dividend payout is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

In order to provide a broad Dividend Distribution framework to all the Stakeholders of the Company, your Company has adopted the Dividend Distribution Policy pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the Company's website at <http://www.emamipaper.in/compliances.php>

Unclaimed Dividend

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Unclaimed Dividend amount of ₹ 97,524 of the Company for the Financial year ended 31st March, 2014 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013 on 27th September, 2021. The details of Unclaimed dividend on equity shares is available on company's website at www.emamipaper.in.

Transfer of Unclaimed Shares to Investor Education & Protection Fund (IEPF)

As per provisions of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has issued individual

Notice through Registered Post to all the shareholders whose dividends were lying Unclaimed for consecutive seven years and public notice in this respect has been given in english and vernacular newspapers and details of such shareholders were uploaded on Company's website.

During the year under review, the Company has transferred 4,050 equity shares on which dividend were unclaimed for seven consecutive years, to the demat account of IEPF maintained with NSDL within the prescribed time.

Till date, the company has transferred 1,20,292 Equity Shares to the IEPF demat account and ₹ 6,69,067.50 towards dividend to IEPF.

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.	Last date of Payment of dividend	Total Amount of Dividend (in ₹)	Unclaimed Dividend as on 31.03.2022 (in ₹)	Last date for transfer to IEPF on
2014-15	33rd	17-09-2015	3,63,00,000	94,495.80	17-09-2022
2015-16	34th	16-09-2016	3,63,00,000	98,182.80	16-09-2023
2016-17	35th	20-09-2017	7,25,98,860	2,02,544.40	20-09-2024
2017-18	36th	09-10-2018	7,25,98,860	1,42,267.20	09-10-2025
2018-19	37th	18-09-2018	7,25,98,860	1,34,283.60	18-09-2026

4. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the close of the financial year i.e. 31st March, 2022 and date of this report. There has been no change in the nature of business of the Company.

5. SHARE CAPITAL

The Company's paid-up equity share capital continues to stand at ₹ 12.10 Crore as on 31st March, 2022. The said shares are listed on BSE Ltd. and the National Stock Exchange of India Ltd. During the year under review, the Company has not issued any shares or convertible securities or shares with differential voting rights and nor granted stock options or sweat equity.

6. TRANSFER TO RESERVE

Your Directors do not propose to transfer any amount to the General Reserve for the year under review.

7. PUBLIC DEPOSITS

Your Company has not invited or accepted any deposits under Section 73 of the Companies Act, 2013 and the Rules made thereunder.

8. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

9. BOARD OF DIRECTORS' & KEY MANAGERIAL PERSONNEL

With profound grief, we report the sad demise of Mr. Jayant Narayan Godbole, Independent Director of the Company on 4th January, 2022. The Board conveys its deep sympathy, sorrow and condolences to his family and places on record their highest gratitude and appreciation for the guidance given by Mr. Godbole to the Board during his tenure as an Independent director of the Company.

Mr. Shyamalendu Chatterjee, Independent director of the Company resigned from the Board of the Company w.e.f 22nd October, 2021 due to his advancing age and indifferent health. The Board expresses its appreciation for his valuable guidance during his tenure as an Independent director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Amit Kiran Deb (DIN:02107792) and Mr. Sumit Banerjee (DIN:00213826) as Additional Directors under the category of Non-executive Independent Directors of the Company w.e.f. 20th January, 2022 which was subject to shareholders approval. The shareholders of the Company by means of Special Resolution through postal ballot (through remote e-voting) approved the appointment of Mr. Amit Kiran Deb and Mr. Sumit Banerjee as Independent Directors of the Company for a period of 5 (five) years w.e.f. 20th January, 2022.

A. Directors retirement by rotation

Mrs. Richa Agarwal (DIN: 01505726) would retire by rotation and being eligible, offers herself for re-appointment.

B. Declaration by Independent Director(s)

All Independent directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C. Key Managerial Personnel

During the year under review, following changes were made in the Key Managerial Personnel of your Company:-

1. Mr. Aditya V. Agarwal was re-appointed as Whole-time Director designated as Executive Chairman for a period of 3 years with effect from 1st November, 2021.
2. Mr. G. Saraf was Company Secretary and Compliance Officer till 1st June, 2021. Mr. Debendra Banthiya, Deputy Company Secretary was appointed as Company Secretary and Compliance Officer with effect from 2nd June, 2021.
3. In the Board meeting held on 25th May, 2022, the Board accepted the resignation of Mr. Sushil Kumar Khetan, Director (Operations) & CFO w.e.f. from the closure of business hours on 31st May, 2022. The Board expresses its appreciation for the service rendered by him during his tenure.

D. Meeting of Board of Directors and its Committees

During the year, 4 (Four) Meetings of the Board of Directors were held. The details of Board Meetings held and attended by each Director and composition of various Committees of Board of Directors are detailed in the Report of Corporate Governance which forms an integral part of this report and is annexed hereto.

E. Policy on Directors Appointment and Remuneration

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has approved the Nomination and Remuneration Policy based on the recommendation of the Nomination & Remuneration Committee and the said policy is hosted on the Company's website at <http://www.emamipaper.in/compliances.php>

The Policy includes the criteria for determining Qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act. For the sake of brevity, the Policy has not been reproduced here.

F. Evaluation of Board, its Committees and Directors

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the Board at its meeting held on 25th May, 2022, has carried out the annual evaluation of its own performance and that of its Committees, Chairman and Individual Directors.

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

Further, the Independent Directors of the Company in their separate Meeting held on 31st January, 2022, *inter-alia*, has evaluated the performance of Non-Independent Directors.

10. CREDIT RATING

During the financial year under review, your Company was assigned credit rating of IND A-/Stable for its Loan facilities by India Ratings and Research. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

11. AWARDS AND RECOGNITIONS

During the year under review, your company was awarded "First Prize" in the Paper & Pulp Sector for the year 2021 at the "National Energy Conservation Award" for its work undertaken in the field of energy conservation.

12. ENVIRONMENT MANAGEMENT

Your Company's approach towards environmental protection is guided by the Company's Environmental Policy, commitment towards a sustainable planet, a clean environment and a healthy workplace for its 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 natural resource conservation.

To meet its environmental objectives, the Company adopts the following:

- Compliance to all relevant legislative requirements.
- Minimize Pollution Load of Liquid Discharge as well as Air Emission.
- Stimulate rational use of resources through behavioral and technological improvements.
- Minimizing waste and maximizing recycling/ reuse.
- Creating Awareness amongst the society and employees on Environment, Health and Safety.
- Promoting comprehensive programs for continual improvement of Environmental performance.
- Reducing specific energy consumption and thereby reducing the associated greenhouse gas emission.

Your Company has adopted one of the best Integrated Management Systems (IMS) certified by DNV-GL (a member of Det Norske Veritas" group, Netherlands) through their rigorous surveillance and certification audits, encompassing the following:

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environment Management System
- ISO 45001:2018 - Occupational Health & Safety Management System

At Emami Paper, significant progress has been made in energy conservation with the installation of energy efficient equipment along with various other measures.

On the Environment front, some of the vital environment control equipment and monitoring devices installed and maintained by the company are;

- Online Ambient air quality monitoring system (3 Nos.)
- Online stack emission monitoring system (3 Nos.) with remote calibration facility

- IP surveillance cameras installed for Stack emission visibility.
- Online effluent monitoring system for final discharge water at ETP
- Online groundwater level monitoring system (2 Nos.) along with Telemetry system for 12 Nos of bore well.
- State-of-the-art effluent treatment plant (ETP) - Augmented further to meet the more stringent standards proposed by CPCB.
- Air pollution control through ESP, pneumatically operated Ash conveying system wherein Ash is conveyed through pipelines, Dust Suppression System, Ash conditioner installed on Ash Silos for conditioning Ash before unloading onto the trucks, Water Sprinkling System on Coal conveyors etc.
- Decanter for secondary sludge dewatering
- Rainwater harvesting through 20 Nos of recharge wells
- Dust Suppression Nozzles installed at Coal conveyors for effective control of coal dust.
- Settling pits constructed at Coal yard and fly ash container movement area to eliminate the contamination from runoff water.
- Wheel washing system installed to prevent the carryover of dust from within the plant to outside.

Your Company is also pleased to report that:

- 100% of fly ash generated is used for fly ash bricks manufacturing.
- Massive green belt development has been undertaken in and around the Company premises
- A large percentage of water from our Effluent Treatment plant is utilised for agricultural and plantation purposes and discharge to the Sapna Nala is minimized.
- Stringent targets taken to reduce Fresh water consumption by recycling/re-using. Following are some of the initiatives.
- In place of fresh water, save-all water is being used in Low-pressure shower in wire part in PM-1(~250m³/day)
- Usage of save all water for preparation of WGCC (Wet Ground Calcium Carbonate) in place of Fresh water (~30m³/day)
- Effective utilization of RO reject & cooling tower blow down water from co-generation power plant in process along with fresh water.(~800m³/day)
- The entire quantity of Primary sludge from the Effluent Treatment Plant is fired in Power Boilers as

co-fuel which contributes towards generating Steam and Power.

- Domestic Solid Waste Management system has been commissioned wherein the Organic Domestic Waste is treated through Vermicomposting and converted into Organic manure.

The assets and systems mentioned above have enabled the Company to safeguard the environment and also to meet all statutory norms. As part of measures for long term sustainable growth, your Company continuously provides resources to offer better protection to the environment and conserve natural resources.

13. 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 forms part of this report and is annexed as **Annexure - I**.

14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company has formulated the policy for development and implementation of Corporate Social Responsibility (CSR) as also required under Section 135 of the Companies Act, 2013 which is available on Company's website at www.emamipaper.in.

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 is given in **Annexure - II** outlining the main initiatives taken during the year under review.

CSR in Emami Paper is not just about this mandate but also about working towards improving the lives of the communities we touch. Emami Paper has initiated & implemented a number of CSR programs for improving the life of largely under privileged people, for Community living, Education, Health, Skill Development, Rural Development, Environmental Sustainability, Animal Welfare, Women Empowerment, Promotion of Sports, Art & Culture etc. in and around of Mill. Our culture enables us to pursue our mission with a growth mind set. It's a continuous practice of learning and renewal.

15. AUDITORS AND AUDITORS REPORT

A. STATUTORY AUDIT

As per Section 139 and other applicable provisions of the Companies Act, 2013 the Company has appointed M/s. Agrawal Subodh & Co. Chartered Accountants (Firm Registration No. 319260E) as the

Statutory Auditors of the Company, for a period of five years till the conclusion of 40th Annual General Meeting (AGM) of the Company to be held in 2022. Accordingly, the existing Statutory Auditors are due for retirement at the ensuing Annual General Meeting.

The Audit Committee and Board of Directors of the Company in their respective meetings held on 25th May, 2022 have considered and recommended the appointment of M/s S K Agrawal and Co., Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 306033E/E300272) as the Statutory Auditors of the Company, for a period of five years from the conclusion of 40th Annual General Meeting (AGM) of the Company to be held in 2022 until the conclusion of the 45th Annual General Meeting of the Company to be held in year 2027, subject to approval of the Shareholders of the Company.

M/s S K Agrawal and Co., Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 306033E/E300272) have given their consent for the proposed appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the members of the Company. They have further confirmed that the said appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies act, 2013 and that they are not disqualified for appointment.

The Auditor's Reports on the Financial Statements for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

The observations made in the Auditors' Report read together with Key Audit matters and 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. The Auditors of the Company have not reported any fraud as specified under Section 143 (12) of the Companies Act, 2013.

B. COST AUDIT

Your Company has maintained accounts and cost records to the extent provisions under Section 148 of the Companies Act, 2013, were applicable. Your Directors have re-appointed M/s. V. K. Jain & Co., Cost Accountants as Cost Auditors of your Company for FY 2022-2023 and are seeking your approval for payment of remuneration. In this regard, your Directors recommend passing of Ordinary Resolution proposed and included in Notice of forthcoming AGM.

C. 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 2021-22 to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as **Annexure - III**.

The observation made in the Secretarial Auditors Report is self-explanatory and hence do not call for any further explanations or comments by the Board under Section 134 of the Companies Act, 2013

16. SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. Your Company has complied with applicable Secretarial Standards i.e. SS-I and SS-II, relating to "Meetings of the Board of Directors "and" General Meetings" respectively.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company has not given Inter Corporate Loan to the parties covered under the provisions of Section 186 of the Companies Act, 2013. 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. The company has not provided any guarantee.

The details of the investments made by the company are given in the notes to the financial statements.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated a Policy on Related Party Transactions, which is also available on the Company's website at <http://www.emamipaper.in/compliances.php>. The said Policy was revised by the Board of Directors at their meeting held on 25th May,2022 keeping in view the recent amendments incorporated in the SEBI(Listing Obligations & Disclosure Requirements)Regulations, 2015.

All related party transactions that were entered into during the financial year were in the ordinary course of the business and on an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders' approval under the Listing Regulations.

Accordingly, disclosure of Related Party Transaction as required under Section 134(3)(h) of the Companies Act 2013 in form AOC-2 is not applicable.

The Related Party Transactions which are in ordinary course of business and on arms length basis, of repetitive in nature and proposed to be entered during the financial year are placed before the Audit Committee for prior Omnibus approval. All Related Party Transactions are placed before the Audit Committee for review and approval.

For disclosures of related party relationship and transactions as per Ind AS-24, "Related Party Disclosure", Note 2.44 to the Annual Audited Financial Statements of the Company for the FY ended 31st March 2022 may be referred to.

19. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act,2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted Vigil mechanism in the form of whistle blower policy which is available at the website of the Company at <http://www.emamipaper.in/compliances.php>

20. INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policies guide the conduct of affairs of the Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in the governance. The Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Accounting Policies are reviewed and updated from time to time.

Your Company maintains all its records in ERP(SAP) system and the work flow and approvals are routed through ERP(SAP).

Your Company has appointed Internal Auditors to examine the internal controls and verify whether the workflow of the organization is in accordance with the approved policies of the Company. In every Quarter, while approval of Financial Results, the Internal Auditors present to the Audit Committee, the Internal Audit Report and Management Comments on the Internal Audit observations.

The Board of Directors of the Company have adopted various policies such as Related Party Transactions Policy, Vigil Mechanism and Whistle Blower Policy, Corporate Social Responsibility Policy, Risk Management Policy, Dissemination of materiality of any events/information Policy, Documents preservation policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and conduct for regulating, monitoring and

reporting of trading by Insiders, Code of Practices and Procedures for Fair Disclosures, Policy on Prevention of Fraud and Internal Financial Control Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

21. RISK MANAGEMENT POLICY

In compliance with amended Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have constituted a Risk Management Committee on 1st June, 2021. The Company has adopted Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

During the year under review, 2(two) meetings of the Committee were held i.e. on 6th August, 2021 and 29th January, 2022 respectively. The Risk Management Policy of the Company for identification and implementation of Risks and its Mitigation plans is reviewed by the Committee periodically. In the opinion of the Board, there is no such risk which may threaten the existence of the Company.

22. MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules') is annexed to this Report as **Annexure -IV**. The disclosure under Section 197 (14) regarding receipt of commission by Directors of the Company from holding/ subsidiary Company is not applicable.

Further, Particulars of Employees required pursuant to Section 197 read with Rule 5 (2) and (3) of the above Rules also form part of this Report. However, in terms of the provisions of Section 136 of the said Act, the Report and Accounts are being sent to all members of the company and other entities thereto, excluding the said particular of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for the inspection at the Registered Office of the Company during working hours for a period of twenty-one days before the date of the Annual General Meeting.

23. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is hosted on the Company's website i.e. www.emamipaper.in

24. CORPORATE GOVERNANCE

Your Company complies with the corporate governance practices as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In compliance with the provisions in Regulation 34 of the SEBI Listing Regulations, a Report on Corporate Governance forms an integral part of this report and annexed as **Annexure - V**.

25. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this Report and provides details of the overall industry structure, developments, performance and state of the affairs of the Company along with internal controls and their adequacy, Risk Management Systems and other material developments during the Financial Year.

26. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Business Responsibility Report of the Company for the year ended 31st March, 2022 forms part of this report and annexed as **Annexure - VI**.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) and 134(5) of the Companies Act, 2013 the Board of Directors to the best of their information and knowledge, confirms that: -

- a. In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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 of the company for that period;
- c. 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;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the company and such controls are adequate and operating effectively; and
- f. 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.

28. OTHER DISCLOSURES

During the year under review:-

- a. Your Company had cordial relation with the workers and employees at all levels.
- b. No Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.
- c. No application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

29. 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

Place: Kolkata
Date: 25th May, 2022

Aditya V. Agarwal
Executive Chairman
DIN: 00149717

ANNEXURE - I to the Board's 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 31st March, 2022.

A. Conservation of energy:

i) Following Energy conservation measures have been undertaken:

- Board machine mill water pump (75 kw) is stopped by reducing system pressure from 4.3 kg/cm² to 3.6 kg/cm². Power saving of 960 kwh per day is achieved.
- To avoid bleed air consumption of dual tower regenerative desiccant air drier of GA 45 compressors, drier control supply is synchronised with compressor motor start feedback. With that idle running of GA 45 compressors are minimised and an average power saving of 200 kwh per day achieved.
- Purging time of instrument air receiver tank drain valves are revised from 10 sec/5minutes to 5 sec/30 minutes. Total purging time is reduced from 3.2 hrs per day to 0.27 hrs per day. Approx. power saving of 202 kwh per day is achieved.
- In GA 45 compressor delivery line is connected to process air circuit so that during GA 110 breakdown GA 45 can be used for conveying. During low load operations and paper machine shut, GA 45 is used in place of GA 110 with an average power saving of 80 kwh per day is achieved.
- In Paper Machine-3 auto slice and Trivac vacuum pumps replaced with single energy efficient vacuum pump which resulted in power saving of 360 Kwh per day.
- In Paper Machine-3 suction pick up and suction press vacuum pumps replaced with a single energy efficient vacuum pump, which resulted in energy saving of 2040 Kwh per day.

B. Technological Absorption:

i) Research & Development (R & D):

- ##### a) Specific area in which in-house R&D projects are carried out by the company during 2021-22
- Board machine speed increased and production enhanced by 500 MT/Month.
 - Developed new local vendor for maize starch.

- Developed new local vendor for topcoat acrylic binder.
- Board machine coater section IR bulbs changed to 4.0 KW from 3.0 KW to maintain quality and increased production.
- Board machine all wires width further increased by 20 MM to improve machine runability and reduce breaks.
- Topcoat blade bevel angle increased from 2 degrees to 4 degrees to reduce rejections due to scratch lines with new blade.
- 42 GSM NP run with 1100mpm in PM#3.

b) Benefits derived as a result of the above R & D

The above efforts have resulted in the following benefits;

- Energy saving of 100 Kw/hr. (2400 Kwh / day) by using energy efficient vacuum pump.
- Development of new products on all machines.
- Saving in input costs.

c) Future action plan

- Continue to develop new products.
- Continue to work on improvement of yield.
- Reduction of fresh water consumption by recycling and reuse of treated process water and treated water from effluent.
- Usage of alternative chemicals for quality optimization and cost saving.
- Continual reduction of power and steam consumption in production processes.

d) Expenditure on R & D

- No separate accounting for Research and Development activities was made as the same was a part of process and product development.

ii) Efforts made towards technology absorption, adoption and innovation

- By changing the shower nozzles and stopping two Nos of LP showers and thereby achieving water saving of 400m³/day.
- Increased the inherent ash in paper to 5-6% by controlling the foam in the approach flow system.
- 40 GSM Pharma print developed in PM#2.
- Paper ash increased to 20% in solitaire product in PM#1 & 2.

C. Foreign exchange earnings and outgo:

(₹ in Crore)

Particulars	2021-22	2020-21
Foreign exchange earnings	560.97	291.57
Foreign exchange outgo	906.06	570.69

ANNEXURE - II to the Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities for FY 2021-22

1. Brief outline on CSR Policy of the Company

The approach towards Corporate Social Responsibility at Emami Paper Mills Limited is aimed at creating an institutional environment to ensure greater socio-economic stability and finding a balance between the interests of all the stakeholders. Emami Paper has been instrumental towards integrating the economic, social and environmental concerns into its values, culture, strategy, decision-making and operations in a transparent and accountable manner. Thus establishing better practices within the firm, creating wealth and improving the society.

