



Achieving
More
Together



Emami Paper Mills Limited
Annual Report 2018-19



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BOARD OF DIRECTORS

Mr. A.V. Agarwal

Executive Chairman

Mr. Manish Goenka

Non-Executive Director

Mrs. Richa Agarwal

Director

Mr. J. N. Godbole

Independent Director

Mr. H.M. Marda

Independent Director

Mr. J.K. Khetawat

Independent Director

Mr. P. S. Patwari

Executive Director

Mr. S. Balasubramanian

Independent Director

Mr. Shymalendu Chatterjee

Independent Director

(with effect from 7th January, 2019)

Mr. U. G. Bhat

Independent Director

(upto 10th October, 2018)

Mr. Ashish De

Whole Time Director

(upto 28th February, 2019)

HEAD (STRATEGY & OPERATIONS)

Mr. M. B. S. Nair

SR. PRESIDENT & CFO

Mr. S.K. Khetan

VICE PRESIDENT (FINANCE) AND SECRETARY

Mr. G. Saraf

AUDITORS

M/s Agarwal Subodh & Co.

Chartered Accountants

301, Victoria House, 3rd Floor

1, Ganesh Chandra Avenue

Kolkata -700013

BANKERS

State Bank of India

ICICI Bank Limited

DBS Bank Limited

Yes Bank Limited

IDBI Bank Limited

Axis Bank

HDFC Bank

Allahabad Bank

Export Import of India

RBL Bank Limited

DCB Bank Limited

IDFC First Bank Limited

IndusInd Bank

WORKS

Balgopalpur, Balasore-756020
(Odisha)

R. N.Tagore Road, Dakshineswar
Kolkata – 700035
(West Bengal)

REGISTERED OFFICE

Unit No. 1, 15th Floor,
'ACROPOLIS'

1858/1, Rajdanga Main Road,
Kasba, Kolkata – 700 107

Phone : +91-33-6627 1301

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Email : gсарaf@emamipaper.com

Website: www.emamipaper.in



Our founders



MR. R. S. GOENKA and MR. R. S. AGARWAL

Chairman's message



Dear Shareholders,

Your Company registered another commendable performance with impressive top line growth despite a challenging economy. Your Company recorded its highest turnover of ₹ 1528.48 crores as compared to ₹ 1366.37 crores in 2017-18 registering a growth of 11.9%. Earnings before Interest, Depreciation and Tax (EBIDTA) increased by 41% to ₹ 242.32 crores as against ₹ 171.87 crores in 2017-18. During the year under review, the combined production from Packaging Board, Newsprint and Writing & Printing paper stood at 3,22,359 MT and the capacity utilization stood at around 100%. The Company also recorded its highest sales volumes of 3,04,089 MT. Exports accounted for 16754 MT as against 13209 MT in the Previous Year. The Company is continuously focusing on improving operating efficiencies and reducing manufacturing cost for better financial performance.

Your Company has achieved remarkable performance with all-round growth in Multi-layer Coated Board Plant and recorded 1,78,534 MT of Board production. This was clocked through focus on product quality, process innovation, improved manufacturing efficiencies and enhanced service level with better logistic

Your Company has maintained its leadership position in the high-end packaging board segment and continues to consolidate its preferred supplier status amongst leading end-use customers & brands. The Company has also enjoyed dominant position in India being a world class quality manufacturer of Newsprint.

arrangements. The Packaging Board Plant capacity further increased from 1,80,000 TPA to 2,00,000 TPA during the year by adding balancing equipment.

Newsprint industry scenario has improved in the first half of 2018-19 with increase in prices of newsprint by about 30% and increase in demand for quality newsprint. However, newsprint industry witnessed a depressed market scenario in second half of the year due to higher volume of imports at cheap rates. Considering the altered and challenging scenario, your Company has decided to go in for a change in the product mix by converting 60,000 MT Newsprint capacity to any other value added and premium quality product. Your Company is currently undertaking a market survey and obtaining expert views in the matter before proceeding further.