Emami Paper's CSR drives the organization doing business in a responsible, integrated, invisibly linked manner delivering values in the sectors of environment, welfare, corporate governance and community at large. The investment in the CSR intends at enhancing the socio-economic development of the society to have a lasting impact on the lives of people. The CSR team at Emami Paper endeavors at integrating sustainability into strategic thinking and in the process reaping profits by re-engineering of the business and reducing wastes. The team has progressed commendably in creating opportunities at the rural level to gain a social competence.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Aditya V. Agarwal	Chairman of the Committee, Executive Chairman	2	2
2.	Mr. Manish Goenka	Member of the Committee, Whole-time Director	2	2
3.	Mrs. Richa Agarwal	Member of the Committee, Non-executive Director	2	2
4.	Mr. H. M. Marda	Member of the Committee, Independent Director	2	2
5.	Mr. P. S. Patwari	Member of the Committee, Executive Director	2	2
6.	Mr. Vivek Chawla	Member of the Committee, Whole-time Director & CEO	2	2
7.	Mr. Sumit Banerjee [#]	Member of the Committee, Independent Director	-	-
8.	Mrs. Mamta Binani [#]	Member of the Committee, Independent Director	-	-

Note: [#]Appointed as Member of the CSR Committee with effect from 31st January, 2022. No. of meetings held and attended is with reference to the date of joining/cessation of the Director.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Web link of Composition of CSR Committee: http://www.emamipaper.in/downloads/epml_committee_2022.pdf

Web link of CSR Policy: <http://www.emamipaper.in/compliances.php>

Web link of CSR Projects: Not Applicable as there are no CSR Projects undertaken by the Company at present.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

(₹ in lakh)

Sl.No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
1	2020-21	15.20	Nil
	Total	15.20	Nil

6. Average net profit of the company as per Section 135(5): ₹ 1,996.08 lakh

7. (a) Two percent of average net profit of the company as per Section 135(5): ₹ 39.92 lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 39.92 lakh

8. (a) CSR amount spent or unspent for the financial year :

(₹ in lakh)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
83.12	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Eradication of Hunger through daily Feeding and mass feeding on special occasions, Promoting health through regular Homeopathy-cum-Ayurvedic dispensaries, Medical support to the Poor Needy, Health Promotion through making available safe Drinking Water (Tube wells).	Clause I of Schedule VII	Yes	Odisha	Balasore	34.24	Yes, Direct	NA	NA
2.	Providing Education Support to Local Play School, Promoting Education through award of scholarship.	Clause II of Schedule VII	Yes	Odisha	Balasore	2.54	Yes, Direct	NA	NA
3.	Reducing inequality through	Clause III of Schedule VII	Yes	Odisha	Balasore	1.07	Yes, Direct	NA	NA
4.	Environmental Sustainability by Plantation Activities, Animal Foods/ Medicines/ Doctor Fees.	Clause IV of Schedule VII	Yes	Odisha	Balasore	39.59	Yes, Direct	NA	NA
5.	Renovation of Historical monuments and Local Temples, Support to Local organizations for promoting Art & Culture.	Clause V of Schedule VII	Yes	Odisha	Balasore	1.60	Yes, Direct	NA	NA
6.	Street Light & Village Lighting, Local Welfare activities, Promoting Local Sports, Rural development through village adoption / Infrastructural Development.	Clause X of Schedule VII	Yes	Odisha	Balasore	4.07	Yes, Direct	NA	NA
	Total					83.12			

- (d) Amount spent in Administrative Overheads:- Nil
- (e) Amount spent on Impact Assessment, if applicable:- Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e):- ₹ 83.12 lakh
- (g) Excess amount for set off, if any -

(₹ in lakh)

Sl.No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per Section 135(5)	39.92
(ii)	Total amount spent for the Financial Year	83.12
(iii)	Excess amount spent for the financial year [(ii)-(i)]	43.20
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	43.20

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

For the Emami Paper Mills Limited

Kolkata.
25th May, 2022

Vivek Chawla
Whole-time Director & CEO
DIN:02696336

Aditya V. Agarwal
Chairman, CSR Committee
DIN:00149717

ANNEXURE - III to the Board's Report

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March, 2022

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

To

The Members,

EMAMI PAPER MILLS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our 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 authorised representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 generally 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:

We 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, 2022, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - c) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - f) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - g) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - h) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
 - i) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 2018
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, *inter-alia*, applicable to the Company:
 - a) The Environment Protection Act, 1986
 - b) The Water (Prevention and Control of Pollution) Act, 1974
 - c) The Air (Prevention and Control of Pollution) Act, 1981
 - d) Hazardous Waste (Management, Handling and Transboundary Movement) Rules 2008, as amended from time to time.
 - e) The Indian Boilers Act 1923.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We 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 and Listing Regulations. As required under Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to have 6(six) Independent Directors. Pursuant to resignation of Mr. Shyamalendu Chatterjee, Independent Director, the Board of Directors consisted of 5(five) Independent Directors during the period from 22.10.2021 to 03.01.2022. Further, due to demise of Mr. Jayant Narayan Godbole, Independent Director, the Independent Directors on the Board of the Company were further reduced to 4(four) during the period from 04.01.2022 to 19.01.2022. The Board of Directors at its meeting held on 20.01.2022 appointed two additional directors in the category of Independent Directors thus complying with Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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.

We 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.

We further report that during the period under audit, the Company has passed the following special resolutions:

1. To approve re-appointment of Mr. Aditya V. Agarwal (DIN: 00149717) as Whole-time Director, designated as "Executive Chairman", liable to retire by rotation, for a period of 3 (three) years w.e.f. 1st November, 2021;
2. To approve appointment of Mr. Vivek Chawla (DIN:02696336) as Whole-time Director, for a period of 3 (three) years w.e.f. 2nd December, 2020;
3. To approve appointment of Mr. Amit Kiran Deb (DIN:02107792) as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 20th January, 2022;
4. To approve appointment of Mr. Sumit Banerjee (DIN:00213826) as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 20th January, 2022.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Manoj Kumar Bantia
Partner
Membership no. 11470
COP no. 7596

Date: 25.05.2022
Place: Kolkata
UDIN: A011470D000383501

Annexure- 'I' to the Secretarial Audit Report

To

The Members,

EMAMI PAPER MILLS LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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

Firm Reg No: P2010WB042700

Manoj Kumar Banthia

Partner

Membership no. 11470

COP no. 7596

Date: 25.05.2022

Place: Kolkata

UDIN: A011470D000383501

Annexure – IV to the Board’s Report

Information pursuant to Section 197(12) of The Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i) Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2021-22:

Name of the Director(s)/ KMP	Designation	Ratio to median remuneration	Percentage increase in remuneration in the FY 2021-22
Mr. Aditya V Agarwal	Executive Chairman	53:1	10%
Mr. Manish Goenka	Whole-time Director	55:1	11%
Mr. P. S. Patwari	Executive Director	109:1	-
Mr. Vivek Chawla	Whole-time Director & CEO	175:1	10%
Mr. S K Khetan	Director (Operations) & CFO	43:1	9%
Mr. Debendra Banthiya*	Company Secretary	-	-
Mr. G.Saraf**	Vice President (Finance) & Company Secretary	-	-

*Appointed as Company Secretary w.e.f. 02.06.2021

**Ceased to be Company Secretary w.e.f. 02.06.2021

Note:

- The Non-executive Directors of the Company received no remuneration except sitting fees for attending Board and Committee Meetings. The details whereof are provided in the Corporate Governance Report.
 - The Ratio and Percentage increase of Remuneration for Non-executive Directors are therefore not considered for the above purpose.
- ii) Percentage increase in the median remuneration of employees in the financial year: 18.33%
- iii) Number of permanent employees on the rolls of company: 1,121

iv) Explanation on:

Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year	Average percentage increase was ~10%.
Percentage increase in the managerial remuneration	Average percentage increase was ~10%.
Justification for increase in the managerial remuneration	Increase in managerial remuneration is a multi-dimensional and multi-determined outcome. It is linked to a) assessment of performance of the individual for his key responsibilities; b) industry standards of remuneration; and c) business performance of the company linked to market conditions & competition.
Exceptional circumstances for increase in the managerial remuneration, if any	NA

- v) Affirmation that the remuneration is as per the remuneration policy of the company: The remuneration is as per the remuneration policy of the company.

Annexure – V to the Board’s Report

Report on Corporate Governance

[Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1) COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Your 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

A) COMPOSITION

The Board of Directors (“Board”) is composed of eminent individuals from diverse fields. As on 31st March 2022, the Board comprises of 12 (twelve) Directors out of which 7 (Seven) Directors are Non-executive Directors.

The composition of the Board of Directors is in conformity with Regulations 17 & 17 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition, category of the Board of Directors and other details are as given below:

Sl No.	Name of the Director & DIN	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 27.08.2021	No. of Directorship held in other Public Limited Companies	No. of Membership/ Chairmanship in other Board/ Committee #	
						Chairman	Member
1.	Mr. Aditya V. Agarwal 00149717	Promoter, Executive Chairman	4	Yes	2	-	-
2.	Mr. Manish Goenka 00363093	Promoter, Whole-time Director	4	Yes	-	-	-
3.	Mrs. Richa Agarwal 01505726	Promoter, Non-executive	4	Yes	-	-	-
4.	Mr. S. Balasubramanian 02849971	Independent, Non-executive	4	Yes	5	3	5
5.	Mr. H. M. Marda 00855466	Independent, Non-executive	4	No	6	-	1
6.	Mr. J. K. Khetawat 00920819	Independent, Non-executive	3	No	4	-	-
7.	Mr. Amit Kiran Deb* 02107792	Independent, Non-executive	1	N.A.	9	5	9
8.	Mr. Sumit Banerjee* 00213826	Independent, Non-executive	1	N.A.	3	-	3
9.	Mrs. Mamta Binani 00462925	Independent, Non-executive	4	No	9	1	5
10.	Mr. P. S. Patwari 00363356	Executive	4	Yes	1	-	-
11.	Mr. Vivek Chawla 02696336	Executive, Whole-time Director & Chief Executive Officer (CEO)	4	Yes	1	-	1
12.	Mr. S. K. Khetan 00358577	Executive Director (Operations) & Chief Financial Officer (CFO)	4	Yes	-	-	-

Includes only Audit Committee and Stakeholders’ Relationship Committee as per Regulation 26(1) of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015.

* Appointed as an Independent Director w.e.f 20th January, 2022.

Note: 1. Mr. J. N Godbole, Independent Director, Chairman of Audit and Nomination & Remuneration committees ceased to be Director of the Company w.e.f 4th January, 2022 upon his sudden demise.

2. Mr. Shyamalendu Chatterjee ceased to be Director of the Company w.e.f. 22nd October, 2022 due to his resignation.

B) DIRECTORSHIPS IN OTHER LISTED ENTITIES

Sl. No.	Name of the Director	Name of other Listed Entity	Category of Directorship
1.	Mr. Aditya V. Agarwal	1. Emami Limited	Non-executive Director
2.	Mr. Manish Goenka	-	-
3.	Mrs. Richa Agarwal	-	-
4.	Mr. S.Balasubramanian	1. Sanghi Industries Limited	Independent Director
		2. TTK Healthcare Limited	Independent Director
		3. UCAL Fuels Systems Limited	Independent Director
		4. GVK Power & Infrastructure Limited	Independent Director
5.	Mr. H. M. Marda	1. Emami Realty Limited	Independent Director
6.	Mr. J. K. Khetawat	1. RTL Logistics Limited	Whole-time Director
7.	Mr. Amit Kiran Deb	1. Emami Limited	Independent Director
		2. Century PlyBoards (India) Ltd	Independent Director
		3. Star Cement Limited	Independent Director
		4. Skipper Limited	Independent Director
		5. India Power Corporation Limited	Independent Director
		6. B & A Limited	Independent Director
8.	Mr. Sumit Banerjee	-	-
9.	Mrs. Mamta Binani	1. Emami Limited	Independent Director
		2. GPT Infraprojects Limited	Independent Director
		3. Skipper Limited	Independent Director
		4. Century Plyboards (India) Limited	Independent Director
		5. Balarampur Chini Mills Limited	Independent Director
10.	Mr. P. S. Patwari	-	-
11.	Mr. Vivek Chawla	-	-
12.	Mr. S. K. Khetan	-	-

C) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

During the year under review, 4 (Four) Board Meetings were held i.e. on 1st June, 2021, 6th August, 2021, 28th October, 2021, and 31st January, 2022 respectively.

D) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Mrs. Richa Agarwal, Non-executive Director of the Company is the wife of Mr. Aditya V. Agarwal - Executive Chairman of the Company.

E) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2022.

Name of Directors	Category	No. of Equity Shares
Mrs. Richa Agarwal	Promoter, Non-executive	1,500
Mr. S. Balasubramanian	Independent, Non-executive	NIL
Mr. H. M. Marda	Independent, Non-executive	NIL
Mr. J. K. Khetawat	Independent, Non-executive	NIL
Mr. Amit Kiran Deb	Independent, Non-executive	NIL
Mr. Sumit Banerjee	Independent, Non-executive	NIL
Mrs. Mamta Binani	Independent, Non-executive	NIL

F) FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Members of the Board of the Company have been provided opportunities to familiarize themselves with the Company, its Management, and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Executive Directors and Senior Management provide an overview of the operations and familiarize the new Independent Directors on matters related to the Company's value and commitments. They are also introduced to the organizational structure, constitution of various Committees, Board procedures, Risk Management strategies, etc. Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management.

Senior management personnel of the Company makes presentations to the Board Members periodically, briefing them on the operations of the Company, plans, strategy,

risk involved, new initiatives, etc., and seek their opinions and suggestions on the same.

The Statutory Auditors and Internal Auditors of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time.

The details of the Familiarization Programme are available on the website: <http://www.emamipaper.in/downloads/fdirector.pdf>

G) MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 31st January, 2022 under the Chairmanship of Mr. S. Balasubramanian, Independent Director, *inter-alia*, to review the performance of Non-independent Directors and the Board as a whole, to review the performance of the Chairman taking into account the views of the Executive and Non-executive Directors and assess the quality, quantity, and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors deliberated on the above and expressed their satisfaction on each of the matters. Inputs and suggestions received from the Independent Directors were considered at the Board meeting and have been implemented.

H) STATEMENT OF SKILLS / EXPERTISE / COMPETENCE OF BOARD OF DIRECTORS

In line with the Board Diversity Policy, the Company recognizes and embraces the importance of a diverse Board in its success and efficient functioning. On the recommendation and approval of the Nomination and Remuneration Committee, the Board has appointed individual Directors on merit, skills, expertise, and competence as mentioned below for each Director of the Board along with their names:

Sl. No.	Name of the Director	Key Board Skills/Expertise/Competencies
1.	Mr. Aditya V. Agarwal (Promoter, Executive Chairman)	A well-known Industrialist having rich and varied experience of 24 years in marketing, Corporate Planning, Business Development, Strategy formulation, and overall management.
2.	Mr. Manish Goenka (Promoter, Executive Director)	A well-known Industrialist with extensive business experience of 22 years in the area of Finance, Accounting, Corporate Planning, Business Development, Strategy Formulation, and overall management.
3.	Mrs. Richa Agarwal (Promoter, Non-executive Director)	Extensive experience in the area of Social Welfare, Corporate Social Responsibility (CSR) Initiatives, Women Empowerment and overall Business Management.
4.	Mr. S. Balasubramanian (Independent Director)	He is a former Chairman of the Company Law Board and has rich and varied experience in the field of Corporate Law. He is a well-known personality for his valuable contribution to the Corporate world. He was also a former member of the Indian Postal Service and has senior-level experience in the public sector.
5.	Mr. H. M. Marda (Independent Director)	A Chartered Accountant and Industrialist with extensive business experience over 3 decades in the area of Accounting, Corporate Planning, Strategy formulation, and overall management.

Sl. No.	Name of the Director	Key Board Skills/Expertise/Competencies
6.	Mr. J. K. Khetawat (Independent Director)	An Industrialist with extensive business experience in the area of Real Estate Development, Corporate Planning, Logistics, Strategy formulation and overall management.
7.	Mr. Amit Kiran Deb (Independent Director)	He holds a Master's Degree in Political Science from Allahabad University. He joined the Indian Administrative Service (IAS) in 1971 and was assigned to the West Bengal cadre. Thereafter he served the Governments of West Bengal and Tripura as well as the Union Government in various capacities. He served as Home Secretary and then Chief Secretary to the Government of West Bengal before his retirement.
8.	Mr. Sumit Banerjee (Independent Director)	He is a Mechanical Engineering graduate from IIT, Kharagpur, and has completed his MEP from IIM Ahmedabad. He has been the Vice-Chairman of Reliance Cement, and CEO at Reliance Infrastructure Ltd. He held the position of MD and CEO at ACC Limited. He is a seasoned business leader with a formidable background in manufacturing and infrastructure.
9.	Mrs. Mamta Binani (Independent Director)	She is an Advocate and a Fellow Member of ICSI. She is an Insolvency Professional registered with the Insolvency & Bankruptcy Board of India. She has over 25 years of experience in corporate consultation, corporate governance & advisory.
10.	Mr. P. S. Patwari (Executive Director)	A Chartered Accountant having extensive experience of 42 years in the areas of Finance, Accounting, Corporate Planning, Business Development, Strategy formulations and overall management.
11.	Mr. Vivek Chawla (Executive Director designated as Whole-time Director & CEO)	An industry veteran with over 35 years of experience across commercial multi-facets of organization's performance ranging from operations to management, sales, and marketing to strategy and governance and logistics. His professional skillset includes results-driven leadership, commercial relationship building, market access, strategic revenue growth, commercial acumen, contract negotiations, team management and performance optimization.
12.	Mr. S. K. Khetan (Executive Director designated as Director [Operations]) & CFO	A Chartered Accountant and also a Member of ICSI having over 33 years of experience in the fields of Finance, Accounting, Taxation, Costing, Long Term Business Planning, Budgetary Control, etc.

The Board of Directors possesses appropriate skills, experience, and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service and other disciplines as required in the context of Company's operations.

I) CONFIRMATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

All the Independent Directors have confirmed in their Annual Declaration to the Board that they have complied with all the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 ("Act") and Regulations 16(1) (b) and 25(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, the Independent Directors fulfill the independence conditions specified in the Act and SEBI Listing Regulations and they are Independent of the Management. Further, in terms of Section 150 of the Act read with rules framed thereunder, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA').

J) RESIGNATION OF INDEPENDENT DIRECTORS

During the year under review, Mr. Shyamalendu Chatterjee, Independent Director has resigned before the expiry of his tenure from the Board of the Company w.e.f. 22nd October, 2021 due to his advancing age and indifferent health. He has confirmed that there is no other material reason for his resignation.

Mr. J.N.Godbole ceased to be Independent Director upon his sudden demise on 4th January, 2022.

3) AUDIT COMMITTEE**A) BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The terms of reference of the Audit Committee, *inter-alia*, includes:

1. Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company ;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements, and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by the management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) if any in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of users/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the listed entity with Related Parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of international financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience, and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. As per Regulation 9(A) (4) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 the Audit Committee shall also review compliance of the provisions of the Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

22. To mandatorily review the following information pursuant to Part C item B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal Audit Reports relating to internal control weaknesses; and
4. The appointment, removal, and terms of remuneration of the Chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including a report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual Statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

B) COMPOSITION OF THE COMMITTEE

The composition of the Audit Committee is in accordance with the requirement of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

During the financial year 2021-22, the following changes in the composition of the Audit Committee occurred as under:

- Mr. Shyamalendu Chatterjee ceased to be a Member of the Audit Committee due to his resignation with effect from 22nd October, 2022.
- Mr. Jayant Narayan Godbole, ceased to be Chairman of the Committee upon his sudden demise on 4th January, 2022.
- Mr. Amit Kiran Deb and Mr. Sumit Banerjee, Independent Directors were appointed as Members of the Audit Committee with effect from 31st January, 2022 by the Board of Directors at their Meeting held on 31st January, 2022.
- Mr. H. M. Marda was appointed as the Chairman of the Audit Committee with effect from 31st January, 2022 by the Board of Directors at their Meeting held on 31st January, 2022.

The Committee presently comprised of five (5) Independent Directors as under:

Sl. No.	Name of the Director	Designation
1.	Mr. H. M. Marda	Chairman
2.	Mr. S. Balasubramanian	Member
3.	Mr. J. K. Khetawat	Member
4.	Mr. Amit Kiran Deb	Member
5.	Mr. Sumit Banerjee	Member

Mr. Debendra Banthiya, Company Secretary, acts as the Secretary to the Committee.

C) MEETING AND ATTENDANCE

During the year under review 4 (four) Audit Committee meetings were held i.e. on 1st June, 2021, 6th August, 2021, 28th October, 2021 and 31st January, 2022 respectively.

The details of attendance at the Audit Committee Meetings held during the year are given below:-

Sl. No.	Name of Director	Audit Committee Meeting	
		Held	Attended
1.	Mr. J. N. Godbole	3	3
2.	Mr. H. M. Marda	4	4
3.	Mr. S. Balasubramanian	4	4
4.	Mr. J. K. Khetawat	4	3
5.	Mr. Shyamalendu Chatterjee	2	2
6.	Mr. Amit Kiran Deb	1	1
7.	Mr. Sumit Banerjee	1	1

Note: No. of Meetings held and attended is with reference to the date of joining/cessation of the Director

The Internal Auditors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are permanent invitees of the Audit Committee. The Statutory Auditors are also invited to attend the meetings.

In compliance with Regulation 18(1)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. J. N. Godbole, Chairman of the Audit Committee was present at the 39th Annual General Meeting of the Company held on 27th August, 2021.

4) NOMINATION & REMUNERATION COMMITTEE

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The terms of reference of the Nomination & Remuneration Committee (NRC), *inter-alia*, includes:

- 1) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- 2) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- 3) Formulation of the criteria for evaluation of Performance of Independent Directors and Board of Directors;
- 4) Devising a policy on diversity of the Board of Directors;
- 5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 6) Recommend to the Board, all remuneration, in whatever form payable to Senior Management.

B) COMPOSITION OF THE COMMITTEE

The composition of the NRC is in accordance with the requirement of Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the financial year 2021-22, the following changes in the composition of the NRC occurred as under:

- Mr. Jayant Narayan Godbole, ceased to be the Chairman of the Committee upon his sudden demise on 4th January, 2022.
- Mr. S. Balasubramanian was appointed as the Chairman of the Nomination & Remuneration Committee w.e.f 31st January, 2022.
- Mr. Amit Kiran Deb, Independent Director was appointed as a Member of the Nomination & Remuneration Committee w.e.f 31st January, 2022.

The Nomination and Remuneration Committee presently consists of the following Independent Directors:

Sl. No.	Name of the Director	Designation
1.	Mr. S. Balasubramanian	Chairman
2.	Mr. H. M. Marda	Member
3.	Mr. J. K. Khetawat	Member
4.	Mr. Amit Kiran Deb	Member

Mr. Debendra Banthiya, Company Secretary, acts as the Secretary to the Committee

C) MEETING AND ATTENDANCE DURING THE YEAR

During the year under review, 2 (two) meetings of the Nomination and Remuneration Committee was held i.e. on 1st June, 2021 and 20th January, 2022 respectively.

The details of attendance at the Nomination & Remuneration Committee Meetings held during the year are given below:-

Sl. No.	Name of Director	Nomination and Remuneration Committee Meeting	
		Held	Attended
1.	Mr. J. N. Godbole	1	1
2.	Mr. S. Balasubramanian	2	2
3.	Mr. H. M Marda	2	2
4.	Mr. J. K. Khetawat	2	2
5.	Mr. Amit Kiran Deb	-	-

Note: No. of Meetings held and attended is with reference to the date of joining/cessation of the Director

In compliance with Regulation 19(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Chairman of the Nomination & Remuneration Committee was present at the 39th Annual General Meeting of the Company held on 27th August, 2021.

D) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The criteria for performance evaluation of the Independent Directors, *inter-alia*, includes:

Sl. No.	Evaluation Criteria
I. a)	Knowledge and Competency: How the person fares across different competencies as identified for the effective functioning of the entity and the Board
b)	Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates
II.	Fulfillment of Functions: Whether the person understands and fulfills the functions as assigned to him/her by the Board and the law
III.	Ability to function as a team: Whether the person is able to function as an effective team- member
IV.	Initiative: Whether the person actively takes initiative with respect to various areas
V.	Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay
VI.	Commitment: Whether the person is adequately committed to the Board and the entity
VII.	Contribution: Whether the person contributed effectively to the entity and in the Board meetings
VIII.	Integrity: Whether the person demonstrates the highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
IX.	Independence: Whether the person is independent of the Company and other directors and there is no conflict of Interest.
X.	Independent views and judgment: Whether the person exercises his/her own judgement and voices opinion freely

E) 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:

- i. 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 operations.
- ii. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including a general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.
- iii. 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.
- iv. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

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

The detailed policy is available at the website of the Company i.e. www.emampaper.in

F) PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board at their meeting held on 25th May, 2022, had carried out an annual performance evaluation of its own performance, individual Directors including the Chairman, as well as the evaluation of the working of its Board Committees.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Directors being evaluated.

The criteria for evaluation are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

Further, the Independent Directors have evaluated the performance of Executive Chairman, Non-Independent Directors and the Board of Directors as a whole at a separate meeting held on 31st January, 2022 as per the requirement of Regulation 25 (3) & (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5) REMUNERATION OF DIRECTORS

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

Details of sitting fees paid to Non-executive and Independent Directors for attending Board / Committee Meetings are as given below:

(In ₹)		
Sl. No.	Name of the Director	Total
1.	Mrs. Richa Agarwal	1,30,000/-
2.	Mr. J. N. Godbole	1,65,000/-
3.	Mr. S. Balasubramanian	2,05,000/-
4.	Mr. H. M. Marda	3,10,000/-
5.	Mr. J. K. Khetawat	1,95,000/-
6.	Mr. Amit Kiran Deb	40,000/-
7.	Mr. Sumit Banerjee	40,000/-
8.	Mr. Shyamalendu Chatterjee	80,000/-
9.	Mrs. Mamta Binani	1,15,000/-
Total :		12,80,000/-

There was no pecuniary relationship or transactions with the Non-executive and Independent Directors vis-a-vis the Company other than disclosed herein.

B) 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 Executive Directors, Key Managerial Personnel(s) (KMPs) and Senior Managerial Personnel(s) (SMPS). Their remuneration is 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 Nomination and Remuneration Committee, Board of Directors and members at the General Meeting of the Company. As a policy, the Executive Directors are neither paid sitting fees nor any commission.

The remuneration for other KMPs, SMPs and Unit heads is determined by the Executive Director of the Company based on their performance and other relevant factors.

(in ₹)

Sl. No.	Name of the Director	Salary & Allowances (Fixed component)*	Benefits**	Bonus	Total	Service Contract	Notice Period
1.	Mr. Aditya V. Agarwal	1,25,00,000/-	32,60,958/-	-	1,57,60,958/-	3 years (w.e.f.1st November,2021)	3 Months
2.	Mr. Manish Goenka	1,16,00,000/-	23,32,643/-	-	1,39,32,643/-	3 Years (w.e.f. 1st August, 2020)	3 Months
3.	Mr. P. S. Patwari	2,15,96,400/-	1,10,00,868/-	-	3,25,97,268/-	3 Years (w.e.f. 1st April, 2020)	3 Months
4.	Mr. Vivek Chawla	2,12,85,000/-	3,09,03,804/-	4,063/-	5,21,92,867/-	3 Years (w.e.f. 2nd December, 2020)	3 Months
5.	Mr. S. K. Khetan	64,56,708/-	64,14,792/-	-	1,28,71,500/-	3 Years (w.e.f.7th November, 2019)	3 Months
	Total	7,34,38,108/-	5,39,13,065/-	4,063/-	12,73,55,236/-		

* Fixed component includes Basic Salary and Fixed allowances

**Other Benefits includes Provident Fund, Leave Travel Allowance, Reimbursement of Medical Expenses, Cost of Accommodation including Rent, Maintenance and Electricity, etc.

Note:

- I. None of the Directors were paid performance-linked incentives.
- II. Severance Fees - No such fees paid to any of the Directors.
- III. None of the Directors have been issued any Stock Options of the Company.

6) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The terms of reference of Stakeholders' Relationship Committee (SRC), *inter-alia*, includes:-

- i) Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii) Review of measures taken for the effective exercise of voting rights by shareholders.
- iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports/ statutory notices by the shareholders of the Company.

B) COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following members:-

Sl. No.	Name of the Director	Category
1.	Mr. H. M. Marda (Chairman)	Independent Director
2.	Mr. Manish Goenka	Whole-time Director
3.	Mr. P. S. Patwari	Executive Director
4.	Mr. Vivek Chawla	Whole-time Director & CEO

The composition of the Stakeholder's Relationship Committee meets the requirement of Regulation 20 (2)&(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

Mr. Debendra Banthiya, Company Secretary, acts as the Secretary to the Committee and the Compliance Officer of the Company.

C) MEETING AND ATTENDANCE

During the year 1 (one) meeting of the Stakeholders' Relationship Committee was held i.e. on 29th January, 2022 which was attended by all the members.

In compliance with Regulation 20(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Vivek Chawla, duly authorised by the Chairman of the SRC, was present at the 39th AGM to answer the queries of the shareholders,

7) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**A) BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The terms of reference of CSR Committee, *inter-alia*, includes:-

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on CSR activities;
- c) Monitor the CSR Policy of the Company from time to time.

B) COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following members:

Sl. No.	Name of the Director	Category
1.	Mr. Aditya V. Agarwal (Chairman)	Executive Chairman
2.	Mr. Manish Goenka	Whole-time Director
3.	Mrs. Richa Agarwal	Non-executive Director

Sl. No.	Name of the Director	Category
4.	Mr. H. M. Marda	Independent Director
5.	Mr. Sumit Banerjee	Independent Director
6.	Mrs. Mamta Binani	Independent Director
7.	Mr. P. S. Patwari	Executive Director
8.	Mr. Vivek Chawla	Whole-time Director & CEO

The following changes in the composition of the Committee took place during the financial year under review:

- Mr. Jayant Narayan Godbole ceased to be a Member of the Committee upon his sudden demise on 4th January, 2022.
- Mr. Sumit Banerjee, Independent Director was appointed as a Member of the CSR Committee with effect from 31st January, 2022.
- Mrs. Mamta Binani, Independent Director was appointed as a Member of the CSR Committee with effect from 31st January, 2022.

Mr. Debendra Banthiya, Company Secretary, acts as the Secretary to the Committee.

C) MEETING AND ATTENDANCE

During the year under review, 2(two) meetings of the Corporate Social Responsibility Committee were held i.e. on 1st June, 2021 and 28th October, 2021 respectively.

The details of attendance at the Corporate Social Responsibility Committee Meetings held during the year are given below:

Sl. No.	Name of Director	Corporate Social Responsibility Committee Meeting	
		Held	Attended
1.	Mr. Aditya V. Agarwal	2	2
2.	Mr. Manish Goenka	2	2
3.	Mrs. Richa Agarwal	2	2
4.	Mr. J. N. Godbole	2	2
5.	Mr. H. M. Marda	2	2
6.	Mr. Sumit Banerjee	-	-
7.	Mrs. Mamta Binani	-	-
8.	Mr. P. S. Patwari	2	2
9.	Mr. Vivek Chawla	2	2

Note: No. of Meetings held and attended is with reference to the date of joining/cessation of the Director

8) FINANCE COMMITTEE

The Finance Committee was constituted by the Board in its meeting held on 6th May, 2015 to deal with expediting financial decisions including the transactions and dealing with various Banks for long term and short term financial requirements of the Company.

A) COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following Members:-

Sl. No.	Name of the Director	Category
1.	Mr. H. M. Marda (Chairman)	Independent Director
2.	Mr. Manish Goenka	Whole-time Director
3.	Mr. J. K. Khetawat	Independent Director
4.	Mr. P. S. Patwari	Executive Director
5.	Mr. Vivek Chawla	Whole-time Director & CEO

Mr. Debendra Banthiya, Company Secretary, acts as the Secretary to the Committee.

B) MEETING AND ATTENDANCE

During the year under review, 2 (two) meetings of the Finance Committee was held i.e. on 20th December, 2021 and 23rd March, 2022 respectively.

The details of attendance at the Finance Committee Meetings held during the year are given below:

Sl. No.	Name of Director	Finance Committee Meeting	
		Held	Attended
1.	Mr. H. M. Marda	2	2
2.	Mr. J. K. Khetawat	2	2
3.	Mr. Manish Goenka	2	1
4.	Mr. P.S.Patwari	2	2
5.	Mr. Vivek Chawla	2	2

9) RISK MANAGEMENT COMMITTEE

In compliance to the provisions of Regulation 21 of the SEBI Listing Regulations the Board of Directors have constituted a Risk Management Committee at their meeting held on 1st June, 2021.

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The terms of reference of the Risk Management Committee, *inter-alia*, includes:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks) information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

B) COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following Members:

Sl. No.	Name of the Director	Category
1.	Mr. H. M. Marda (Chairman)	Independent Director
2.	Mr. J.K.Khetawat	Independent Director
3.	Mr. Vivek Chawla	Whole-time Director & CEO

Mr. Debendra Banthiya, Company Secretary, acts as the Secretary to the Committee.

The following changes in the composition of the Committee took place w.e.f. 25th May, 2022:

- Mr. Sushil Kumar Khetan ceased to be a member of the Committee due to his resignation.
- Mr. Jugal Kishore Khetawat, Independent Director was appointed as a member of the Committee.

C) MEETING AND ATTENDANCE

During the year under review, 2 (two) meetings of Risk Management Committee was held i.e. on 6th August, 2021 and 29th January, 2022 respectively.

The details of attendance at the Risk Management Committee Meetings held during the year are given below:

Sl. No.	Name of Director	Finance Committee Meeting	
		Held	Attended
1.	Mr. H. M. Marda	2	2
2.	Mr. Vivek Chawla	2	2
3.	Mr. S.K.Khetan	2	2
4.	Mr. J. K. Khetawat	-	-

Note: No. of Meetings held and attended is with reference to the date of joining/cessation of the Director

10) GENERAL BODY MEETINGS

A) LOCATION AND TIME OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Financial Year	Venue	Date	Time
2018-19	Kolkata Centre for Creativity 777, Anandapur, EM Bypass, Kolkata - 700107	12th August, 2019	11.00 a.m.
2019-20	Through Video Conference(VC)/Other Audio Visual Means (OAVM) from Emami Towers, 687, Anandapur, E.M.Bypass, Kolkata-700107	21st September, 2020	11.00 a.m.
2020-21	Through Video Conference(VC)/Other Audio Visual Means (OAVM) from Emami Towers, 687, Anandapur, E.M.Bypass, Kolkata-700107	27st August, 2021	11.00 a.m.

(B) WHETHER SPECIAL RESOLUTIONS WERE PASSED IN THE PREVIOUS THREE AGMS: Yes

The following Special Resolutions were passed in the previous three AGMs:

i) 39th Annual General Meeting held on 27th August, 2021 for the year 2020-21

- 1) Approval of re-appointment and remuneration of Mr. Aditya V. Agarwal (DIN: 00149717) as a Whole-time Director, designated as "Executive Chairman", liable to retire by rotation.
- 2) Approval of appointment and payment of remuneration of Mr. Vivek Chawla (DIN: 02696336) as a Whole-time Director, liable to retire by rotation, designated as Whole-time Director & Chief Executive Officer (CEO)

ii) 38th Annual General Meeting held on 21st September, 2020 for the year 2019-20.

- 1) Approval of re-appointment of Mr. P. S. Patwari (DIN:00363356) as Executive Director, for a period of 3 years w.e.f 1st april, 2020 including payment of remuneration for that period.
- 2) Approval for appointment of Mr. S. K. Khetan (DIN:00358577) as a Whole-time Director, designated as Director (Operations) of the Company for a period of 3 years, w.e.f 7th November, 2019 including payment of remuneration for that period.
- 3) Approval for appointment of Mr. Manish Goenka, (DIN:00363093) as a Whole-time Director of the Company for a period from 1st August, 2020 to 14th July, 2023 including payment of remuneration for that period.

iii) 37th Annual General Meeting held on 12th August, 2019 for the year 2018-19:

- 1) Appointment of Mr. Shyamalendu Chatterjee (DIN: 0048249), as an Independent Director of the Company to hold office for a period of consecutive 5 (five) years commencing from 13th August, 2019.

C) POSTAL BALLOT

During the financial year under review, the following Special Resolutions were passed by way of Postal Ballot :-

- 1) Appointment of Mr. Amit Kiran Deb (DIN: 02107792) as an Independent Director of the Company
- 2) Appointment of Mr. Sumit Banerjee (DIN: 00213826) as an Independent Director of the Company.

The Board of Directors of the Company appointed Mr. Sandip Kumar Kejriwal, Practicing Company Secretary as the scrutinizer for scrutinizing the Postal Ballot held through remote E-Voting process. The Postal Ballot Notice dated 31st January, 2022 along with Explanatory Statement was sent to the Equity Shareholders of the Company on 7th February, 2022. The remote E-Voting commenced on Wednesday, 9th February, 2022 at 9.00 a.m. and ended on Thursday, 15th March, 2022 at 5.00 p.m. Based on Scrutinizers' Report, the results of Postal Ballot were declared on 12th March, 2022. The results were intimated to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and was also uploaded on the website of the Company and that of Central Depository Services (India) Limited ("CDSL"), remote e-voting Agency.

The result of the Postal Ballot through remote E-Voting are as follows:

- 1) Appointment of Mr. Amit Kiran Deb (DIN: 02107792) as an Independent Director of the Company

Particulars	Number of Votes cast through Remote E-Voting
1. Voted in favour of the Resolution	5,10,06,858
2. Voted against the Resolution	1,181
Total Votes	5,10,08,039
3. Invalid Votes	0
% of total Number of valid votes cast	100%

- 2) Appointment of Mr. Sumit Banerjee (DIN: 00213826) as an Independent Director of the Company

Particulars	Number of Votes cast through Remote E-Voting
1.Voted in favour of the Resolution	5,10,07,014
2.Voted against the Resolution	1,025
Total Votes	5,10,08,039
3.Invalid Votes	0
% of total Number of valid votes cast	100%

The aforesaid resolutions were passed by the Shareholders by requisite majority through Postal Ballot by remote E-Voting.

- iv) **WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT** - None

11) MEANS OF COMMUNICATIONS

A) Quarterly results:

The Quarterly Financial Results of the Company is published in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in widely circulated newspapers namely Business Standard (English Daily in All India Editions) and Aajkaal (Bengali Regional Daily).

The Financial Results of the Company also hosted on the Company's website: www.emamipaper.in

B) Whether it also displays official news releases:

No Official news releases.

C) Presentations made to institutional investors or to the analysts:

No Presentations are made.

12) GENERAL SHAREHOLDER INFORMATION

A) 40th Annual General Meeting:

Date: Friday, 19th August, 2022

Time: 10.30 a.m

Venue: Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

B) Financial year

i. Financial Year: April to March

ii. First Quarter Results: 2nd week of August (Tentatively)

iii. Half Yearly Results: 2nd week of November (Tentatively)

iv. Third Quarter Results: 2nd week of February (Tentatively)

v. Results for the year ending 31st March: by May (Tentatively)

C) Dividend

Your Director's are pleased to recommend dividend of ₹ 8 (i.e. 8%) per preference share of face value of ₹ 100/- each and ₹ 1.60 (i.e. 80%) per equity share of face value of ₹ 2/- each for the financial year ended 31st March, 2022.

The dividend if approved by the shareholders at the ensuing AGM will be paid within 30 days from the date of AGM.

D) Listing of Equity Shares on the Stock Exchange(s):

The Company's equity shares are listed with The National Stock Exchange of India Limited (NSE) and on BSE Limited (BSE). The address of the Stock Exchange(s) are as follows:

The National Stock Exchange of India Ltd.,	BSE Limited
Exchange Plaza, C-1, Block G,	Phiroze Jeejeebhoy Towers
Bandra Kurla Complex, Bandra (E)	Dalal Street
Mumbai - 400061	Mumbai - 400001

The relevant Listing Fees for the year 2021-22 were duly paid by the Company.

E) Stock Code:

The National Stock Exchange of India Ltd.	Symbol : EMAMIPAP
BSE Limited	Scrip Code :533208

The ISIN Number of Company's equity shares is INE830C01026.

F) Market Price Data:

Market Price Data: High/Low in each month in the Financial Year 2021-22:

Market Price Data on BSE, is given hereunder:

BSE

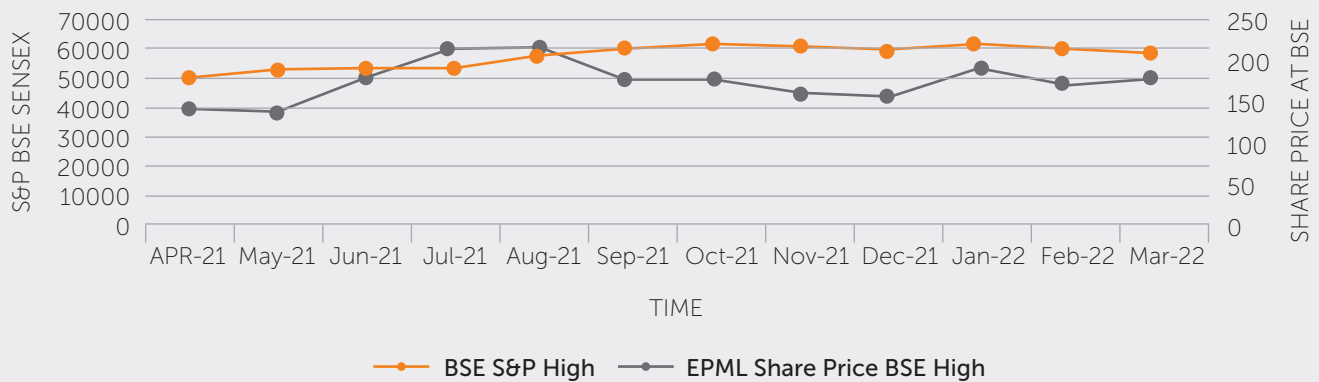
Month	High Price ('₹')	Low Price ('₹')
April 2021	142.75	95.05
May 2021	136.80	118.10
June 2021	182.00	120.70
July 2021	214.90	147.50
August 2021	214.40	164.00
September 2021	177.20	157.80
October 2021	176.50	148.00
November 2021	160.00	127.20
December 2021	158.00	129.55
January 2022	193.00	134.25
February 2022	170.95	117.50
March 2022	178.00	121.20

Market Price Data on the NSE is given hereunder:

NSE

Month	High Price ('₹')	Low Price ('₹')
April 2021	141.95	98.05
May 2021	136.80	116.00
June 2021	181.00	125.20
July 2021	214.80	146.10
August 2021	214.50	168.00
September 2021	177.60	157.25
October 2021	179.75	149.00
November 2021	161.00	126.40
December 2021	164.40	129.55
January 2022	193.00	134.55
February 2022	171.00	117.00
March 2022	178.05	128.10

Performance of Share Price of the Company in comparison to the BSE Sensex



H) There was no suspension of trading in the securities of the Company during the year under review.