The year 2018-19 was a market with volatility and disruptions. Your Company however continued to perform consistently well even under these challenging times and delivered better results.

With warm regards

A. V. Agarwal
Executive Chairman

Board of Directors



Mr. A. V. Agarwal
Executive Chairman



Mr. Manish Goenka
Non-Executive Director



Mrs. Richa Agarwal
Director



Mr. J. Godbole
Independent Director



Mr. H. M. Marda
Independent Director



Mr. J. K. Khetawat
Independent Director



Mr. P. S. Patwari
Executive Director and CEO



Mr. S. Balasubramanian
Independent Director



Mr. Shymalendu Chatterjee
Independent Director

Management team



Mr. M. B. S. Nair
Head Strategy & Operations



Mr. S. K. Khetan
Sr. President & CFO



Mr. A. A. Gupta
Sr. Vice President



Mr. B. Agarwal
Executive Vice President



Mr. G Saraf
Vice President (Finance)
& Secretary



Mr. P. Chhajer
Vice President (Engg.)



Mr. S. Goenka
Vice President



Mr. S. Patwari
Vice President



Mr. S. Mukherjee
Vice President
(Marketing & Sales)



Mr. A. K Singh
Assistant Vice President
(Board Plant)



Mr. H. K. Mohanty
Assistant Vice President
(Kolkata Works)



Mr. M. K Agarwal
Assistant Vice President
(Finance)



Mr. A. Khemka
Assistant Vice President
(Purchase)

Emami Paper believes that "Goodness is the only investment that never fails"

We focus on the welfare of people living in the neighboring communities. Our CSR team is involved in a wide variety of community development projects, which relate to Promoting Education, Women Empowerment, Healthcare, Environment sustainability, Mass marriage, Winter Cloth distribution, Sanitation-Toilet, Safe Drinking water, Rural Development and Animal Welfare.



Promoting Education



Women Empowerment



Healthcare



Environment Sustainability



Mass Marriage



Winter Cloth Distribution



Sanitation-Toilet



Safe Drinking Water



Rural Area Beautification



Animal Welfare

Management Discussion and Analysis

A. INDUSTRY STRUCTURE & DEVELOPMENTS

GLOBAL PAPER INDUSTRY

Global Paper & Paperboard market accounted for \$175.00 billion in 2017 and is expected to reach \$266.88 billion by 2026 growing at a CAGR of 4.8 per cent during the forecast period. Growing consumer awareness for sustainable packaging, rising demand from various end users and increasing environmental concerns are some of the factors favouring the market growth. Moreover, growing disposable incomes of people especially in the developing countries is one of the major opportunities during the forecast period.

Globally over 400 million tonnes of paper and paper products are consumed. The world's three largest paper producing countries are China, the United States, and Japan (these countries account for approximately half of the world's total paper production), while India accounts for a small but growing share of the global market. The global paper and pulp industry has contracted slightly over the past five years, primarily due to the shift to digital media and paperless communication across most developed economies. However, demand in emerging markets has partially offset the decline by driving increased demand for paper used in packaging materials.

Emerging markets like India and China will drive the market for the paper packaging segment, with applications across industries like healthcare, personal care, homecare, retail and others. With the focus now shifting towards eco-friendly and sustainability, paper packaging is expected to gain traction with many countries pushing for paper packaging products over plastic packaging, which poses a significant threat to the environment.

Higher recycling demand will further push the use of paper as a packaging material, with consumers and businesses looking for solutions that help in cost reduction as well as keeping the environment safe while keeping government regulations intact.

INDIAN PAPER INDUSTRY

The Indian paper industry accounts for about 3.7% of the world's production of paper. The estimated turnover of the industry is INR 60,000 crores (USD 8.5 billion approximately) and its contribution to the exchequer is around INR 4,500 crores. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly.

Paper Industry in India is moving up with a strong demand push and in expansion mode to meet the projected demand of 20 million tonnes by 2020. Thus paper industry in India is on the growth trajectory and is expected to touch 8.5% GDP in the coming years. Therefore, the growth of industry will exceed the present rate of 6.5%.