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

Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700001
Phone: 033-2243-5029/2248-2248
Fax: 033-22484787
Email: mdpldc@yahoo.com

J) Share Transfer System:

The physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid transfers are approved by the Stakeholder's Relationship Committee and are noted at Board Meetings.

K) Distribution of Shareholding by ownership as on 31.03.2022 (Equity):

i) Shareholding Pattern as on 31.03.2022:

Category	Number of shares held	% of Shareholding
A. Promoters' and Promoters' Group	4,53,58,286	74.97
B. Mutual Funds and UTI	25,98,417	4.29
C. Foreign Portfolio Investors	3,00,000	0.50
D. Bodies Corporate	72,56,103	12.00
E. Resident Individuals, H.U.F	47,92,462	7.92
F. NRI / OCBs	28,657	0.05
G. Other Member	44,833	0.07
H. Others(Investors Education & Protection Fund)	1,20,292	0.20
Grand-total	6,04,99,050	100.00

ii) Distribution of Shareholding according to Nominal Value as on 31.03.2022:

Category	No. of Shareholders	Number of Shares held	% of Shareholding
1 - 50	7,574	1,44,916	53.66
51 - 100	2,497	2,18,983	17.70
101- 150	770	1,00,808	5.45
151 - 250	1,116	2,29,804	7.91
251 - 500	1,072	4,17,131	7.60
501 - 5000	944	13,61,024	6.69
5001 and above	141	5,80,26,384	0.99
Total :	14,114	6,04,99,050	100.00

L) Dematerialization of Shares

99.59 percent of the Company's Paid-up Equity Share Capital is held in dematerialised form, out of which 92.91 percent are held with National Securities Depository Limited (NSDL) and 6.68 percent are held with Central Depository Services (India) Limited (CDSL) as on 31st March, 2022.

M) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any of the aforesaid instruments.

N) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Regularly monitored and reviewed by the Management

O) Plant Location:

Vill - Balgopalpur
Balasore - 756 020, Odisha

P) Address for correspondence:

Company Secretary
EMAMI PAPER MILLS LIMITED
687,Anandapur,1st Floor,
E.M.Bypass
Kolkata-700 107.
Phone No. : (033) 6613 6264
Fax : (033) 6613 6900
Email: investor.relations@emamipaper.com
Website: www.emamipaper.in

Q) Credit Rating for Debt Instruments whether in India or abroad. - Not Applicable

13) OTHER DISCLOSURES

i) Related Party Transactions:

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

ii) Compliances by the Company

During the financial year 2020-21, the Company had received Notices from both the Stock Exchanges i.e National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) alleging the Company for Non-compliance of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 relating to appointment of one Independent Woman Director in the Board of Directors of the top 1,000 Listed Companies by 1st April, 2020 and proposed fine for the alleged Non-Compliance. The matter was placed before Meetings of the Board of Directors held on 13th August, 2020 and 29th October, 2020 and as per the direction of the Board, the Company submitted its clarification against the Notices issued by both NSE and BSE with an intimation of appointment of Mrs. Mamta Binani as an Independent Woman Director (Non-executive) in the meeting of the Board of Directors of the Company held on 13th August, 2020.

The Company submitted its' application for waiver of fine imposed by NSE and BSE, as the Non-compliance caused, *inter-alia* due to Pandemic COVID-19. The Empowered Committee of NSE took personal hearing on the matter on 11th November, 2020. The decision of the relevant Committee of the NSE was unfavorable. Accordingly, Company has paid a fine of ₹7,90,600/-, under protest levied by NSE and has applied to NSE for review and the same is pending.

BSE through their email dated 5th July, 2021 have accepted the Company's bona-fide request for waiver of fine and approved the waiver.

Except that, 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.

iii) Vigil Mechanism and Whistle Blower Policy:

Pursuant to Section 177 of the Companies Act,2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted Vigil mechanism in the form of whistle blower policy which is available at the website of the Company at <http://www.emamipaper.in/compliances.php>

The Objectives and Scope of the Policy are as follows:

The Policy has been formulated to enable all employees of the Company to raise concern against any malpractice such as immoral, unethical conduct, fraud, corruption, potential infractions of the Code of Conduct of the Company, breaches of copyright or patent and alike. The Policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company.

Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith.

An Internal Auditor has been appointed to receive the complaints through email or letters who would investigate the complaints.

The Vigil Mechanism shall provide for adequate safeguards against victimization of Directors(s) or employee(s) or any other person who avails the mechanism and also provide for direct access to the Chairperson of the Audit Committee inappropriate of exceptional cases.

Also, the employees and any other person can reach the Chairman of the Audit Committee.

The final decision would be taken by the Chairman of the Audit Committee in consultation with the Management.

This Policy would help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organization or for those affected by its functions.

The policy is available on the website of the Company at weblink <http://www.emamipaper.in/compliances.php>

We hereby affirm that no personnel has been denied access to the Audit Committee of the Company.

iv) Dividend Distribution Policy:

The policy is and also available on the website of the Company at weblink <http://www.emamipaper.in/compliances.php>

v) Policy for determining 'material' subsidiaries of the Company:

The Company does not have any subsidiary Company.

vi) Related Party Transaction Policy:

The Company had adopted a Related Party Transaction Policy which is available on the website of the Company at <http://www.emamipaper.in/compliances.php>

vii) Commodity Price Risk and Commodity hedging activities:

Regularly Monitored.

viii) Details of Utilization of funds raised through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A):

The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement during the Financial Year ended 31st March, 2022.

ix) Certificate from Company Secretary in Practice:

A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority and is annexed hereto.

x) Non-Acceptance of the Recommendation of any Committee of the Board:

There has been no such instance where the Board has not accepted the recommendation of the Committees of the Board during the year under review.

xi) Fees paid to the Statutory Auditors (excluding Taxes):

Given below are the details of fees paid to M/s. Agrawal Subodh & Co., Chartered Accountants, Statutory Auditors of the Company on a consolidated basis during the Financial Year ended 31st March, 2022:

Sl. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid (in ₹)
1.	Statutory Audit fees paid for Audit of the Company	18,00,000/-
2.	Certification and other services	3,34,000/-
	Total	21,34,000/-

xii) Disclosure in Relation to the Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of complaints are given under:-

Sl. No.	Particulars	No. of Complaints
1.	Complaints filed during the Financial Year	-
2.	Complaints disposed of during the Financial Year	-
3.	Complainants pending as on the end of the Financial Year	-

The Company has complied with the requirements of Schedule V Corporate Governance Report sub paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xiv) Details of compliance with mandatory requirements and adoption of Discretionary Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. With regard to discretionary requirements, the Company has adopted clauses relating to the following:

- i) Board:** The Company has an Executive Chairperson.
- ii) Reporting of Internal Auditor:** The Internal Auditors report directly to the Audit Committee of the Company.

xv) Disclosure of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholder's Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to a subsidiary of the listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements as specified in Part E of Schedule-II of Regulation 27(1) & 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Yes
46	Website	Yes

xvi) SUBSIDIARY

The Company does not have any subsidiary Company.

xvii) CODE OF CONDUCT

As per the requirement of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Board has revised the existing policy for Code of Conduct of the Company which was approved by the Board of Directors in its meeting held on 5th February, 2019.

As per the provision of Regulation 34(3) read with Clause D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Compliance Certificate is also annexed to this Report signed by the Whole-time Director & CEO, certifying that all Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the current year.

Code of Conduct for Prevention of Insider Trading

As required by the provision of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Emami Paper Mills Limited - Code of Conduct to Regulate, Monitor, and Report Trading by Insiders. The Company Secretary acts as the Compliance Officer. The Code of Conduct is applicable to all the Directors and Designated Persons of the Company who are expected to have access to Unpublished

Price Sensitive Information relating to the Company.

Web link of Code of Conduct at the website of the Company at <http://www.emamipaper.in/compliances.php>

xviii) CEO/CFO CERTIFICATION

The CEO and CFO certification as required under Regulation 17(8) read with Schedule-II, Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

xix) DISCLOSURE WITH RESPECT TO THE UNCLAIMED DIVIDENDS

The unclaimed dividend for the year prior to and including the financial year, 2013-14 have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Shareholders who have not encashed their dividend warrants to the financial year(s) up to and including 2013-14 may claim such dividend from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form may be downloaded from the website of the IEPF Authority.

The dividend for the year 2014-15, if remaining unclaimed for 7 years, will be statutorily transferred by the Company to Investor Education and Protection Fund (IEPF).

Attention is drawn that the unclaimed dividend for the

financial year 2014-15 is due for transfer to IEPF on 17th September, 2022. Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof on the Company. Details of Unclaimed Dividend is available on the Company's website at www.emamipaper.in.

xx) TRANSFER OF UNCLAIMED SHARES TO THE INVESTOR PROTECTION FUND (IEPF) ACCOUNT AS PER SECTION 124(6) OF COMPANIES ACT, 2013:

The Ministry of Corporate Affairs vide its Circular No: G.S.R. 854(E) dated 5th September, 2016, notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016, subsequently modified on 28th February, 2017.

In terms of the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Rules, in addition to the Unpaid or Unclaimed Dividend required to be transferred by the Company to the Investor Education and Protection Fund Authority, Equity shares relating to such unclaimed/unpaid Dividend and lying unpaid or unclaimed for 7 consecutive years or more were also required to be transferred to the Investor Education and Protection Fund Suspense Account (IEPF SUSPENSE ACCOUNT).

1,20,292 equity shares of the Company are lying in the IEPF Account of Central Government maintained with National Securities Depository Limited (NSDL) as on 31st March, 2022.

As on 31st March, 2022, the total amount of Unclaimed/ Unpaid Dividend transferred to the IEPF suspense Account had a balance of ₹ 6,69,067.50 .

Each of the shareholders was sent personal Notices at their latest Address on behalf of the Company regarding the transfer of their shares and also mentioned as to how to claim those shares and unclaimed dividend amount. A Public Notice was also published in an English and Bengali Newspaper and the same was uploaded on the Website of the Company along with the details of those shareholders.

In terms of Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2016, the Statement containing the details of Name, Folio No. and Number of Shares transferred to IEPF Suspense Account is made available in our website www.emamipaper.in.

xxi) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

Not Applicable as the Company did not have any unclaimed shares in physical form pursuant to a

public or any other issue.

xxii) POLICY FOR PRESERVATION OF RECORDS/ DOCUMENTS OF THE COMPANY:

The Company has adopted the Policy for Preservation of Records/Documents of the Company and was approved by the Board of Directors in their meeting held on 29th November, 2015.

The purpose of this Policy is to provide guidance to the executives working in the Company regarding the preservation of the documents in accordance with the provisions of the Companies Act, 2013 and as mandated by the provisions of Regulation 9 of Chapter III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy is available at the website of the Company i.e. <http://www.emamipaper.in/compliances.php>

xxiii) CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES AND FAIR DISCLOSURES:

As per SEBI (Prohibition of Insider Trading) Regulations 2015, 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.

Further, the Audit Committee and the Board of Directors at their respective meetings held on 05th February, 2019 have reviewed and approved the Revised Code including the Policy for Prevention of Insider Trading in securities of the Company as well as Code for Corporate Fair Disclosure Practices, considering certain amendments issued by SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/59 dated 31st December, 2018.

This Revised Code for Prevention of Insider Trading in Securities of the Company as well as Code for Corporate Fair Disclosure Practices are applicable to all the Directors/ Officers, Insiders, Designated Persons of the Company and is in effect from 01st April, 2019 onwards.

As per Regulation 9(A)(4) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Audit Committee shall review the Compliances of Provisions of the Regulations at least once in a financial year and shall verify that the system for internal control is adequate and are operating effectively.

The Code of Corporate Fair Disclosures Practices is also displayed on the Website of the Company at

<http://www.emamipaper.in/compliances.php>

xxiv) POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENTS/INFORMATION:

The Company has adopted the Policy for Determination of Materiality of any Events/Information of the Company and was approved by the Board of Directors in their meeting held on 29th November, 2015.

The purpose of this Policy is to determine the materiality of events and information based on criteria specified under Clause (i) of Sub Regulation (4) of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and to disclose of events/information to the Stock Exchanges.

The policy is available at the website of the Company i.e. <http://www.emamipaper.in/compliances.php>.

xxv) POLICY FOR ARCHIVING OF DOCUMENTS WHICH ARE HOSTED ON THE WEBSITE OF THE COMPANY:

The Company has adopted the Policy for Archiving of Documents which are hosted on the website of the Company and was approved by the Board of Directors in their meeting held on 29th November, 2015.

This Policy is framed for the purpose of archiving of the documents which are hosted in the Company's

Website in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Policy is available at the website of the Company i.e. <http://www.emamipaper.in/compliances.php>

xxvi) The Company has not given any loans and advances in the nature of Loans to Firms/companies in which Directors are interested.

xxvii) In compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has taken a Directors & Officers Liability Insurance (D&O) Policy on behalf of all Directors including Independent Directors and Officers of the Company for such quantum and for such risks as determined by the Board of Directors.

For and on behalf of the Board of Directors

Aditya V. Agarwal

Executive Chairman

DIN: 00149717

Place: Kolkata

Date: 25th May, 2022

COMPLIANCE CERTIFICATE

[Regulation 17(8) read with Part B of Schedule II of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Vivek Chawla, Whole-time Director & CEO and S. K. Khetan, Director (Operations) & CFO certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and to the best of our knowledge and information:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) 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;
- B. We also certify that based on our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee :
- 1) significant changes, if any, in internal control during the year over financial reporting during the year;
 - 2) significant changes, if any in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Emami Paper Mills Limited

For Emami Paper Mills Limited

Date: 25th May, 2022
Place: Kolkata

S. K. KHETAN
Director (Operations) & CFO

VIVEK CHAWLA
Whole-time Director & CEO

COMPLIANCE WITH CODE OF CONDUCT

[Regulation 34(3) read with Schedule V (Part D) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to declare that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as laid down in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Emami Paper Mills Limited

Date: 25th May, 2022
Place: Kolkata

VIVEK CHAWLA
Whole-time Director & CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Emami Paper Mills Limited
687, Anandapur, 1st Floor,
E M Bypass
Kolkata - 700107

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Emami Paper Mills Limited (CIN: L21019WB1981PLC034161) having its Registered office at 687, Anandapur, 1st Floor, E M Bypass, Kolkata - 700107 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN)] status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31st March, 2022:

Sl. No.	DIN	Name	Designation	Date of appointment
1	00149717	Aditya Vardhan Agarwal	Executive Chairman	23/10/2000
2	00363093	Manish Goenka	Whole-time Director	01/02/2000
3	01505726	Richa Agarwal	Non-Executive & Non-Independent Director	27/01/2015
4	00855466	Hari Mohan Marda	Independent Director	27/01/2009
5	02849971	Sundaram Balasubramanian	Independent Director	05/05/2010
6	00920819	Jugal Kishore Khetawat	Independent Director	11/08/2011
7	02107792	Amit Kiran Deb	Independent Director	20/01/2022
8	00213826	Sumit Banerjee	Independent Director	20/01/2022
9	00462925	Mamta Binani	Independent Director	13/08/2020
10	00363356	Pitamber Sharan Patwari	Executive Director	28/11/1994
11	02696336	Vivek Chawla	Whole-time Director & CEO	02/12/2020
12	00358577	Sushil Kumar Khetan	Director (Operations)	07/11/2019

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Manoj Kumar Banthia
Partner
Membership no. 11470
COP no. 7596

Date: 25.05.2022
Place: Kolkata
UDIN: A011470D000383457

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
EMAMI PAPER MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by Emami Paper Mills Limited for the year ended on 31st March, 2022 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Ind AS financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2022.

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

For Agrawal Subodh & Co.
Chartered Accountants
Firm's Registration No -319260E

Subodh Kumar Agrawal
Partner
Membership No. - 054670
UDIN: - 22054670AJOZYV8313

Place: Kolkata
Date: 25th May, 2022

ANNEXURE- VI to the Board's Report

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identification number	L21019WB1981PLC034161
2.	Name of the Company	EMAMI PAPER MILLS LIMITED
3.	Registered address	687,Anandapur, 1st Floor, E M Bypass, Kolkata - 700107
4.	Website	www.emamipaper.in
5.	Email address	investor.relations@emamipaper.com
6.	Financial year reported	2021-22
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Manufacture of Paper and Paperboard (Industrial code – 1701)
8.	Three key products/services manufactured/ provided by the Company	i) Multi-layer Paperboard, ii) Writing and printing paper, iii) Newsprint.
9.	Total number of locations where business activity is undertaken by the Company	i) No. of International Location: Nil ii) No. of National Location Balgopalpur, Balasore, Odisha, India
10.	Markets served by the Company	National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up capital	INR 12.10 Crore
2.	Total turnover	INR 1,957.71 Crore
3.	Total profit after tax	INR 114.80 Crore
4.	Total spending on CSR as percentage of profit after tax	INR 83.12 lakh i.e.4.16% of last 3 years average net profit.
5.	List of the activities in which expenditure in 4 above has been incurred	Eradication of hunger & health care Promoting education Gender equality & Women empowerment Environment Protection of Monuments of Historical importance and national heritage

SECTION C: OTHER INFORMATION

1.	Does the Company have any Subsidiary Company/ Companies?	No.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Business Responsibility initiatives are applicable to the management and all the employees of the company. The company encourages adoption of BR initiatives by its Business partners also. Based on dialogue with the supplier and distributors of the company, currently less than 30% of other entities participate in the BR initiatives of the company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the director responsible for implementation of BR policies

1	DIN number	02696336
2	Name	Shri Vivek Chawla
3	Designation	Whole-time Director & CEO.

b) Details of BR head:

1	DIN number	02696336
2	Name	Shri Vivek Chawla
3	Designation	Whole-time Director & CEO.
4	Contact number	033-6613-6264
5	Email	vivek.chawla@emamipaper.com

2. Principal-wise (as per NVG's) BR Policy/Policies.

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as follows:

Principles	Description	Company's Policy
Principle 1	Businesses should conduct and govern themselves with ethics, transparency and accountability.	Code of Conduct, Whistle Blower Policy
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle.	Quality Policy
Principle 3	Businesses should promote the well-being of all employees.	HR Policy
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy
Principle 5	Businesses should respect and promote human rights.	CSR Policy
Principle 6	Businesses should respect, protect and make efforts to restore the environment.	Environment Policy
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code of Conduct
Principle 8	Businesses should support inclusive growth and equitable development	CSR Policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Quality Policy

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	Most of the policies are aligned to various standards like: ISO 9001 (Quality management system), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health & Safety Management System).								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?	Yes, the applicable policies have been approved by the Board/ Management and signed by the concerned authorised persons.								
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Policies are reviewed by various committees of the Board/Management from time to time.								

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6.	Indicate the link for the policy to be viewed online?	Policies hosted on Company's website http://www.emamipaper.in/compliances.php								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are available on the company's website www.emamipaper.in								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The policies and its implementation are regularly evaluated/audited by independent internal and Statutory Auditors of the company.								

(b) If answer to S.No.2a against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR Performance of the company is assessed on a need basis and in accordance with statutory requirements. The Company does not have a specific committee of the Board for dealing with this matter.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Business Responsibility Report forms an integral part of the Annual Report which is available on the website of the Company at <http://www.emamipaper.in/downloads/epml-annual-report-2022.pdf>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the company has policies to address ethics, bribery and corruption related matters. The company encourages its business partners to adopt and follow equivalent policies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholders	Complaints Received during F.Y.2021-22	Complaints Resolved during F.Y.2021-22	Complaints Resolved (%)
Investors' Complaints	Nil	Nil	NA

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a) Newsprint from deinked pulp
 - b) Writing and printing paper from FSC certified wood pulp
 - c) Paperboard from FSC certified wood pulp.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
 - i) **Raw Material:** The Company uses recycle fiber (waste paper) and various grades of imported virgin fiber as raw material. By optimizing mix of different types and grades of fiber and by using filler materials as substitute to fiber, the company has reduced consumption of virgin fiber in production of paper and paperboard.
 - ii) **Water:** The Company has taken multiple initiatives to reduce water consumption, including re-use of waste water after tertiary treatment. As a result, water consumption per ton of paper and paperboard production has been reduced.
 - iii) **Energy:** The Company has taken several initiatives to reduce consumption of power and steam per ton of paper and paperboard produced. The company has three coal fired captive boiler and three captive turbo-generator, which are run in an inter-connected manner to ensure optimum and efficient use of coal as well as high pressure steam. All three captive power plants are co-generation based, which ensures optimum use of input fuel and provide better efficiency of conversion into output energy.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company manufactures and supplies paper and paperboard on B2B basis. Customers of the company perform further processing to paper and paperboard in the form of cutting, printing, laminating, etc. Consumption of electricity and water by those consumers largely depends on the nature of processing done by its consumers and equipment used by them. It is not feasible for the company to identify and measure the reduction of resource usage by its consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

Major source of company's raw material is waste paper, which is environment friendly. The company uses FSC certified imported wood pulp to ensure replenishment of forest and greenery depleted by use of pulp wood.

The Company has access to abundantly coal available from Talcher and other collieries of MCL situated nearby; facilitating sustainable supply of fuel to the company with low transportation cost.

The Company encourage local sourcing of inputs to the extent of availability of required quality inputs and while selecting suppliers the company ensures whether the selected partners are conscious of sustainable sourcing of resources.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company always prefers to source goods and services from local suppliers with an objective of Vendor Development within the vicinity of plant. The objective also assures timely supply, besides the cost advantage in all these sourcing, improving socio-economic conditions of local area including increase in employment and better distribution of wealth.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

The Company believes that waste created in operations is a potential resources for various other activities. Hence, it has strategically shifted its focus towards harnessing this potential resource to the best use within the operations by optimizing existing processes. This has furthered the commitment towards reducing environmental impact of business activities via waste minimization and re-use.

100% of the fly ash generated in coal fired boiler of the company is consumed by local brick manufacturers.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate the total number of employees. 1,121
2. Please indicate the total number of employees hired on temporary/contractual/casual basis. 1,792
3. Please indicate the number of permanent women employees. 11
4. Please indicate the number of permanent employees with disabilities. Nil
5. Do you have an employee association that is recognised by management?

Collective bargaining agreements exist with trade unions on a local level and these agreements promote the acceptance of responsibility by both parties and the development of a positive health and safety culture.

6. What percentage of your permanent employees is members of this recognised employee association?

All permanent workers are member of one union or other.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No such complaints pertaining to child labour, forced labour, involuntary labour, sexual harassment were reported in the current financial year.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees
- (b) Permanent Women Employees
- (c) Casual/Temporary/Contractual Employees
- (d) Employees with Disabilities



Annual Safety refresher training is mandatory for all permanent and contractual employees.
Skill up-gradation & behavioral trainings are provided to all employees and contract workmen on need basis as per their competency assessment.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders. The key stakeholders of the Company includes its customers, Regulatory Authorities including Government, Employees, Vendors, Contractors, Bankers and Shareholder.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes. Underprivileged communities around the Company's business location are identified as disadvantaged, vulnerable and marginalised stakeholder. The needs and priorities of such stakeholders are identified by the company. The company continuously engages with all such stakeholders to serve their needs accordingly by itself & in collaboration with civic bodies & public representatives.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

The Company has initiated and implemented a number of CSR programs for improving the life of under privileged people around the company's business locations for Community living, Education, Health, Skill Development, Rural Development, Environmental Sustainability, Women Empowerment, Promotion of Sports, Art & Culture etc.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. The Company also encourages its Vendors/Contractors to follow human rights policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received by the company on human rights violations.

Principle 6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Other.

The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The policy covers the company & its employees. The Company encourages its contractors, suppliers and other business partners to employ environment friendly measures in their day to day operations.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimization, effluent reduction, water conservation. These initiatives includes ground water recharging, recycling of process water, promoting fly ash brick plants ensuring 100% consumption of fly ash, use of treated effluent water through state-of-the art ETP for cultivation, green belt development in and around the company premises, etc. Most importantly, the company uses waste paper as its primary source of raw material; thus producing green paper.

3. Does the company identify and assess potential environment risks? Y/N

Yes, the Company identifies and assesses potential environmental risks and takes all necessary steps to eliminate the same.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company is self-reliant in electrical energy and thermal energy for its high efficiency co-generation captive power plants. Cogeneration is a generation mechanism, which simultaneously produces two or more

forms of useful energy such as electric power and steam. Cogeneration, due to its ability to utilize the available energy in more than one form, use significantly less fuel input than what would be needed to produce them separately. By achieving higher efficiency, cogeneration makes a significant contribution in energy conservation and in reduction of greenhouse gas emissions.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

In the reporting period, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the reporting period, there were zero non-compliances with environmental laws and/or regulations and the company did not received and show cause / legal notices from SPCB / CPCB

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

The Company is member of the following associations:

- IPMA – Indian Paper Manufactures Association
- INMA – Indian Newsprint Manufactures Association
- FIEO – Federation of Indian Export Organisations
- CII - Confederation of Indian Industry
- NOCCI – North Orissa Chamber of Commerce & Industry
- BCIC - Balasore Chamber of Industries & Commerce

- UCCI - The Utkal Chamber of Commerce & Industry Ltd.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good?

Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a member of various associations, the company has made continuously effort to make a difference in the areas of Economic Reforms, Inclusive Development policies, Energy security, Water management & Sustainability issues and Environmental policy.

Principle 8: Business should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?

Yes, the Company undertakes the initiatives through CSR committee of the Board as per the CSR policy of the company. The the Annual CSR Report is attached to the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The programmes are mainly carried out by the company directly through its in-house team. (The details can be found in Annexure II of the Board's Report).

3. Have you done any impact assessment of your initiative?

Yes, the CSR Committee, periodically performs an important assessment of its initiatives to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Sl No	CSR Project	Expenditure (₹/Lacs)
1.	Eradication of hunger & health care	34.24
2.	Promotion of Education & Vocational Skills	2.54
3.	Promoting Gender equality & women empowerment	1.07
4.	For ensuring Environmental sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources	39.59
5.	Protection of Monuments of Historical importance and national heritage	1.60
6.	Contribution to Prime Ministers National Relief Fund or any other fund setup by the Central Government for socio economic development and relief	-
7.	Rural Development	4.07
8.	Building CSR capacities as per Rule 4(6)	-
	Total:	83.12

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Our Management regularly interact with the local communicates to assess the impact of community development projects undertaken to ensure that the objectives and benefits of these projects are being met.

Principle 9 Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No consumer complaints are pending as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company has an uncompromising commitment to provide best in-class products and customer satisfaction. The Company complies with all laws and regulations

concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

No case has been filed by any stake-holders against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior during the last five years and pending as on end of the financial year.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, Consumer Satisfaction survey is an integral part of the company. The company regularly carries out Consumer Satisfaction Survey. This provide valuable feedback for the company for providing the best possible product and service to customers and to continuously improve in its engagement with customer.



Financial Statements

Independent Auditors' Report

To
The Members of
EMAMI PAPER MILLS LIMITED

Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of EMAMI PAPER MILLS LIMITED ("the Company"), which comprise the balance sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS Financial Statements and a summary of the significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (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, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the

Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current financial year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Gulmohar Unit

Key Audit Matters

Company's Gulmohar unit was under temporary shutdown since, 24th March, 2020 due to low market demand of newsprint as a result of COVID-19 pandemic. Production capacity of the unit is 16,500 ton per annum, which is about 5% of the total capacity of the company.

As an outcome of the above event, the company after deliberation with workers Union separated permanent Staffs and workers (including contract workers) by way of VRS amounting to ₹ 6.98 crores. Moreover these led to checking of impairment of Gulmohar unit (cash generating unit).

As per the company's evaluation it doesn't fulfill the criteria to be classified as discontinued operation as per Ind AS 105 and planning to transfer its substantial part of the equipment and stores to their Balasore Unit.

(Refer Note No.- 2.53 of Notes to Accounts.)

Response to Key Audit Matters

Audit procedures followed is:

- We have checked their VRS scheme and recalculated the company's calculations of VRS paid to Staffs and Workers amounting to ₹ 6.98 crores.
- We have checked the criteria for classification of discontinued operation as per Ind AS 105-
 - Whether the asset (or disposal group) is available for immediate sale (not sale in distant future)
 - Whether the sale must be highly probable
 - Whether appropriate level of Management has a committed plan to sell the assets of the unit.

All of the above condition is required to satisfy in order to classify a unit as discontinued operation as per Ind AS 105, which is not being satisfied in the instant case.

- Impairment testing of Gulmohar Unit needs to be done. Since, Gulmohar unit does not have a plan to resume production in near future we have compared fair value of this CGU with carrying amount of its assets.

Key Audit Matters	Response to Key Audit Matters
	<ul style="list-style-type: none"> Where we found that the Fair Market Value of the assets at Gulmohar Unit amounts is substantially higher than the carrying value of its assets. <p>Conclusion: Based on the above we did not identify any significant exceptions in the management's assessment that company's Gulmohar Unit is not a discontinued operation as per Ind AS 105 and no impairment loss is required to provide.</p>

2. Receivable from GIDC

Key Audit Matters	Response to Key Audit Matters
<p>In 2019-20, the Company filed an application to Gujarat Industrial Development corporation (GIDC) for refund of ₹ 5.93 crores towards site development, boundary wall construction and contribution to various GIDC fund in relation to leasehold industrial land surrendered to GIDC in that year.</p> <p>The sum was recognized as receivable from GIDC in the Balance Sheet of the company.</p> <p>In view of no progress on the matter after making all efforts, the Company has decided to write off the same to profit and loss this year in-as-much as the probability of getting the refund is remote.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the process of identification of such matters and identified key controls in the process. Obtained the summary of the matter and critically assessed management's position through discussions with the Legal Counsel and operational management on both the probability of success and the magnitude of any potential loss. Inspected external opinions, wherever considered necessary and other evidence to corroborate management's assessment. <p>Conclusion- Based on the above procedures performed, we noted that the management's assessment and treatment is reasonable.</p>

3. Impairment of Stores & Spares

Key Audit Matters	Response to Key Audit Matters
<p>The Company follows a policy for making provision towards slow-moving/non-moving items of stores and spares.</p> <p>As on 31.03.2022 the provision stood at ₹ 2.72 crores.</p> <p>Creating provision towards slow-moving/non-moving items of stores is considered a key audit matter as this requires significant judgements and involves inherent complexities.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Understood the management process for determining net realizable value of inventories and identification of slow moving and non-moving items of inventories and tested whether the same is consistently applied including determining the carrying amount. Evaluated and tested on a sample basis the design and operating effectiveness of key controls around inventory valuation operating within the Company. Inquired with the management about the slow moving and obsolete inventories as at 31 March 2022 and evaluated the assessment prepared by the management including uses of these inventories on a test check basis. <p>Conclusion: We found that the management's evaluation is reasonable in terms of applicable Ind AS and accounting principle.</p>

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.
- Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the annual report ,if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under relevant laws and regulations. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India prescribed under Section 133 of the Act.
- 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 judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

- Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.
- As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards

prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of Section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other

- persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement
- v. The preference dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- As stated in note 2.61 to the financial statements, the Board of Directors of the Company have proposed final dividend for the current year, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Agrawal Subodh & Co.
Chartered Accountants
Firm's Registration No –319260E

CA Subodh Kumar Agrawal
Partner

Place: Kolkata
Date: 25th May, 2022

Membership No. – 054670
UDIN: 22054670AJJOYOR2136

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the members of Emami Paper Mills Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of EMAMI PAPER MILLS LIMITED (the "Company") as of 31st March, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that
 - (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

- Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal

financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Agrawal Subodh & Co.**
Chartered Accountants
Firm's Registration No –319260E

CA Subodh Kumar Agrawal
Partner

Place: Kolkata
Date: 25th May, 2022

Membership No. – 054670
UDIN: 22054670AJ0YOR2136

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In

our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year. We have examined the statements filed by the company with banks or financial institutions and reconciled the same with books of accounts. We didn't find any material discrepancies and are in agreement with the books of account of the Company.

iii. The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, during the year, hence reporting under paragraph 3(a),(b),(c),(d),(e) and (f) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, not made any investments and has not provided guarantees and securities, as applicable with the provisions of Section 185 and 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund,

Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax,

Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

- (b) Details of dues of Central Sales Tax, Service Tax, Excise Duty, Entry Tax and Value Added Tax which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount	Amount Unpaid
		Case to be filed before	(₹ in Lacs)	(₹ In Lacs)
The Central Excise Act, 1994 & Service Tax (Finance Act, 1994)	1994-95	Additional Commissioner of Central Excise	0.87	0.87
	2006-07	Tribunal	110.64	74.81
	2008-09	CESTAT, Kolkata	0.21	0.07
	2011-12 & 2012-13	CESTAT, Kolkata	9.09	8.18
	2012-13 to 2014-15	Commissioner (Appeal 1)	2.89	2.67
	2010-11 to 2012-13	Commissioner (A) BBSR	19.03	18.32
	2011-12	CESTAT, Kolkata	4.46	3.67
	2014-15	Commissioner (Appeal), Bhubaneswar	18.62	2.43
Central Sales Tax	2014-15	Commissioner (Appeal), Bhubaneswar	45.76	5.97
	2004-05	DCCT	1.99	0.53
	2009-10	Comm. Appeals	19.62	17.12
	2015-16	Tribunal (Cuttack)	2.17	1.15
ESIC	2016-17	DCCT	2.75	-
	1996-97	ESIC Labour Court	0.25	0.22
Entry Tax Act (West Bengal)	2013-14	High Court	89.39	81.28
	2014-15	High Court	83.48	83.48
	2015-16	High Court	82.42	82.42
	2016-17	High Court	56.99	56.99
	2017-18	High Court	23.36	23.36
Goods and Services Tax Act, 2017	2019-20	Additional Commissioner	3.34	-
	2020-21	Senior Joint Commissioner	2.78	-
	2021-22	Joint Commissioner	2.65	-
	2021-22	Assistant Commissioner	3.89	-
	2021-22	Assistant Commissioner	4.01	-
	2021-22	A.C. State Tax, BI, South Bengal	4.81	-

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company has not defaulted in Repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence reporting under paragraph 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has utilized the loan amount during the year for intended purpose and hence, reporting under paragraph 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) the Company does not have any subsidiaries, associates or joint ventures hence reporting under paragraph 3(ix)(e) of the order is not applicable.
- (f) The Company does not have any subsidiaries, associates or joint ventures and hence reporting under paragraph 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under paragraph 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received any whistleblower complaints during the year (and upto the date of this report)
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi) (a), (b) and (d) of the Order is not applicable.
- (b) According to the information and explanations given to us by the Management, there are 2 companies forming part of the group, which have applied for registration as Core Investment Companies with the Reserve Bank of India.
- xvii. The Company has not incurred cash losses during the financial year and the immediately preceding financial year. Hence, reporting under paragraph 3(xvii) of the Order is not applicable to the company.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year

(b) There are no ongoing projects under sub-section (5) of Section 135.

For **Agrawal Subodh & Co.**
Chartered Accountants
Firm's Registration No –319260E

CA Subodh Kumar Agrawal
Partner
Membership No. – 054670
UDIN: 22054670AJJOYOR2136

Place: Kolkata
Date: 25th May, 2022

Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	1,161.32	1,225.32
Capital work-in-progress	2.2	30.53	0.10
Intangible assets	2.3	0.05	0.09
Intangible assets under development	2.4	0.80	-
Financial assets			
Investments	2.5	48.67	53.52
Loans	2.6	0.07	0.17
Others	2.7	2.51	2.43
Other non-current assets	2.8	7.42	8.10
		1,251.37	1,289.73
Current assets			
Inventories	2.9	227.10	222.53
Financial assets			
Trade receivables	2.10	217.66	201.01
Cash and cash equivalents	2.11	0.16	11.93
Bank balance other than cash and cash equivalents	2.12	1.59	1.79
Loans	2.13	0.21	0.23
Others	2.14	0.66	13.95
Current tax asset		1.49	0.28
Other current assets	2.15	78.64	46.85
		527.51	498.57
Total Assets		1,778.88	1,788.30
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.16	12.10	12.10
Convertible preference shares	2.17	243.52	243.52
Other equity	2.18	397.40	283.84
		653.02	539.46
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.19	347.57	405.12
Derivative liability	2.20	-	6.62
Other financial liabilities	2.21	7.89	8.19
Provisions	2.22	16.40	10.74
Deferred tax liabilities (net)	2.23	115.17	76.00
Deferred revenue	2.24	3.85	0.08
		490.88	506.75
Current liabilities			
Financial liabilities			
Borrowings	2.25	438.03	502.67
Trade payables for goods	2.26	129.98	154.01
Trade payables for services	2.27	28.83	28.14
Derivative liability	2.28	0.25	2.80
Other financial liabilities	2.29	24.48	40.89
Provisions	2.30	3.66	4.02
Other current liabilities	2.31	9.75	9.56
		634.98	742.09
Total Equity and Liabilities		1,778.88	1,788.30
Significant accounting policies	1		
Notes forming part of the financial statements	2		

The accompanying notes are an integral part of these financial statements
In terms of our attached report of even date

For **Agrawal Subodh & Co**
Chartered Accountants
Firm Registration Number : 319260E

CA Subodh Kumar Agrawal
Partner
Membership No. - 054670

Aditya V. Agarwal
Executive Chairman

Manish Goenka
Whole-time Director

Place: Kolkata
Date: 25th May, 2022

Vivek Chawla
Whole-time Director & CEO

S.K.Khetan
Director (Operations) & CFO

D Banthiya
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
REVENUES			
Revenue from operation	2.32	1,957.71	1,216.27
Other income	2.33	1.70	20.31
Total income		1,959.41	1,236.58
EXPENSES			
Cost of material consumed	2.34	1,266.18	726.25
Changes in inventories of finished goods and work-in-progress	2.35	(2.18)	47.32
Power and fuel	2.36	119.81	91.39
Employee benefits expense	2.37	78.95	63.86
Finance costs	2.38	82.41	95.27
Depreciation and amortization expense		73.88	72.14
Other expenses	2.39	181.03	110.19
Total expenses		1,800.08	1,206.42
Profit before exceptional items and tax		159.33	30.16
Exceptional items			
Variation in rights attached to preference shares		-	72.46
Expansion project abandonment expenditures		(5.94)	-
Profit/(loss) before tax		153.39	102.62
Tax expenses			
Current tax	2.40	-	(0.01)
Reversal of accumulated MAT credit		-	49.16
Deferred tax	2.41	38.59	2.41
Total tax expenses		38.59	51.56
Profit/(loss) for the year		114.80	51.06
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of gains/(losses) on employees defined benefit plans		(2.57)	0.70
Less: Income tax effect on above		0.65	(0.54)
Fair value changes of investment in equity shares		(4.87)	29.49
Less: Income tax effect on above		0.50	(2.48)
Items that will be reclassified to profit and loss			
Net fair value changes of cash flow hedges		6.84	(0.81)
Less: Income tax effect on above		(1.72)	(0.40)
Total other comprehensive income		(1.17)	25.96
Total comprehensive income for the year		113.63	77.02
Earning per equity share (Face value ₹ 2/- each)	2.51		
(1) Basic (in ₹)		18.17	8.43
(2) Diluted (in ₹)		14.45	8.40
Significant accounting policies	1		
Notes forming part of the financial statements	2		

The accompanying notes are an integral part of these financial statements
In terms of our attached report of even date

For **Agrawal Subodh & Co**
Chartered Accountants
Firm Registration Number : 319260E

CA Subodh Kumar Agrawal
Partner
Membership No. - 054670

Place: Kolkata
Date: 25th May, 2022

Aditya V. Agarwal
Executive Chairman

Vivek Chawla
Whole-time Director & CEO

Manish Goenka
Whole-time Director

S.K.Khetan
Director (Operations) & CFO

D Banthiya
Company Secretary

Statement of changes in equity for the year ended 31st March, 2022

Equity share capital

(₹ in Crores)

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31.03.2021	12.10	-	12.10	-	12.10
For the year ended 31.03.2022	12.10	-	12.10	-	12.10

Convertible preference shares classified as equity

(₹ in Crores)

Particulars	Balance at the beginning of the reporting year	Changes in Preference Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31.03.2021	-	-	-	243.52	243.52
For the year ended 31.03.2022	243.52	-	243.52	-	243.52

Other equity

(₹ in Crores)