Inspite of the sustained growth witnessed by the industry, the per capita paper consumption in India stands at a little over 13 kg which is well below the global average of 57 kg and significantly below 200 kg in North America.

The demand drivers include 1) rising income levels, 2) growing per capita expenditure, 3) a likely pick-up from the education sector, 4) requirement of better quality packaging of FMCG products marketed through organised retail, and 5) increasing preference for ready-to-eat foods.

On the other hand, challenges include 1) access to quality and cost competitive raw material whose prices have started increasing recently, 2) competition from imports and 3) technology obsolescence.

Industry Segmentation: Packaging paper & board segment demand is growing at a faster pace as compared to Printing & Writing and the Newsprint segments.

For the Indian paper industry, strong economic growth has been accompanied by equally robust demand for paper. The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country. The individual segments are expected to grow as follows:

- **Printing and Writing segment :** demand is expected to grow at a CAGR of 4.2% and reach 5.3 million tonnes in 2019. The demand is expected to grow on account of an anticipated pick-up from the education sector with improving literacy rates and growing enrolment as well as increasing number of schools and colleges.
- **Consumer Packaging Board Sector:** Paperboard packaging is used to provide packaging solutions, largely to the consumer products. Paperboard packaging solutions have extensive applications across several industrial verticals from healthcare to food and beverages industry and personal care to home care. Furthermore, paper and paperboards are also used to make packaging labels, boxes, cartons and cardboard boxes.

In last 5 – 6 years, domestic demand for consumer packaging board has increased at 8-9% CAGR to touch 3.7 million ton in 2018; and it is expected to grow to 4.7 million ton by 2021-22 harnessing the same growth rate driven by steady economic growth, increased industrial growth and consumers' preference to branded products.

Consumer packaging board comprises of two sub-segments (i) virgin grade Value Added Product (VAP) (ii) recycle grade paperboard. The anticipated robust growth in this segment will be led by the VAP grade

paperboard, which presently witnessing about 12%-13% CAGR and expected to continue as such to reach 1.3 million ton in 2021-22 from the present demand level of 1.0 million ton. Annual demand of recycle grade consumer packaging is 2.7 million ton in 2017-18, which is expected to reach 3.4 million ton in 2021-22.

Even though virgin grade paperboard has more promising future over recycled grade in consumer packaging segment; couple of years are set for grand success of the recycle based paperboard also as a result of change in industrial scenario globally.

- **Newsprint sector:** Improving literacy rates, rising circulation and an increasing number of newspapers and magazine is expected to support growth in newsprint demand, which is expected to reach 2.7 million tonnes in 2019. Competition from growing imports from developed countries is a major challenge to the industry.

EMAMI'S INDUSTRY PRESENCE

Your Company has paper mills located at Balasore (Odisha) and Dakshineswar (W.B., Kolkata), are most environment friendly paper mills in Eastern India. The company is largest newsprint manufacturer of India with 1,50,000 tpa capacity and produces best quality newsprint at par with the quality of imported ones. The other line of business of the company is 2,00,000 tpa capacity consumer packaging board of recycle grade as well as that of virgin grade. Company's diversification into paperboard segment is now most discussed success story in the paper industry because of the tremendous performance of its board machine, appreciated market acceptance of the company's paperboard. Our paperboard has also a good reputation in export market and about 10%-15% of its recycle grade paperboard is exported to overseas market.

B. OPPORTUNITIES AND THREATS

OPPORTUNITIES

- ❖ Strategic location – proximity to raw materials and nearness to the market.