Particulars	Reserve and surplus				Items of other comprehensive income			Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Not re-classifiable to profit and loss		Reclassifiable to profit & loss	
					FVTOCI of Equity investment	Remeasurement of defined benefit plans		
Balance on 01.04.2020	1.33	17.93	140.00	33.90	21.48	(3.76)	(4.06)	206.82
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as on 01.04.2020	1.33	17.93	140.00	33.90	21.48	(3.76)	(4.06)	206.82
Profit for the year 2020-21				51.06				51.06
Other comprehensive income for the year					27.01	0.16	(1.21)	25.96
Change during the year	-	-	-	51.06	27.01	0.16	(1.21)	77.02
Dividend and dividend distribution tax				-				-
Balance on 31.03.2021	1.33	17.93	140.00	84.96	48.49	(3.60)	(5.27)	283.84
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as on 31.03.2021	1.33	17.93	140.00	84.96	48.49	(3.60)	(5.27)	283.84

Statement of changes in equity for the year ended 31st March, 2022

Other equity

(₹ in Crores)

Particulars	Reserve and surplus				Items of other comprehensive income			Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Not re-classifiable to profit and loss		Reclassifiable to profit & loss	
					FVTOCI of Equity investment	Remeasurement of defined benefit plans	Cash flow hedge reserve	
Profit for the year 2021-22				114.80				114.80
Other comprehensive income for the year					(4.37)	(1.92)	5.12	(1.17)
Change during the year	-	-	-	114.80	(4.37)	(1.92)	5.12	113.63
Dividend and dividend distribution tax				(0.07)				(0.07)
Balance on 31.03.2022	1.33	17.93	140.00	199.69	44.12	(5.52)	(0.15)	397.40

The accompanying notes are an integral part of these financial statements
In terms of our attached report of even date

For **Agrawal Subodh & Co**
Chartered Accountants

Firm Registration Number : 319260E

CA Subodh Kumar Agrawal
Partner
Membership No. - 054670

Place: Kolkata
Date: 25th May, 2022

Aditya V. Agarwal
Executive Chairman

Vivek Chawla
Whole-time Director & CEO

Manish Goenka
Whole-time Director

S.K.Khetan
Director (Operations) & CFO

D Banthiya
Company Secretary

Cash Flow Statement for the year ended 31st March, 2022

Particulars	(₹ in Crores)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash Flow From Operating Activities :		
Profit before tax	153.39	102.62
Adjustment for :		
Depreciation and amortization expenses	73.88	72.14
Variation in rights attached to preference shares	-	(72.46)
Project abandonment expenses	5.94	-
Fair value Loss / (Gain) on derivatives	1.93	1.36
Provision for Earned Leave & Gratuity (Net)	2.79	1.96
Provision for expected credit loss	(0.04)	(0.37)
Provision for renewable energy obligation written back	-	(2.60)
EPCG benefit attributable to export obligation met during the year	-	(22.94)
Interest and financial charges	82.41	95.27
Foreign exchange loss / (gain)	6.46	(15.44)
Dividend income	(0.75)	(0.75)
(Profit) / loss on disposal of property, plant and equipment and termination of lease	(0.19)	0.78
Operating profit before working capital changes :	325.82	159.57
Add: Decrease / Increase in Working Capital		
Trade receivables, loans and advances	(35.13)	19.89
Bank Balances (except cash and cash equivalent)	0.20	(0.44)
Inventories	(4.57)	55.87
Trade and other payables	43.49	8.26
Cash generated from operations	329.81	243.15
Income tax payments / refunds	(1.05)	3.14
Net Cash from / (used in) Operating Activities	328.76	246.29
Cash Flow From Investing Activities :		
Payments for property, plant and equipment	(34.97)	(9.79)
Proceeds from sale of property, plant and equipment	0.48	1.78
Dividend income	0.75	0.75
Net Cash from / (used in) investing activities	(33.74)	(7.26)
Cash Flow From Financing Activities :		
Disbursement of non-current borrowings	80.00	200.00
Repayment of non-current borrowings	(224.82)	(202.26)
Increase/(decrease) in current borrowings	(74.08)	(163.27)
Repayment of lease liability	(0.38)	(0.65)
Interest and other finance cost paid	(77.71)	(80.07)
Dividend paid	(9.80)	-
Net Cash used in Financing Activities	(306.79)	(246.25)
Net increase/(decrease) in Cash & Cash Equivalents	(11.77)	(7.22)
Cash & Cash Equivalents (Opening Balance)	11.93	19.15
Cash & Cash Equivalents (Closing Balance)	0.16	11.93

The accompanying notes are an integral part of these financial statements
In terms of our attached report of even date

For **Agrawal Subodh & Co**
Chartered Accountants
Firm Registration Number : 319260E

CA Subodh Kumar Agrawal
Partner
Membership No. - 054670

Place: Kolkata
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Whole-time Director & CEO

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Whole-time Director

S.K.Khetan
Director (Operations) & CFO

D Banthiya
Company Secretary

Notes to the financial statements for the year ended 31st March, 2022

1. THE COMPANY INFORMATION

Emami Paper Mills Limited (the 'Company'), is a public limited Company incorporated and domiciled in India with its registered office in Kolkata, West Bengal. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is India's one of the largest producer of Newsprint, Writing & Printing Paper and Multilayer Coated High-end Packaging Boards. The Company has operating plants at Balasore location.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 25th May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b) Basis of Preparation

The financial statements have been prepared on accrual and going concern basis and under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities includes useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provisions for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

d) Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Property, plant and equipment are carried at cost, less accumulated depreciation and impairment. Cost of an item of property, plant and equipment is the cash price equivalent at the recognition date; if payment is deferred beyond normal credit terms, the difference between cash price equivalent and the total payment is recognized as interest over the period of credit. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets. Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Notes to the financial statements for the year ended 31st March, 2022

Property, plant and equipment includes spare parts, stand-by equipment and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of plant, property and equipment.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

e) 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.

f) Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation on property, plant and equipment 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 the Companies Act, 2013.

a. On straight-line method in respect of

i) Buildings of Paper Machine-II, III, IV, ETP-II, Power Generation Unit-II & III at Balasore.

ii) Plant & machinery of Paper Machine III, IV, ETP-II, Power Generation Unit-II & III at Balasore.

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 the period of license.

Freehold land is not depreciated.

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 of, such additions are depreciated independently over its own useful life.

Depreciable value of fixed asset is its cost of acquisition as reduced by estimated residual value.

g) Inventories

a. Finished goods, stock-in-process, raw materials, stores, chemicals and spare parts are valued at lower of cost or net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

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

c. Inventories do not include items of spare parts which meets the recognition criteria of plant, property and equipment and be treated as such.

Provisions are made to cover slow moving and obsolete items based on historical experience.

h) Cash and Cash Equivalents

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.

Notes to the financial statements for the year ended 31st March, 2022

i) Financial Instruments

Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are initially recognized at transaction price, and subsequently measured at amortized cost by providing loss allowance at an amount equal to lifetime expected credit losses. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The company recognizes loss allowance on trade receivable, which does not contain a significant financing component, using "simplified approach" at an amount equal to Lifetime Expected Credit Loss (ECL) considering the risk or probability that a credit loss may occur, even if the possibility of a credit loss occurring is very low, time value of money based on reasonable and supportable information that are available.

Loss allowances on trade receivable are recognized in the Statement of Profit and Loss within other expenses.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

c) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Notes to the financial statements for the year ended 31st March, 2022

Equity Instruments:

All investments in equity instruments classified under financial assets are measured at fair value. The company in respect of equity investments, which are not held for trading made an irrevocable election based on its judgment to present in other comprehensive income subsequent changes in the fair value (FVOCI) of such equity instrument.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial Liabilities and Equity Instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. While equity instruments are issued to extinguish all or part of a financial liability, those are recognized at the fair value of the equity instrument issued.

Preference shares

Preference shares issued by the company are considered as equity when those are convertible either mandatorily or at the option of the company into pre-determined fixed number of equity shares of the company. In all other cases, preference shares are classified as debt.

Contingent settlement conditions if any attached with the preference shares that may require redemption of preference shares in cash, are evaluated according to the substance of the conditions as well as considering operation, performance and outlook of the company. Contingent settlement conditions, which have no genuine possibility of occurring or have an extremely rare chance of occurrence, does not affect classification of preference shares.

Financial Liabilities-

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Notes to the financial statements for the year ended 31st March, 2022

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

k) Revenue Recognition

Sales represents amounts received and receivable from the goods supplied to the customers. Sales are recognized when control of the goods has been transferred to the customer. Controls are transferred by satisfying the performance obligation of the contract. Revenue is measured at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government.

Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis. Incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Incentives are recorded at fair value where applicable. Duties and taxes waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on a time proportionate method using underlying interest rates.

Insurance claims are recognised when there exists no significant uncertainty with regard to the amounts to be realised and the ultimate collection thereof.

l) Government grants:

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Government grants received is subject to any condition to be fulfilled by the Company, recognition of grant in the statement of profit and loss is made on a systematic basis in proportion to fulfilment of such condition. Total grants received less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

m) Expenditure:

Expenses are accounted on accrual basis.

Notes to the financial statements for the year ended 31st March, 2022

n) Employee Benefits:

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS)-19., 'Employee Benefits'. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit Plan can be short term or Long terms which are defined below:

a. Short-term Employee Benefit

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

b. Long-term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

o) Impairment of Non-Financial Assets:

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

p) Extinguishment of financial liabilities with equity instrument

When any financial liability is extinguished in exchange of equity instruments; the difference if any, between the carrying amount of the financial liability extinguished and the fair value of equity instrument issued or exchanged (whether explicitly or constructively) is recognized in profit and loss statement in the period in which such extinguishment takes place.

Notes to the financial statements for the year ended 31st March, 2022

q) Income Taxes:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

r) Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Emami's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

s) Foreign Currency Transactions and Translations

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss at the end of each reporting period.

In accordance with Ind AS 101, the company has continued capitalization of exchange differences arising on long-term foreign currency monetary items outstanding as on 31st March, 2016 in accordance with paragraph 46A of Accounting Standard 11, "The Effect of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising from such 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 asset. Other exchange differences are recognized as income or expenses in the Statement of Profit & Loss.

Monetary Assets and Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

t) Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

Notes to the financial statements for the year ended 31st March, 2022

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

a. Fair value hedges –

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

b. Cash flow hedges –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised.

When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

u) Segment Reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

v) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

w) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to the financial statements for the year ended 31st March, 2022

x) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as borrowing costs when paid.

y) Fair value measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the financial statements for the year ended 31st March, 2022

2.1 PROPERTY, PLANT AND EQUIPMENTS (PPE)

(₹ in Crores)

Particulars	Gross Block as at 01.04.21	Addition	Disposal/ adjustment	Gross Block as at 31.03.22	Accumulated Depreciation as at 01.04.21	Depreciation for the year	Disposal/ adjustment	Accumulated Depreciation as at 31.03.22	Closing WDV as at 31.03.22	Opening WDV as at 01.04.21
Tangible Assets										
Free-hold land	7.28	-	-	7.28	-	-	-	-	7.28	7.28
Leasehold land	12.23	-	-	12.23	0.99	0.19	-	1.18	11.05	11.24
Factory building	172.03	0.86	-	172.89	28.79	6.02	-	34.81	138.08	143.24
Non factory building	134.32	0.57	-	134.89	17.35	4.03	-	21.38	113.51	116.97
Right to use in non factory building	1.95	-	1.95	-	1.05	0.26	1.31	-	-	0.90
Plant & Equipment	1,212.20	9.09	0.91	1,220.38	274.60	61.94	0.40	336.14	884.24	937.60
Office equipment	1.00	0.09	-	1.09	0.81	0.09	-	0.90	0.19	0.19
Computers	2.10	0.32	0.03	2.39	1.81	0.17	0.01	1.97	0.42	0.29
Furniture & Fittings	10.64	0.10	0.01	10.73	4.57	0.68	0.01	5.24	5.49	6.07
Vehicles	3.99	-	0.11	3.88	2.45	0.46	0.09	2.82	1.06	1.54
Total	1,557.74	11.03	3.01	1,565.76	332.42	73.84	1.82	404.44	1,161.32	1,225.32

2.2 CAPITAL WORK-IN-PROGRESS

(₹ in Crores)

Particulars	Opening as at 01.04.21	Addition	Disposal/ adjustment	Closing as at 31.03.22
Projects in progress	0.10	30.43	-	30.53
Total	0.10	30.43	-	30.53
Less than 1 year	0.10			30.43
1 year to 2 year	-			0.10

2.3 OTHER INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Gross Block as at 01.04.21	Addition	Disposal/ adjustment	Gross Block as at 31.03.22	Accumulated Depreciation as at 01.04.21	Depreciation for the year	Disposal/ adjustment	Accumulated Depreciation as at 31.03.22	Closing WDV as at 31.03.22	Opening WDV as at 01.04.21
Computer Software	0.49	-	-	0.49	0.40	0.04	-	0.44	0.05	0.09
Total	0.49	-	-	0.49	0.40	0.04	-	0.44	0.05	0.09

2.4 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crores)

Particulars	Opening as at 01.04.21	Addition	Disposal/ adjustment	Closing as at 31.03.22
Projects in progress	-	0.80	-	0.80
Total	-	0.80	-	0.80
1 year to 2 year	-	0.80	-	0.80

Notes to the financial statements for the year ended 31st March, 2022

2.1 PROPERTY, PLANT AND EQUIPMENTS (PPE)

Particulars	(₹ in Crores)									
	Gross Block as at 01.04.20	Addition	Disposal/adjustment	Gross Block as at 31.03.21	Accumulated Depreciation as at 01.04.20	Depreciation for the year	Disposal/adjustment	Accumulated Depreciation as at 31.03.21	Closing WDV as at 31.03.21	Opening WDV as at 01.04.20
Tangible Assets										
Free-hold land	7.28	-	-	7.28	-	-	-	-	7.28	7.28
Leasehold land	12.23	-	-	12.23	0.80	0.19	-	0.99	11.24	11.43
Factory building	173.90	-	1.87	172.03	22.74	6.05	-	28.79	143.24	151.16
Non factory building	132.53	2.41	0.62	134.32	13.44	3.91	-	17.35	116.97	119.09
Right to use in non factory building	2.08	-	0.13	1.95	0.56	0.56	0.07	1.05	0.90	1.52
Plant & Equipment	1,213.89	740	9.09	1,212.20	215.40	59.68	0.48	274.60	937.60	998.49
Office equipment	0.91	0.09	-	1.00	0.72	0.09	-	0.81	0.19	0.19
Computers	1.98	0.12	-	2.10	1.67	0.14	-	1.81	0.29	0.31
Furniture & Fittings	10.50	0.35	0.21	10.64	3.77	0.83	0.03	4.57	6.07	6.73
Vehicles	3.74	0.54	0.29	3.99	2.03	0.63	0.21	2.45	1.54	1.71
Total	1,559.04	10.91	12.21	1,557.74	261.13	72.08	0.79	332.42	1,225.32	1,297.91

2.2 CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in Crores)		
	Opening as at 01.04.20	Addition	Disposal/adjustment
Projects in progress	0.98	0.10	0.98
Total	0.98	0.10	0.98
Less than 1 year	0.10		

2.3 OTHER INTANGIBLE ASSETS

Particulars	(₹ in Crores)					
	Gross Block as at 01.04.20	Addition	Disposal/adjustment	Gross Block as at 31.03.21	Accumulated Depreciation as at 01.04.20	Depreciation for the year
Computer Software	0.49	-	-	0.49	0.34	0.06
Total	0.49	-	-	0.49	0.34	0.06

Notes to the financial statements for the year ended 31st March, 2022

2.5 NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment measured at fair value through other comprehensive income		
Quoted equity shares fully paid up		
Emami Ltd: Face value ₹1/- each	41.78	45.33
	(9,33,000 nos)	(9,33,000 nos)
Emami Realty Ltd: Face value ₹2/- each	0.01	0.01
	(833 nos)	(833 nos)
Aggregate amount and market value of quoted investment	41.79	45.34
Unquoted equity shares fully paid up		
Pan Emami Cosmed Ltd: Face value ₹10/- each	-	8.17
	-	(3,07,300 nos)
Midkot Investment Pvt. Ltd: Face value ₹10/- each	6.87	-
(Refer Note-2.56)	(62,38,190 nos)	-
Aggregate amount of unquoted investment	6.87	8.17
Investment carried at amortized cost		
Investment in Government securities		
(Lodged with government authorities)		
Investment in national saving certificates	0.01	0.01
Total	48.67	53.52

2.6 NON-CURRENT LOANS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans and advances to employees	0.07	0.17
Total	0.07	0.17

2.7 OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Security deposit	2.50	2.42
Fixed deposit with banks with original maturity more than 12 months	0.01	0.01
Total	2.51	2.43

Notes to the financial statements for the year ended 31st March, 2022

2.8 OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Capital advances	2.24	2.90
Advances other than capital advances		
Deposits	0.50	0.50
Prepaid expenses	0.17	0.25
Others		
Indirect tax deposits under litigation	4.51	4.38
Fair value of planned assets for long term employee benefit (net)	-	0.07
Total	7.42	8.10

2.9 INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials and chemicals	153.98	152.20
Work in progress	6.79	5.73
Finished goods	15.90	14.78
Stores and spares	45.31	46.44
Packing materials	5.12	3.38
Total	227.10	222.53
Includes following inventories in transit		
Raw materials and chemicals - in transit	12.62	34.88
Total	12.62	34.88

2.10 TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Due from related parties	-	-
Due from others	217.70	201.09
	217.70	201.09
Less: Provision for expected credit loss	0.04	0.08
Total	217.66	201.01

TRADE RECEIVABLES AGEING SCHEDULE (Outstanding for following periods from due date of payment)

Undisputed, considered good		
- Not yet due	132.43	119.02
- Less than 6 months	83.37	80.42
- 6 months -1 year	1.70	0.04
- 1-2 years	0.08	1.41

Notes to the financial statements for the year ended 31st March, 2022

2.10 TRADE RECEIVABLES (contd.)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
- 2-3 years	0.12	0.19
- More than 3 years	-	0.01
	217.70	201.09
Less: Provision for expected credit loss	0.04	0.08
	217.66	201.01

2.11 CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with bank on current accounts	0.02	9.41
Fixed deposit with original maturity of less than 3 months	0.10	2.48
Cash in hand	0.04	0.04
Total	0.16	11.93

2.12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unclaimed dividend account	0.07	0.08
Fixed deposit with scheduled banks	1.52	1.71
Total	1.59	1.79

2.13 CURRENT LOANS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans and advances to employees	0.21	0.23
Total	0.21	0.23

2.14 OTHER CURRENT FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest receivable	0.34	0.18
Insurance claim receivable	-	3.75
Security deposits	0.32	0.13
Others	-	9.89
Total	0.66	13.95

Notes to the financial statements for the year ended 31st March, 2022

2.15 OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Indirect tax credit	13.58	12.36
Export incentive receivable	7.70	5.69
IGST/Cess refundable	6.45	1.77
Advance to suppliers	42.96	21.71
Advance to employees against expenses	-	0.16
Prepaid expenses	4.33	4.38
Deposits	0.41	0.33
Income tax refundable	0.01	0.17
Others	3.20	0.28
Total	78.64	46.85

2.16 EQUITY SHARE CAPITAL

(₹ in Crores)

A. Equity share capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
Equity Shares of ₹ 2/- each	16.00	16.00
Number of equity shares	8,00,00,000	8,00,00,000
Issued, Subscribed & Paid up		
Equity Shares of ₹ 2/- each fully paid up		
At the beginning of the year		
Number of equity shares	6,04,99,050	6,04,99,050
Amount	12.10	12.10
Changes during the year		
Number of equity shares	Nil	Nil
Amount	Nil	Nil
At the end of the year		
Number of equity shares	6,04,99,050	6,04,99,050
	12.10	12.10

Terms and rights attached to 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 dividends 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 and payment of dividend to the preference shareholders.

Shareholders holding more than 5% equity shares in the company

Name of shareholders	Number and % of holding as at 31st March, 2022	Number and % of holding as at 31st March, 2021
Sneha Enclave Private Limited	1,71,03,710 (28.27%)	1,71,03,710 (28.27%)
Suraj Finvest Private Limited (Formerly Sneha Gardens Private Limited)	1,45,26,450 (24.01%)	1,45,26,450 (24.01%)
Emami Limited	79,46,000 (13.13%)	79,46,000 (13.13%)
L and T Mutual Fund Trustee Limited	Not applicable	40,46,639 (6.69%)

Notes to the financial statements for the year ended 31st March, 2022

2.16 EQUITY SHARE CAPITAL (contd.)

Shares held by promoters at the end of the year

Particulars	As at		As at	
	31st March, 2022		31st March, 2021	
Name of Promoter	No. of shares and % of total shares		No. of shares and % of total shares	
Sneha Enclave Private Limited	1,71,03,710	(28.27%)	1,71,03,710	(28.27%)
Suraj Finvest Private Limited (Formerly Sneha Gardens Pvt. Ltd)	1,45,26,450	(24.01%)	1,45,26,450	(24.01%)
Emami Limited	79,46,000	(13.13%)	79,46,000	(13.13%)
Priti A Sureka	15,20,926	(2.51%)	15,20,926	(2.51%)
Radheshyam Goenka	11,61,250	(1.92%)	11,61,250	(1.92%)
Rajkumar Goenka	8,19,200	(1.35%)	8,19,200	(1.35%)
Sushil Kumar Goenka	7,26,750	(1.2%)	7,26,750	(1.2%)
Santosh Goenka	2,39,550	(0.40%)	2,39,550	(0.40%)
Saroj Goenka	1,37,000	(0.23%)	1,37,000	(0.23%)
Amitabh Goenka	1,25,000	(0.21%)	1,25,000	(0.21%)
Ritu Goenka	1,24,813	(0.21%)	1,24,813	(0.21%)
Shruti Goenka	1,24,813	(0.21%)	1,24,813	(0.21%)
Amitabh Goenka (HUF)	1,24,812	(0.21%)	1,24,812	(0.21%)
Ashish Goenka (HUF)	1,24,812	(0.21%)	1,24,812	(0.21%)
Indu Goenka	1,11,400	(0.18%)	1,11,400	(0.18%)
Mohan Goenka	1,02,000	(0.17%)	1,02,000	(0.17%)
Sushil Kumar Goenka (HUF)	1,00,500	(0.17%)	1,00,500	(0.17%)
Manish Goenka	87,000	(0.14%)	87,000	(0.14%)
Ashish Goenka	75,000	(0.12%)	75,000	(0.12%)
Dhiraj Agarwal	25,000	(0.04%)	25,000	(0.04%)
Aditya Vardhan Agarwal	12,500	(0.02%)	12,500	(0.02%)
Harsha Vardhan Agarwal	10,750	(0.02%)	10,750	(0.02%)
Puja Goenka	10,500	(0.02%)	10,500	(0.02%)
Usha Agarwal	8,300	(0.01%)	8,300	(0.01%)
Radheshyam Agarwal	3,500	(0.01%)	3,500	(0.01%)
Pramod Bajoria	1,750	(0%)	1,750	(0%)
Laxmi Devi Bajoria	1,750	(0%)	1,750	(0%)
Shanti Devi Agarwal	1,750	(0%)	1,750	(0%)
Richa Agarwal	1,500	(0%)	1,500	(0%)

In the year 2021-22, there is no change in promoters' share-holding.

In the year 2020-21,

- i) In the course of amalgamation of Diwakar Viniyog Pvt. Ltd. and Suntrack Commerce Pvt. Ltd. into Sneha Enclave Pvt Ltd., 94,69,810 shares and 76,33,900 shares of respective transferor companies were transferred in the name of transferee company.
- ii) Further in the course of amalgamation of Bhanu Vyapaar Pvt Ltd., Raviraj Viniyog Pvt Ltd., Prabhakar Viniyog Pvt Ltd., and Suraj Viniyog Pvt Ltd. into Sneha Gardens Pvt Ltd., 60,05,250 shares, 29,06,000 shares, 28,08,000 shares and 28,07,200 shares of respective transferor companies were transferred in the name of transferee company.

Notes to the financial statements for the year ended 31st March, 2022

2.17 CONVERTIBLE PREFERENCE SHARES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
Preference Share of ₹ 100/- each	61.25	61.25
Number of preference shares	61,25,000	61,25,000
Issued, Subscribed & Paid up		
8% Non-Cumulative Redeemable Optionally Convertible Preference Shares of ₹ 100/- each fully paid up		
At the beginning of the year		
Number of preference shares	61,25,000	-
Face value	61.25	-
Fair value	243.52	-
Changes during the year		
Number of preference shares	-	61,25,000
Face value	-	61.25
Fair value	-	243.52
At the end of the year		
Number of preference shares	61,25,000	61,25,000
Face value	61.25	61.25
Fair value	243.52	243.52

Terms and rights attached to preference shares

In the F.Y 2020-21, the company has changed the terms attached to existing 61,25,000 Redeemable Preference Shares bearing 8% cumulative dividend (CRNPS) after obtaining approval from preference shareholders as well as that from equity shareholders through e-voting ended on 26.03.2021, so as to alter those CRNPS into equal number of Optionally Convertible Preference Shares (OCRPS), which are convertible into fixed number of equity shares at the option of the company and bears 8% non-cumulative dividend. Those preference shares were issued in three series from 28.03.2013 to 17.09.2014 and convertible or redeemable after 12 years from their respective date of issue.

Out of total above, 50,00,000 OCRPS are convertible into 3 equity shares each at the option of the company or redeemable at a premium of ₹ 500 per share; and 11,25,000 OCRPS are convertible into 3.5 equity shares each at the option of the company or redeemable at a premium of ₹ 600 per share on the expiry of 12 years from the date of issue with an option to convert or redeem it earlier to be decided mutually between the Company and the OCRPS holders at a meeting of OCRPS holders called for this purpose.

Brief changes in the terms attached to Preference Shares are given hereunder: -

i) Convertible into equity shares at the option of the company; conversion ratio is as below: -

Conversion year	No. of shares	Conversion ratio	Redemption value per share (₹)
2026-27	11,25,000	3.5 : 1	700
2026-27	7,50,000	3 : 1	600
2025-26	22,50,000	3 : 1	600
2024-25	20,00,000	3 : 1	600

The option available with the company to convert OCRPS into equity shares at the ratio given above is not exercisable on happening of knock-out-event, that is, if average market price of the equity shares during 26 weeks immediately preceding

Notes to the financial statements for the year ended 31st March, 2022

2.17 CONVERTIBLE PREFERENCE SHARES (contd.)

the redemption / conversion is less than ₹180/share. On happening of the knock-out-event, which has an extremely rare chance, the company has to redeem those Preference Shares at predetermined redemption value.

ii) Dividend rights attached to the preference shares are changed from cumulative to non-cumulative.

iii) All other terms and conditions as were applicable to NCRPS would apply to OCRPS.

The preference shares with revised terms (OCRPS) are classified as equity measuring at its fair value and the debt that was carried at amortized cost towards CRNPS is extinguished. Difference between carrying value of CRNPS and fair value of OCRPS amounting to ₹72.46 crores is recognized in profit and loss statement under exceptional item in F.Y.2020-21.

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 OCRPS have voting rights on matters pertaining to OCRPS.

In the event of liquidation of the Company before conversion or redemption of OCRPS, the holders of OCRPS will have priority over equity shares in the repayment of capital.

Shareholders holding more than 5% preference shares in the company

Name of shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	%	No. of shares	%
Sneha Enclave Private Limited	28,49,750	(46.53%)	26,06,100	(42.55%)
Suraj Finvest Private Limited (Formerly Sneha Gardens Pvt. Ltd)	28,49,750	(46.53%)	26,06,100	(42.55%)

2.18 Other Equity

(₹ in Crores)

Particulars	As at	
	31st March, 2022	31st March, 2021
Capital reserve	1.33	1.33
Securities premium	17.93	17.93
General reserve	140.00	140.00
Retained earning	199.69	84.96
Items of other comprehensive income (not re-classifiable to profit and loss)		
Fair value through other comprehensive income of equity investment	44.12	48.49
Remeasurements of defined benefit plans	(5.52)	(3.60)
Items of other comprehensive income (re-classifiable to profit and loss)		
Cash flow hedge reserve	(0.15)	(5.27)
Total	397.40	283.84

2.19 NON-CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at	
	31st March, 2022	31st March, 2021
Secured loans		
Term loans from banks	475.87	608.89
Less: Current maturities of long term borrowings	128.30	203.77
Total	347.57	405.12

Notes to the financial statements for the year ended 31st March, 2022

2.19 NON-CURRENT BORROWINGS (contd.)

Nature of Security

Non-current borrowings are secured by deposit of title deeds in respect of present and future immovable properties and hypothecation of present and future movable plant and equipment on a pari-passu basis and second charge on current assets on pari-passu basis.

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Terms of repayment of non-current borrowings		
Allahabad Bank		
RTL repayable in quarterly installments from Sep'2019 to Dec'2021	-	10.92
Exim Bank		
RTL repayable in quarterly installments from Mar'2022 to Jul'2024	33.48	-
ECB repayable in quarterly installments from Apr'2017	-	47.48
IDBI Bank		
ECB repayable in quarterly installments from Mar'2017 to Dec'2022	12.31	27.68
Axis Bank		
RTL repayable in quarterly installments from Jan'2022 to Jul'2023	37.38	-
ECB repayable in quarterly installments from Feb'2017	-	47.73
ECB repayable in quarterly installments from Apr'2018	-	51.06
State Bank of India		
FCNR(B) repayable in quarterly installments from Jun'2016	-	9.01
FCNR(B) repayable in quarterly installments from Mar'2018	-	18.03
DCB Bank		
RTL repayable in quarterly installments from Oct'2021 to Jul'2025	29.95	-
FCNR(B) repayable in quarterly installments from Apr'2019	-	37.68
IDFC Bank		
FCNR(B) repayable in quarterly installments from Mar'2019 to Mar'2024	24.14	34.91
RBL Bank		
FCNR(B) repayable in quarterly installments from Jan'2017 to Mar'2022	-	22.17
ICICI Bank		
RTL repayable in quarterly installments from Mar'2023 to Mar'2027	50.00	-
FCNR(B) repayable in quarterly installments from Jun'2019 to Sep'2024	41.19	55.59
RTL repayable in quarterly installments from Jun'2022 to Mar'2026	73.94	75.02
FITL repayable in quarterly installments from Dec'2020 to Sep'2024	0.85	1.19
Indusind Bank		
RTL repayable in quarterly installments from Jan'2022 to Dec'2026	96.76	-
FCNR(B) repayable in quarterly installments from Jun'2019	-	46.89
RTL repayable in monthly installments from May'2021	-	73.77
SBM Ltd.		
RTL repayable in quarterly installments from Feb'2022 to Feb'2025	45.87	49.76
HDFC Bank		
RTL repayable in quarterly installments from Jun'2023 to Mar'2027	30.00	-

Notes to the financial statements for the year ended 31st March, 2022

2.20 NON-CURRENT DERIVATIVE LIABILITY

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest rate swap	-	6.62
Total	-	6.62

2.21 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Retention money	1.32	1.31
Trade deposits	5.57	5.68
Lease liability	-	0.25
Other payables	1.00	0.95
Total	7.89	8.19

2.22 NON-CURRENT PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gratuity	15.76	10.74
Earned leave	0.64	-
Total	16.40	10.74

2.23 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities		
Difference in tax base of property, plant and equipment	122.02	115.51
Fair valuation of investment	3.96	4.46
Deferred tax assets		
Unabsorbed tax depreciation	(5.85)	(39.34)
Deferred allowances under Income Tax Act	(4.96)	(4.63)
Net deferred tax liabilities	115.17	76.00

2.24 DEFERRED REVENUE

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Import duty savings (EPCG) attributable to pending export obligation	3.85	0.08
Total	3.85	0.08

- i) Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.
- ii) An amount of ₹Nil (₹22.94 crore) released to statement of profit and loss on fulfillment of export obligations.

Notes to the financial statements for the year ended 31st March, 2022

2.25 CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Loan repayable on demand from banks	187.14	94.87
Buyer's/suppliers' credit facilities from banks	40.21	62.94
Current maturities of long term borrowings	128.30	203.77
Unsecured		
Unsecured demand loan from banks	25.64	11.82
Unsecured Buyer's/Suppliers' credit facilities from banks	-	8.77
Unsecured inter-corporate deposits	56.74	120.50
Total	438.03	502.67

Nature of security

Short term borrowings are secured by hypothecation of present and future stock of materials, stock-in-progress, 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.

2.26 TRADE PAYABLES FOR GOODS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding dues of micro enterprises and small enterprises	1.85	3.71
Outstanding dues of creditors other than micro enterprises and small enterprises		
Payable to related parties	-	-
Payable to others	128.13	150.30
Total	129.98	154.01

2.27 TRADE PAYABLES FOR SERVICES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding dues of micro enterprises and small enterprises	3.57	3.39
Outstanding dues of creditors other than micro enterprises and small enterprises		
Payable to related parties	-	-
Payable to others	25.26	24.75
Total	28.83	28.14

TRADE PAYABLES AGEING SCHEDULE (Outstanding for following periods from due date of payment)

Micro and small enterprises		
- Not yet due	5.42	7.10
Others		
- Not Yet due	152.34	174.07
- Less than 1 year	0.98	0.91

Notes to the financial statements for the year ended 31st March, 2022

2.27 TRADE PAYABLES FOR SERVICES (contd.)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
- 1-2 years	0.04	0.01
- 2-3 years	0.00	0.01
- More than 3 years	0.02	0.05
	158.81	182.15

2.28 CURRENT DERIVATIVE LIABILITY

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest rate swap	0.25	2.80
Total	0.25	2.80

2.29 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due	0.96	3.22
Accrued employee benefits	0.17	0.97
Unclaimed dividend	0.07	0.08
Trade deposits	0.36	-
Lease liability	-	0.67
Preference dividend payable	-	9.73
Outstanding liabilities for expenses	22.87	26.22
Other payables	0.05	-
Total	24.48	40.89

2.30 CURRENT PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gratuity	2.48	2.73
Earned leave	1.18	1.29
Total	3.66	4.02

2.31 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	4.81	3.74
Statutory dues	4.94	5.82
Total	9.75	9.56

Notes to the financial statements for the year ended 31st March, 2022

2.32 REVENUE FROM OPERATION

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Sale of paper and paperboard	1,938.84	1,181.25
Other operating revenues		
Scrap sales	5.10	2.28
Export incentives	12.79	8.78
EPCG benefit attributable to export obligation satisfied	-	22.94
Others	0.98	1.02
Total	1,957.71	1,216.27

2.33 OTHER INCOME

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Dividend income	0.75	0.75
Insurance claim	0.31	2.42
Foreign exchange fluctuation	-	16.11
Others	0.64	1.03
Total	1.70	20.31

2.34 COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Pulp and waste paper	1,089.12	594.79
Chemicals	147.34	110.53
Packing materials	29.72	20.93
Total	1,266.18	726.25

2.35 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inventories at the beginning of the year		
Finished goods	14.78	32.08
Work-in-progress	5.73	35.75
Total (A)	20.51	67.83
Inventories at the end of the year		
Finished goods	15.90	14.78
Work-in-progress	6.79	5.73
Total (B)	22.69	20.51
(Increase) / Decrease [A - B]	(2.18)	47.32

Notes to the financial statements for the year ended 31st March, 2022

2.36 POWER AND FUEL

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Consumption of coal	107.41	89.31
Grid power	12.40	4.68
RPO liability written back	-	(2.60)
Total	119.81	91.39

2.37 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	68.92	55.90
Contribution to provident and other funds	4.46	3.83
Staff welfare expenses	5.57	4.13
Total	78.95	63.86

2.38 FINANCE COSTS

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest expenses on borrowings	64.04	72.70
Effective interest on redeemable, non-convertible preference shares	-	16.11
Other interest expenses	0.49	0.76
Bank charges and other borrowing costs	9.59	4.57
Exchange difference regarded as adjustment to borrowing cost	8.64	1.70
Less: Interest earned	(0.35)	(0.57)
Total	82.41	95.27

2.39 OTHER EXPENSES

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Consumption of stores and spares	30.02	19.66
Rent	0.65	0.64
Repairs to buildings	0.49	0.28
Repairs to plant and machinery	4.58	3.36
Repair and maintenance (others)	2.15	1.90
Insurance	4.76	3.03
Manufacturing expenses	26.14	22.59
Freight outward (net)	53.98	18.27
Selling expenses	23.69	18.73
Donation	0.48	0.64
Directors' sitting fee	0.13	0.17
Rates and taxes	16.58	13.95

Notes to the financial statements for the year ended 31st March, 2022

2.39 OTHER EXPENSES (contd.)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Foreign exchange fluctuation	6.46	-
Loss on disposal of property, plant and equipment	0.08	0.78
CSR expenditures	0.83	0.48
Miscellaneous expenses	10.01	5.71
Total	181.03	110.19

2.40 CURRENT TAX

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current income tax for the previous year(s)	-	(0.01)
Total	-	(0.01)

2.41 DEFERRED TAX

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax for the year	38.59	4.67
Writing back of opening deferred tax liability	-	(2.26)
Total	38.59	2.41

Reconciliation of estimated income tax to income tax expense is as below:

Profit/(loss)before tax	153.39	102.62
Enacted tax rate	25.168%	25.168%
Expected income tax expense at statutory income tax rate	38.61	25.83
a) Exempt income / gains not chargeable to tax	-	(24.18)
b) Non-deductible expenses	(0.02)	3.02
c) Effect of adopting Sec 115BAA on opening deferred tax	-	(2.26)
d) Earlier years' tax	-	(0.01)
Tax expenses reported	38.59	2.40
Current tax net of MAT credit	-	(0.01)
Deferred tax	38.59	2.41
Total tax expenses as per profit and loss statement	38.59	2.40

Notes to the financial statements for the year ended 31st March, 2022

2.42 EMPLOYEE BENEFITS

The Company's obligation towards the gratuity fund and leave encashment fund are defined Benefit Plans. The details of actuarial valuation are given below - (All amounts in ₹ Crores, until otherwise stated)

Sl. No.	Particulars	2021-22		2020-21	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Funded	Funded	Funded
I.	Change in present value of obligation during the year				
	Present value of obligation at the beginning of the year	18.15	4.15	18.04	4.12
	Included in profit and loss:				
	- Current Service Cost	1.32	0.53	1.39	0.54
	- Interest Cost	1.10	0.25	1.15	0.27
	- Past Service Cost				
	- Actuarial Gain/(Loss)	-	0.48	-	(0.55)
	Included in OCI:				
	Actuarial losses/(gains) arising from:				
	- Experience adjustments	3.16		(0.94)	
	- Financial assumption	(0.64)	(0.12)	0.26	
	Others				
	Benefits Paid	(2.57)	(0.55)	(1.75)	(0.23)
	Present Value of obligation as at year end	20.52	4.74	18.15	4.15
	Current Liabilities	2.48	1.18	2.73	1.29
	Non-Current Liabilities	18.04	3.56	15.42	2.86
	Total Liability	20.52	4.74	18.15	4.15
II.	Change in Fair Value of Plan Assets during the year				
	Plan assets at the beginning of the year	4.68	2.93	5.77	2.96
	Included in profit and loss:				
	Interest Income	0.22	0.18	0.34	0.19
	Expected return on plan assets		0.02		0.01
	Included in OCI:				
	- Actuarial Gain / (Loss) on plan assets	(0.06)		0.02	
	Others:				
	Employer's contribution	-	-	0.30	0.00
	Benefits Paid	(2.57)	(0.21)	(1.75)	(0.23)
	Plan assets at the end of the year	2.28	2.92	4.68	2.93
	Weighted Average Asset Allocations at the year end				
	Equities	-	-	-	-
	Bonds	-	-	-	-
	Gilts	-	-	-	-
	Insurance Policies	100%	100%	100%	100%
	Total	100%	100%	100%	100%

Notes to the financial statements for the year ended 31st March, 2022

2.42 EMPLOYEE BENEFITS (contd.)

(All amounts in ₹ Crores, until otherwise stated)

Sl. No.	Particulars	2021-22		2020-21	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Funded	Funded	Funded
III.	Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
	1. Present Value of obligation as at year-end	20.52	4.74	18.15	4.15
	2. Fair Value of plan assets at year end	2.28	2.92	4.68	2.93
	3. Funded status (Surplus/(Deficit))	(18.24)	(1.82)	(13.47)	(1.22)
	Net Asset/(Liability)	(18.24)	(1.82)	(13.47)	(1.22)
IV.	Expenses recognised in the Statement of Profit and Loss				
	Current Service Cost	1.32	0.53	1.39	0.54
	Interest Cost	1.10	0.25	1.15	0.27
	Past Service Cost	-	-	-	-
	Actuarial Gain/(Loss)	-	0.48	-	(0.55)
	Expected return on plan assets	(0.22)	(0.20)	(0.34)	(0.20)
	Total Expense	2.20	1.06	2.20	0.06
V.	Expenses recognised in the Statement of Other Comprehensive Income				
	Net Actuarial (Gain)/Loss	2.52	(0.12)	(0.68)	-
	Expected return on plan assets excluding interest income	0.06	-	(0.02)	-
	Total Expense	2.57	(0.12)	(0.70)	-
VI.	Actuarial Assumptions				
	Discount Rate	6.90%	6.90%	6.50%	6.50%
	Salary Escalation - First Year	6.00%	6.00%	6.00%	6.00%
	Salary Escalation - After First Year	6.00%	6.00%	6.00%	6.00%
	Expected Rate of Return on Plan Assets	6.90%	6.90%	7.00%	7.00%
	Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

VII. The best estimate contribution for the next year would be ₹ 1.52 Crores for Gratuity and ₹ 0.53 Crores for Leave Encashment.