- ❖ Large and growing domestic paper market and increasing export market for its products
- ❖ Pan India presence
- ❖ Partnership with best logistic companies, which enables the company to deliver its products at any corner of India within 3-4 days at very competitive freight charges
- ❖ Close proximity to Mahanadi Coal (MCL) fields for Balasore plant and Raniganj-Asansol (ECL) belt for Kolkata unit for procurement of coal and also proximity to Haldia port for import of pulp, waste paper, chemicals, spares & machineries.
- ❖ Strong team having sound technical knowledge and visionary managerial capabilities to ensure production of world class quality products and best business operation.
- ❖ Company's focus on continuous sustainable growth, especially diversification into paperboard segment, which is growing very fast and protected from increasing use of digitization and internet.
- ❖ Economy of scale – about 3.35 lac tpa capacity at single location
- ❖ Strong customer base and dealers/distributors network.
- ❖ Governments thrust for education and literacy coupled with increasing disposable income and overall economic growth of the nation.
- ❖ Sufficient infrastructure available with the Company for future expansion.
- ❖ Availability of sufficient good quality ground water with the required permissions from Central Groundwater Authority as well as from Orissa State level authorities.
- ❖ River water pipeline project from Budhabalanga river is in progress.
- ❖ Well established Research and Development (R&D) facilities/activities encouraging innovation, product development and cost saving.

- ❖ Steady increase in preference to branded products by consumers, booming e-commerce and healthy growth in organized sector are the driving force for robust demand for paper and paperboard.
- ❖ Lowest cost manufacturer with advanced technology for manufacturing of newsprint and multilayer paperboard with self-sufficient captive power plants.
- ❖ Levy of IGST on imported newsprint as compared to duty free import in pre-GST regime
- ❖ Private Railway siding through M/s NOCCI Balasore Infrastructure Company Ltd. is at the final stage.

THREATS

- Increasing coal cost
- Numerous Regional Trade scheme (RTs)/Free Trade Agreement (FTAs) without adequate safeguard to the domestic industries.
- Increasing competition from electronic media and digitalization (for newsprint).
- Fragment nature of industry having small and unorganized industry players
- Capital-intensive industry.

C. PERFORMANCE & OUTLOOK

The details have already been covered in the Directors' Report.

D. RISK AND CONCERNS

Your Company identified various risks and implemented its Mitigation Plans. Risk Policy and monitored frame work has been approved by the Audit Committee and the Board of Directors of the Company. Risk reporting and monitoring is being conducted regularly by Governance Risk and Compliance Committee (GRCC) at all the operation levels and reporting directly to the Audit Committee and the Board on half-yearly basis.

E. INTERNAL CONTROL SYSTEM

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 a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations and protecting assets from unauthorized use or losses, compliances 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 Firms as its Internal Auditor for periodical checking and monitoring the Internal Control Measures for both its plants at Balasore and Kolkata.

Internal Auditors are present at the Audit Committee Meetings where Internal Audit Reports are discussed alongside of 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 strengthening 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 is chaired by the Executive Director of the Company and participated by all departmental heads and necessary corrective and preventive actions are being initiated.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Performance has been detailed in the Directors' Report.

G. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Highly capable and skilled human resources with strong motivation and dedication is the backbone of your company's success and growth. From its foundation, company's employment philosophy and practices have been based on the recognition that its people are the primary source of its competitiveness.

Your Company consistently abides by human resources policy that is found on a set of following principles: equality of opportunity, continuing personal development, fairness, mutual trust and teamwork. The company takes several measures for suitable appointment, skill development and retention of human resources including but not limited to effective appointment system, employee training (on duty as well as structured trainings), goal setting, performance based appraisal, retention by creation of a nice work place, employee engagement activities and leadership development.

Your Company's employees have collectively envisioned the future with commitment to realise your Company's vision of creating enduring value for the company as well as for the society at large.

Number of people employed : 1441

H. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE) AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR.

Sr. No.	Particulars	Key Financial Ratios		Changes between Current F.Y. and Previous F.Y.	Explanation
		2018-19	2017-18		
i)	Debtors Turnover	7.10	7.37	(0.27)	
ii)	Inventory Turnover	5.93	6.43	(0.50)	
iii)	Interest Coverage Ratio	2.68	2.53	0.15	
iv)	Current Ratio	0.74	0.87	(0.13)	
v)	Debt Equity Ratio	1.53	1.70	(0.17)	
vi)	Operating Profit Margin (%)	20.18%	15.46%	4.72%	Due to increased sales realization and reduction in per ton costing.
vii)	Net Profit Margin (%)	2.88%	1.20%	1.68%	-do-

I. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

Sr. No.	Particulars	Key Financial Ratios		Changes between Current F.Y. and Previous F.Y.	Explanation
		2018-19	2017-18		
i)	Return on net worth	8.88%	3.39%	5.49%	Due to improved operational results.