VIII. Experience Adjustments

Particulars	Year ended 31.03.22		Year ended 31.03.21	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(Gain) / Loss on Plan Liabilities	3.16	-	(0.94)	-
% of Opening Plan Liabilities	17.42%	0.00%	-5.21%	0.00%
Gain / (Loss) on Plan Assets	(0.06)	-	0.02	-
% of Opening Plan Assets	-1.19%	0.00%	0.35%	0.00%

Notes to the financial statements for the year ended 31st March, 2022

2.42 EMPLOYEE BENEFITS (contd.)

IX. Sensitivity Analysis

(All amounts in ₹ Crores, until otherwise stated)

Gratuity	Year ended 31.03.22		Year ended 31.03.21	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.45)	1.68	(1.22)	1.41
Future salary growth (1% movement)	1.64	(1.45)	1.38	(1.07)
Withdrawal Rates (1% movement)	0.08	(0.12)	0.07	(0.11)

Leave Encashment	Year ended 31.03.22		Year ended 31.03.21	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.28)	0.32	(0.23)	0.26
Future salary growth (1% movement)	0.32	(0.27)	0.27	(0.21)
Withdrawal Rates (1% movement)	0.01	(0.01)	0.01	(0.01)

X. Maturity Profile of Defined Benefit Obligations

Year	Year ended 31.03.22		Year ended 31.03.21	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Funded	Funded	Funded
1st Following Year	2.48	1.18	2.73	1.29
2nd Following Year	1.86	0.44	1.71	0.29
3rd Following Year	2.24	0.42	1.70	0.43
4th Following Year	1.78	0.35	1.97	0.40
5th Following Year	2.16	0.18	1.68	0.35
6th Following Year	2.49	0.50	2.02	0.34
7th Following Year	2.27	0.35	2.23	0.48
8th Following Year	2.70	0.44	1.87	0.33
9th Following Year	2.50	0.44	2.47	0.42
10th Following Year	3.06	0.36	2.18	0.41

2.43 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

Sl. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
A.	CONTINGENT LIABILITIES		
	Claims against the Company not acknowledged as debts		
	(Net of Advances) :		
	Sales tax matters	0.19	0.19
	Entry tax matters	3.05	3.05
	Excise duty, service tax, GST and customs duty matters	1.17	1.17
	Total	4.41	4.41

Notes to the financial statements for the year ended 31st March, 2022

2.43 CONTINGENT LIABILITIES AND COMMITMENTS (contd.)

(₹ in Crores)

Sl. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
B.	Contingent liabilities disclosed above represent possible obligations that has arisen from past events and where the likelihood of an outflow of resources depends upon occurrence or non-occurrence of uncertain future event(s). In addition, the company is subject to legal proceedings and claims, 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 and financial conditions.		
	Outstanding guarantees and letters of credit furnished by the bankers on behalf of the Company	132.22	95.18
C.	COMMITMENTS		
	Capital commitments		
	Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	4.90	13.70
	Total	4.90	13.70

2.44 Related party disclosures

Related Parties with whom transactions have taken place during the year

a. Key Management Personnel

- Shri A.V. Agarwal, Executive Chairman
- Shri Manish Goenka, Whole Time Director
- Shri P.S. Patwari, Executive Director
- Shri Vivek Chawla, Whole Time Director & CEO
- Shri S.K.Khetan, Director (Operations) & CFO
- Shri G.Saraf,V.P. (Finance) & Company Secretary (Upto 01.06.2021)
- Shri Debendra Banthiya, Company Secretary (w.e.f. 02.06.2021)

Other Directors

- Late J. N. Godbole, Independent Director (Upto 04.01.2022)
- Shri S. Balasubramanian, Independent Director
- Shri H. M. Marda, Independent Director
- Shri J.K. Khetawat, Independent Director
- Smt Richa Agarwal, Non Executive Director
- Shri Shymalendu Chatterjee, Independent Director (Upto 22.10.2021)
- Smt Mamta Binani, Independent Director
- Shri Amit Kiran Deb, Independent Director (w.e.f 20.01.2022)
- Shri Sumit Banerjee, Independent Director (w.e.f 20.01.2022)

b. Relatives of Key Management Personnel

- Shri Shyam Patwari (Upto 01.05.2021)

Notes to the financial statements for the year ended 31st March, 2022

2.44 Related party disclosures (contd.)

c. Enterprise where Key Management Personnel and their relatives are able to exercise significant influence

Emami Limited

Emami Capital Market Limited (Merged with Midkot Investment Pvt Ltd w.e.f 09.12.2021)

Sneha Enclave Private Limited

Pan Emami Cosmed Ltd (Refer note - 2.56)

Premier Ferro Alloys & Securities Limited

Emami Art (Unit of Dev Infracity Pvt.Ltd)

Suraj Finvest Private limited

Madhvi Exim Pvt Ltd

Midkot Investment Pvt Ltd. (Refer note - 2.56)

Disclosure of transactions between the Company and related parties

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise described in (c) above		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Remuneration to Key Management Personnel*	-	-	-	-	-	-	-	-
- Short Term Employment benefits	13.53	7.41	-	-	-	-	13.53	7.41
Sitting Fees Paid to Independent Director	0.13	0.18	-	-	-	-	0.13	0.18
Rent Maintenance & Other Charges Payable (Emami Limited)	-	-	-	-	0.66	0.23	0.66	0.23
Sale of Painting and Other Charges (Emami Art- Unit of Dev Infracity Pvt. Ltd.	-	-	-	-	0.02	0.01	0.02	0.01
Salary Paid (Shri Shyam Patwari)	-	-	0.23	0.56	-	-	0.23	0.56
Reimbursement for SAP maintenance (Emami Limited)	-	-	-	-	0.54	0.41	0.54	0.41
Interest Paid	-	-	-	-	6.62	5.38	6.62	5.38
Dividend Paid	-	-	-	-	8.88	-	8.88	-
Dividend Received (Emami Limited)	-	-	-	-	0.75	0.75	0.75	0.75
Rent Received (Emami Limited)	-	-	-	-	0.16	0.16	0.16	0.16
Commission to Madhvi Exim Pvt Ltd	-	-	-	-	0.57	-	0.57	-
Balance as on 31st March								
- Investment -Emami Ltd	-	-	-	-	0.55	0.55	0.55	0.55
- Security Deposit Given - Emami Ltd	-	-	-	-	0.08	-	0.08	-
- Security Deposit received	-	-	-	-	0.03	0.03	0.03	0.03

Notes to the financial statements for the year ended 31st March, 2022

2.44 Related party disclosures (contd.)

Disclosure of transactions between the Company and related parties (All amounts in ₹ Crores, unless otherwise stated)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise described in (c) above		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Inter Corporate Deposit Payable**	-	-	-	-	56.74	120.50	56.74	120.50
Creditor- Commission Payable to Madhvi Exim Pvt Ltd	-	-	-	-	0.20	-	0.20	-
ICD Interest Payable	-	-	-	-	-	0.69	-	0.69

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

** Inter Corporate deposit is unsecured in nature and is repayable on demand.

2.45 DISCLOSURES ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2(i) to the financial statements.

CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March, 2022 and 31st March, 2021.

As at 31st March, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Amortised cost	Fair Value through other comprehensive income	Derivative instruments designated as hedging	Derivative instruments not designated as hedging	Fair Value through statement of profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	1.75	-	-	-	-	1.75	1.75
Trade receivables	217.66	-	-	-	-	217.66	217.66
Investments	0.01	48.66	-	-	-	48.67	48.67
Derivatives	-	-	-	-	-	-	-
Loans	0.28	-	-	-	-	0.28	0.28
Other financial assets	3.17	-	-	-	-	3.17	3.17
	222.87	48.66	-	-	-	271.53	271.53

Notes to the financial statements for the year ended 31st March, 2022

2.45 DISCLOSURES ON FINANCIAL INSTRUMENTS (contd.)

As at 31st March, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Amortised cost	Fair Value through other comprehensive income	Derivative instruments designated as hedging	Derivative instruments not designated as hedging	Fair Value through statement of profit and loss	Total carrying value	Total fair value
Financial liabilities:							
Trade and other payables	158.81	-	-	-	-	158.81	158.81
Borrowings	785.60	-	-	-	-	785.60	785.60
Derivatives	-	-	0.19	0.06	-	0.25	0.25
Other financial liabilities	32.37	-	-	-	-	32.37	32.37
	976.78	-	0.19	0.06	-	977.03	977.03

As at 31st March, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Amortised cost	Fair Value through other comprehensive income	Derivative instruments designated as hedging	Derivative instruments not designated as hedging	Fair Value through statement of profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	13.72	-	-	-	-	13.72	13.72
Trade receivables	201.01	-	-	-	-	201.01	201.01
Investments	0.01	53.51	-	-	-	53.52	53.52
Derivatives	-	-	-	-	-	-	-
Loans	0.40	-	-	-	-	0.40	0.40
Other financial assets	16.38	-	-	-	-	16.38	16.38
	231.52	53.51	-	-	-	285.03	285.03
Financial liabilities:							
Trade and other payables	182.15	-	-	-	-	182.15	182.15
Borrowings	907.79	-	-	-	-	907.79	907.79
Derivatives	-	-	7.03	2.39	-	9.42	9.42
Other financial liabilities	49.08	-	-	-	-	49.08	49.08
	1,139.02	-	7.03	2.39	-	1,148.44	1,148.44

(b)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Net gain/(loss) on financial assets and liabilities measured at fair value through profit and loss	(1.94)	(1.36)

Notes to the financial statements for the year ended 31st March, 2022

2.46 FINANCIAL RISK MANAGEMENT

The company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has established a Risk Management system, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ in Crores)

Particulars	Carrying amount	Undiscounted Amount		
		Payable within 1 year	More than 1 years	Total
As at 31st March, 2022				
Non-derivative liabilities				
Trade payables	158.81	158.81	-	158.81
Borrowings	516.08	168.51	347.57	516.08
Borrowings - Repayable on demand	269.52	269.52	-	269.52
Security deposits	5.57	-	5.57	5.57
Others	26.81	24.49	2.32	26.81
Derivative liabilities				
Swaps	0.25	0.25	0.00	0.25

(₹ in Crores)

Particulars	Carrying amount	Undiscounted Amount		
		Payable within 1 year	More than 1 years	Total
As at 31st March, 2021				
Non-derivative liabilities				
Trade payables	182.15	182.15	-	182.15
Borrowings	680.60	275.48	405.12	680.60
Borrowings - Repayable on demand	227.19	227.19	-	227.19
Security deposits	5.68	-	5.68	5.68
Others	43.40	40.89	2.51	43.40
Derivative liabilities				
Swaps	9.42	2.80	6.62	9.42

Notes to the financial statements for the year ended 31st March, 2022

2.46 FINANCIAL RISK MANAGEMENT (contd.)

B. MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- price risk; and
- interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in U.S. dollar, Euro and GBP against the functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022: (₹ in Crores)

Particulars	U.S. dollar	Euro	GBP	Total
a) Financial assets	89.10	0.33	-	89.43
b) Financial liabilities	265.16	0.30	-	265.46

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹ 0.89 crores and ₹ 2.65 crores for financial assets and financial liabilities respectively for the year ended March 31, 2022.

Notes to the financial statements for the year ended 31st March, 2022

2.46 FINANCIAL RISK MANAGEMENT (contd.)

The following table sets forth information relating to foreign currency exposure as at March 31, 2021: (₹ in Crores)

Particulars	U.S. dollar	Euro	GBP	Total
a) Financial assets	70.49	2.35	-	72.84
b) Financial liabilities	653.56	8.78	-	662.34

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹0.73 crores and ₹ 6.62 crores for financial assets and financial liabilities respectively for the year ended March 31, 2021.

b) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

Interest Rate Risk Exposure

(₹ in Crores)

Particulars	As at 31.03.2022		As at 31.03.2021	
	(₹ in Crores)	% of Total	(₹ in Crores)	% of Total
Fixed Rate Borrowings	347.57	44%	644.86	71%
Variable Rate Borrowings	438.03	56%	262.93	29%
Total Borrowings	785.60	100%	907.79	100%

Sensitivity on variable rate borrowings

(₹ in Crores)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31/03/22	31/03/21	31/03/22	31/03/21
Interest rate increase by 0.25%	(1.10)	(0.66)	(1.10)	(0.66)
Interest rate decrease by 0.25%	1.10	0.66	1.10	0.66

c) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income.

The fair value of Company's investment in quoted equity securities as at March 31, 2022 and March 31, 2021 was ₹ 41.79 crores, and ₹ 45.34 crores, respectively. A 10% change in equity price as at March 31, 2022 and March 31, 2021 would result in an impact of ₹ 4.18 crores and ₹ 4.53 crores, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Other financial assets

Notes to the financial statements for the year ended 31st March, 2022

2.46 FINANCIAL RISK MANAGEMENT (contd.)

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in treasury bills, government securities, money market liquid mutual funds and derivative instrument with financial institutions. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc.

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

2.47 CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENTS IS AS FOLLOWS

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Total Carrying Value		Total Fair Value	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial Assets :				
Investments in equity instruments	48.66	53.51	48.66	53.51
Loans	0.28	0.40	0.28	0.40
Trade Receivables	217.66	201.01	217.66	201.01
Cash and Cash Equivalents	0.16	11.93	0.16	11.93
Other Financial Assets	4.77	18.18	4.77	18.18
Total	271.53	285.03	271.53	285.03
Financial Liabilities :				
Borrowings	785.60	907.79	785.60	907.79
Trade & Other Payables	158.81	182.15	158.81	182.15
Other Financial Liabilities	32.62	58.50	32.62	58.50
Total	977.03	1,148.44	977.03	1,148.44

2.48 FAIR VALUE HIERACHY

Level 1 - Quoted Prices (Unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following tables presents fair value hierachy of assets and liabilities measured at fair value on a recurring basis -

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31.03.2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets :				
Investments in equity instruments	48.66	41.79	-	6.87
Derivative financial instruments	-	-	-	-
Liabilities :				
Derivative financial instruments	0.25	-	0.25	-

Notes to the financial statements for the year ended 31st March, 2022

2.48 FAIR VALUE HIERACHY (contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31.03.2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets :				
Investments in equity instruments	53.51	45.34	-	8.17
Derivative financial instruments	-	-	-	-
Liabilities :				
Derivative financial instruments	9.42	-	9.42	-

2.49 DETAILS RELATED TO CSR ACTIVITIES

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount required to be spent by the company during the year	0.40	0.32
Amount of expenditure incurred	0.83	0.48
Shortfall at the end of the year	0.00	0.00
Total of previous years shortfall	0.00	0.00
Reason for shortfall	N.A.	N.A.
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	N.A.	N.A.

2.50 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 the end of the year on account of principal - Nil (Previous Year Nil); hence, no interest is paid / payable under MSMED Act, 2006.

2.51 EARNINGS PER SHARE (EPS)

BASIC EARNINGS PER SHARE (EPS)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Net Profits after tax (₹ in crore)	114.80	51.05
Less: Preference Dividend (27.03.2021 to 31.03.2021)	4.90	0.07
Net Profit/ (Loss) after Tax available to Equity Shareholders	109.90	50.98
Number of equity shares (Nos. in crore)	6.05	6.05
Basic earnings per share (in ₹)	18.17	8.43
Nominal Value per share (₹)	2.00	2.00

Notes to the financial statements for the year ended 31st March, 2022

2.51 EARNINGS PER SHARE (EPS) (contd.)

DILUTED EARNINGS PER SHARE

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Net Profit/ (Loss) after Tax available to Equity Shareholders	109.90	50.98
Add: Preference Dividend (27.03.2021 to 31.03.2021) for FY2020-21	4.90	0.07
Net Profit/ (Loss) after Tax available to Equity Shareholders and Potential Equity Shares	114.80	51.05
Weighted Average number of Equity Shares and Potential Equity Shares	7.94	6.08
Diluted earnings per share (in ₹)	14.45	8.40
Nominal Value per share (₹)	2.00	2.00

2.52 PAYMENT TO AUDITORS

(₹ in Crores)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
As auditors		
Audit fee	0.18	0.12
In other capacity		
For certification & Consultancy		
To statutory auditors	0.04	0.04
Total	0.22	0.16

2.53 Operation of Gulmohar unit, which comprises about 5% of the total production capacity of the company, continues to remain suspended since Mar 2020 due to various techno-commercial reasons beyond the control of management. All the staffs and workers including contractual workers of the unit have been mutually separated during the year. The company is framing a plan for utilizing the machineries, equipment and store items of Gulmohar Unit in its Balasore Unit.

The company has obtained fair valuation of the assets of Gulmohar unit done by independent professional valuer, which exhibits recoverable amount of the assets of the unit is higher than carrying amount of the assets.

2.54 LEASE LIABILITIES

(₹ in Crores)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current	-	0.67
Non-Current	-	0.25
Total	-	0.92

Notes to the financial statements for the year ended 31st March, 2022

255 FINANCIAL RATIOS

Ratio	Numerator	Denominator	F.Y. 2021-22	F.Y. 2020-21	Remarks for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.83	0.67	Ratio improved due to utilisation of internal accruals for reducing current borrowings and for increasing net current assets leads to improvement in current ratio.
Debt-equity ratio (in times)	Total Debt	Shareholder's equity	1.20	1.68	Ratio improved as networth is increased by internal accruals and substantial amount of long term debts are repaid.
Debt service coverage ratio (in times)	EBITDA	Debt service obligation	1.03	0.64	Increase in EBITDA by 77% has provided improve coverage for debt servicing.
Inventory turnover ratio (in times)	Turnover	Average inventory	10.94	5.91	Ratio improved as the company is able to keep its level of inventories, trade receivables and trade payable more or less at the same level, despite significant increase in turnover.
Trade receivables turnover ratio (in times)	Turnover	Average trade receivables	9.35	5.93	
Trade payables turnover ratio (in times)	Cost of goods and services	Average trade payables	8.94	5.10	
Net capital turnover ratio (in times)	Turnover	Working capital	18.22	4.99	
Net profit ratio (%)	Net profit after tax	Turnover	5.86%	4.20%	Higher productivity, increased operational efficiency and cost optimisation resulting into increase in profitability and related ratios.
Return on equity (%)	Profit after preference dividend	Average shareholders equity	32.53%	19.84%	
Return on capital employed (%)	Earning before interest and tax	Capital employed	24.81%	11.57%	
Return on investment (%)	Profit after tax	Total average investment	10.31%	7.90%	

256 Pan Emami Cosmed Limited (transferor company) has been amalgamated into and with Midkot Investments Private Limited (transferee company) effected by order of Hon'ble National Company Law Tribunal bearing No. C.P. (CAA) No. 89/KB/2021 connected with C.A. (CAA) No. 1237/KB/2020 dated 15/11/2021, with the appointed date of 31st March, 2020, and effective date, as per clause 3 of the said Order.

As a consequence of the Amalgamation Scheme, the shareholders of the transferor company got vested in the transferee company and become entitled to the shares in the transferee company, as per the exchange ratio provided in the Scheme.

The said Order of the NCLT, filed on 9th December, 2021, is not yet approved and taken on record by the Registrar of Companies. However, Midkot Investments Private Limited, the transferee company has treated the Order as effective on the date of the order, and accordingly, has treated the shareholders of Pan Emami Cosmed Ltd as having become its shareholders, even though pending the actions of allotment etc.

Accordingly, fair value of its investment in equity shares of Pan Emami Cosmed Ltd has been determined and disclosed as investment in equity shares of Midkot Investments Private Limited considering exchange ratio provided in the amalgamation scheme and valuation determined by Registered Valuer for securities or financial assets.

Notes to the financial statements for the year ended 31st March, 2022

- 257 The Company's business activity falls within a single primary business segment which is "Manufacture of Paper and Paper Board" and the Company primarily operates in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.
- 258 The Company had foreign exchange earnings from export of ₹ 560.97 crores during the F.Y.2021-22 (last year - ₹ 299.33 crores).
- 259 Quarterly stock statements filed with the banks are in agreement with the books of accounts.
- 260 As at March 31, 2022 the company does not foresee any significant impact of Covid-19 pandemic on its operations and the financial position while considering external and internal information available up to the date of approving the results. The company will continue to closely monitor any changes to future economic conditions and assess its impact on its operations and any impact emerging out of the pandemic occurring after the approval of this financial results will be recognized prospectively.
- 261 The Board of Directors has recommended a dividend of ₹ 1.60/- per equity share (80%) having face value of ₹ 2 each and ₹ 8/- per preference shares (8%) having face value of ₹ 100/- each for the financial year 2021-22.
- 262 Corresponding figures of the previous period have been regrouped/ rearranged wherever necessary.

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date

For **Agrawal Subodh & Co**

Chartered Accountants

Firm Registration Number : 319260E

CA Subodh Kumar Agrawal

Partner

Membership No. - 054670

Place: Kolkata

Date: 25th May, 2022

Aditya V. Agarwal

Executive Chairman

Manish Goenka

Whole-time Director

Vivek Chawla

Whole-time Director & CEO

S.K.Khetan

Director (Operations) & CFO

D Banthiya

Company Secretary



Glimpse of the Shree Shree Jagannath Mandir
Emami Nagar, Balgopalpur, Balasore, Odisha



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