J. CAUTIONARY STATEMENT

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

Directors' Report

Dear members

Your Directors take pleasure in presenting their Thirty Seventh Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2019.

FINANCIAL SUMMARY

Particulars	2018-19 ₹/Crores	2017-18 ₹/Crores
Operational Income	1528.48	1366.37
Profit before Finance Cost, Depreciation & Taxation (PBIDT)	242.32	171.87
Less: Finance Cost	106.68	83.63
Profit Before Depreciation & Tax (PBDT)	135.64	88.24
Depreciation & amortisation	69.40	64.31
Profit Before Taxation	66.24	23.93
Less : Provision for Current taxation (MAT)	13.38	2.37
MAT Credit entitlement	(13.38)	-
Current Income Tax for the previous year	(0.87)	-
Provision for deferred tax	23.12	7.55
Profit after Tax	43.99	16.38
Add : Surplus brought forward	18.08	10.44
Balance available for appropriation	62.07	26.82
Appropriations		
Dividend on Equity Shares	7.26	7.26
Corporate Dividend Tax	1.48	1.48
Balance carried forward	53.33	18.08

PERFORMANCE HIGHLIGHT

Your Company registered another commendable performance with impressive top line growth despite a challenging economy. Your Company recorded its highest turnover of Rs.1528.48 crores as compared to Rs.1366.37 crores in 2017-18 registering a growth of 11.9%. Earnings before Interest, Depreciation and Tax (EBIDTA) increased by 41% to Rs.242.32 crores as against Rs.171.87 crores in 2017-18. During the year under review, the combined production from Packaging Board, Newsprint and Writing & Printing paper stood at 3,22,359 MT and the capacity utilization stood at 100%. The Company also recorded its highest sales volumes of 3,04,089 MT. Exports accounted for 16754 MT as against 13209 MT in the Previous Year.

The Company is continuously focusing on improving operating efficiencies and reducing manufacturing cost with increased production for better financial performance.

Your Company has maintained its leadership position in the high-end packaging board segment and continues to consolidate its preferred supplier status amongst leading end-use customers & brands. The Company has also enjoyed dominant position in India being world class quality manufacturer of Newsprint.

OPERATIONS AND OUTLOOK

Your Company has achieved remarkable performance with all-round growth of Multi-layer Coated Board plant

and recorded 1,78,534 MT of Board production. This was clocked through focus on product quality, process innovation, improved manufacturing efficiencies and enhanced service level with better logistic arrangements. The packaging board plant capacity further increased from 1,80,000 TPA to 2,00,000 TPA during the year by adding balancing equipment.

Over the next five years, the domestic paper industry is projected to grow at 6% to 7% CAGR to reach 20 million tons by 2022. The packaging paper and paperboard having 48% of the market share is estimated to grow at around 7.5% CAGR. However, premium grade packaging board is projected to grow at a healthy rate of around 10.5% CAGR driven by growth in demand from FMCG, Pharma, publishing, food & beverages and garments industries.

Newsprint industry scenario has improved in the first half of 2018-19 with increase in prices of newsprint by about 30% and increase in demand of quality newsprint from domestic manufacturers. However, newsprint industry witnessed a depressed market scenario in second half of the year due to higher volume of imports at cheap rates (dumping). Considering the changed and challenging scenario, your company has decided to go for change in the product mix by converting 60,000 MT newsprint capacity to any other value added and premium quality products.

The year 2018-19 was therefore marked with volatility and disruptions. Your Company however continued to perform consistently well in these challenging times and delivered better results. With 1,50,000 TPA newsprint capacity and focus on operational excellence and quality, your Company is well placed.

NEW PROJECT

Your Company has acquired 400387.05 square meters of land in Sayakha Industrial Estate, District: Bharuch, Gujrat from Gujrat Industrial development Corporation (GIDC), for Greenfield Expansion Project.

Overall, the performance has been satisfactory despite economic and industry challenges. With the implementation of GST and regularization of formal economy coupled with initiatives taken by the government to improve infrastructure and industry across

all segments, significant industrial growth is expected in times to come. Your company is attractively positioned to take benefit of this growing opportunity and therefore looks to the future with optimism and confidence.

DIVIDEND

Your Directors are pleased to recommend dividend of 60% (₹1.20 per share) on Equity shares of ₹ 2.00 each and 8% p.a. dividend on Preference shares of ₹ 100.00 each for the financial year ended 31st March, 2019. The Dividend, if approved by the shareholders, will absorb ₹14.64 Crores (including the dividend Tax of ₹ 2.48 crores)

ENVIRONMENT MANAGEMENT

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

To meet its environmental objectives, the Company adopts:

- Compliance with all relevant legislative requirements.
- Minimum Pollution Load in terms of Liquid Discharge and Air Emission.
- Stimulate rational use of resources through behavioral and technological improvements.
- Minimizing waste and maximizing recycling/ reuse.
- Creating Human Awareness in Environment, Safety, and Health.
- Promoting comprehensive programs for continual improvement of Environmental performance.
- Reduce specific energy consumption and associated greenhouse gas emission.

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

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environment Management System
- OHSAS 18001:2007 - Occupational Health & Safety Management System.
- Practicing TPM with an objective to achieve zero defect, zero breakdowns, zero pollution, and zero loss.

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

- Online Ambient air quality monitoring system (3 Nos)
- Online stack emission monitoring system (3 nos) with auto calibration facility
- Online monitoring system for final discharge water at ETP
- State-of-the-art effluent treatment plant (ETP)- Augmented further to meet the stringent standards being proposed by CPCB. Additional features include: Equalisation tank, Flash tank, and Flocculation tank before primary clarifier, Upflow Anaerobic Sludge Blanket Reactor(UASBR) before the aerobic system, Online DO monitoring device in the aeration basin, Bio-gas scrubber with flaring unit and Multi-Grade Filter(MGF) with chlorination
- Use of ETP final water for agricultural and plantation purpose and minimum discharge to river Sono
- 100% sludge used as co-fuel in the power boiler in

Balasore Plant

- Decanter for secondary sludge dewatering
- Rainwater harvesting through 20 Nos of recharge well
- Air pollution control through ESP, Ash conveying system pneumatically through the close pipeline, Dust Suppression System, Ash conditioner before unloading, Water Sprinkling System
- 100% of fly ash is used for fly ash bricks manufacturing.
- Massive green belt development
- New Sewage Treatment Plant (STP)

These systems and assets have enabled the Company to safeguard the environment by meeting all statutory norms. As a measure of sustainable growth policy of the company, it continuously gears up its resources to provide better protection to the environment and natural resource conservation.

SHARE CAPITAL

The company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

Financial year	Dividend ID No.	Last date of Payment of dividend	Total Amount of Dividend	Unclaimed Dividend as on 31.03.2019	Last date for transfer to I.E.P.F. on
2011-12	30th	11/09/2012	3,63,00,000	66,013.20	16/09/2019
2012-13	31st	11/09/2013	3,63,00,000	99,385.80	16/09/2020
2013-14	32nd	09/09/2014	3,63,00,000	97,523.40	14/09/2021
2014-15	33rd	09/09/2015	3,63,00,000	94,495.80	14/09/2022
2015-16	34th	08/09/2016	3,63,00,000	99,232.80	13/09/2023
2016-17	35th	31/08/2017	7,25,98,860	2,05,544.40	05/09/2024
2017-18	36th	04/09/2018	7,25,98,860	1,42,267.20	09/09/2025
Total :			32,66,97,720	8,04,462.60	

Note: There is no unclaimed dividend on 8% Cumulative Redeemable Non-convertible Preference Shares issued by the Company.

Details of unclaimed dividend is available on the Company's website www.emamipaper.in

DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

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

DETAILS OF DEPOSITS

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

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

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and is attached to this Report.

EXTRACT OF ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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

Further, the information pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is given in Annexure III outlining the main initiatives during the year under review.

GROWTH WITH SOCIAL RESPONSIBILITY:

Emami Paper Mills Limited through its CSR activities takes up programs that benefit the communities in & around its place of work and ensure over a period of time, enhancement in the quality of life & economic well-being

of the local people and thereby establishing its presence as a good corporate citizen.

EPML is committed to helping the inhabitants of the surrounding villages by taking part in drinking water supply schemes, laying and improving roads, culverts, providing lighting facilities, development of parks, supply of equipment and instruments to Fair Price Shops, improving infrastructure facilities in Government Schools, conducting medical camps, providing financial assistance to needy people, contributing for cultural programs, sports activities, construction/renovation works in the place of worship, etc. This has paved the way for establishing a harmonious relationship with the surrounding neighborhood.

EPML undertakes Community Development activities by categorizing the needs of the community under various heads, viz., Infrastructure and basic amenities, providing drinking water supply, education, medical camps and environment, promotion of Oriya literature, Art & Culture, assistance for the differently – abled, training of unemployed youth, Organizing sports and talent competitions etc.

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

AWARDS & RECOGNITION:

Our commitment towards Safety & Environment, Quality & Operational Excellence and HR practices continue to garner appreciation from various industry chambers and social bodies. Some of the accolades and awards received during the year are as follows:

1. 18th Greentech Environment Award-Gold Category.
2. Go-Green Certification 2018.
3. Corporate Excellence, Best Paper Industry 2017 by Odisha Cultural Foundation for excellent performance

with outstanding contribution and dedication to the society.

4. CII, Eastern Region conferred with 2nd Runner up Award in the large scale category of Energy Conservation.
5. State Safety Award for Best performance in Safety, Health & Environment and Best Environment Management.
6. Accolade of Appreciation by Ishani, Balasore in Baisakhi Mahotsav for infrastructure development and employment generation.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company has laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically.

AUDITORS AND AUDITORS REPORT

1. STATUTORY AUDITORS

As per section 139 and other applicable provisions of the Companies Act, 2013 the Company has appointed M/s. Agrawal Subodh & Co. Chartered Accountants (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, subject to ratification by the shareholders in every AGM of the company on the remuneration and other terms and conditions as may be fixed by the Board of Directors. The Board recommends the ratification by the shareholders regarding the appointment of M/s Agrawal Subodh & Co, Chartered Accountants as Statutory Auditors of the Company.

The present Statutory Auditors, M/s Agrawal Subodh & Co., Chartered Accountants for both the units will continue their office till the conclusion of ensuing 40th Annual General Meeting of the Company.

2. COST AUDIT

Your Company has appointed M/s. V. K. Jain & Co. Cost Accountant as Cost Auditors of the Company for the Financial Year 2018-19 for both the units at Balasore and Kolkata under section 148 of the Companies Act, 2013, at the Board Meeting held on 02nd May, 2018 to audit cost accounting records as may be applicable to the Company for the financial year 2018-19 and their remuneration was approved at the last Annual General Meeting.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s V. K. Jain & Co. Cost Accountant, has been reappointed as Cost Auditor for the year 2019-20 as required under the Companies Act, 2013, the remuneration payable to Cost Auditor is required to be placed before the members in General Meeting for their ratification. As such, a resolution seeking members' ratification for the remuneration payable to them is included in the Notice convening the Annual General Meeting.

3. SECRETARIAL AUDIT

Pursuant to the provisions of section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s MKB & Associates, Company Secretary in practice for the financial year 2018-19 to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as Annexure IV.

AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT

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.

DISCLOSURE ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARD

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.

The above statement is intended to align the disclosure requirement with the provisions of section 134(5)(f) of the Act, which requires the directors to state in the Directors' Responsibility statement that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

- 1) The company has given Inter Corporate loan to some of the Body corporates covered under the provisions of section 186 of the Companies Act, 2013. The amount of loan given is Rs.170 crores and the whole amount have been received back during the year. The purpose was to utilize the loan amount for their general business purposes.
- 2) The loan and advances given to employees are covered under the remuneration policy of the company. Hence section 186 of the Companies Act, 2013 is not applicable.
- 3) The company has not provided any guarantee.
- 4) The details of the investments made by the company are given in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

COMPOSITION OF AUDIT COMMITTEE

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Details of establishment of Vigil Mechanism and Whistle Blower policy is mentioned in Corporate Governance Report attached to this Report and also available at the website of the Company i.e. www.emamipaper.in.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

Pursuant to section 134(3)(n) of the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has adopted Risk Management policy for identification and implementation of Risk Mitigation Plan which is reviewed by the Management, Audit Committee and the Board on half yearly basis. In the opinion of the Board, there is no such risk which may threaten the existence of the company.

DIRECTORS' & KEY MANAGERIAL PERSONNEL

A) Directors retirement by rotation

Smt. Richa Agarwal, Director would retire by rotation and, being eligible, offers herself for re-appointment.

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

All Independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

C) Key Managerial Personnel

During the year following changes were made in the Key Managerial Personnel of your Company.

1. Shri U. G. Bhat, Independent Director resigned w.e.f.11th October, 2018
2. Shri Ashish De, Whole Time Director was appointed on 13th April, 2018 and resigned w.e.f. 01st March, 2019.
3. Shri Shyamalendu Chatterjee was appointed as an Independent Director of the Company w.e.f. 07th January, 2019.
4. Shri Manish Goenka, Whole-Time Director, re-designated to Promoter, Non-Executive Director w.e.f.14th May 2018.
5. Shri M.B.S.Nair resigned w.e.f.13th April, 2018 from the post of Director (Operations).
6. Shri S. K. Khetan, Senior President was re-appointed as Chief Financial Officer (C.F.O.) of the Company being Whole Time Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013 with effect from 01st April, 2019.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

The policy is disclosed in the Corporate Governance Report.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of section 134(3)(p) of the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (as amended from time to time), the Board has carried out the annual performance evaluation of its own performance, its committees and individual directors on 08th May, 2019, on the basis of agreed norms for evaluation.

Further, the independent directors have evaluated the performance of non-independent directors at a separate meeting held on 05th February 2019.

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

Meetings of the Board and Committee thereof

The details have been covered in the Corporate Governance Report.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the company is attached herewith in Annexure V.

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

Not Applicable

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

company at the end of the financial year and of the profit and loss of the company for that period;

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

MISCELLANEOUS

1. Industrial Relations: During the year under review, the Company enjoyed a cordial relations with the workers and employees at all levels.

2. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future:

No such orders passed during the year under review.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 08th May, 2019

A. V. Agarwal
Executive Chairman
DIN : 00149717

Annexures to the Directors' Report

Annexure-I to the Directors' Report

Information under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019.

A. Conservation of energy:

i) Following Energy conservation measures have been taken:

- Replacement of old Vacuum Pumps with new Energy Efficient Vacuum Pumps in PM-2 resulting in a Power saving of 80 KWH (1920 KWH/day). The installed 200 KW motor was also replaced with a new IE3 energy efficient motor.
- Replacement of old Vacuum Pumps with new Energy Efficient Vacuum Pumps in PM-1 resulting in a Power saving of 40 KWH (960 KWH/day). The installed 250 KW motor was also replaced with a new 200 KW IE3 energy efficient motor.
- Reduction of self-power consumption in Power Plant - 2, through installation of VFD for 85 TPH Boiler ID fan resulting in a saving of 15 KWH (360 KWH/day).
- Reduction in Power consumed by the Central compressor by identifying and arresting leakages resulting in a Energy saving of around 40 KWH (960 KW/Day).
- Optimizing the utilization of capacity of Pocket Ventilation Fans-2 and Fan-3 in PM-2 by interconnecting their ducts and stopping one 45 kw Fan-3 motor - there by achieving a net power saving of 23 KWH (552 KWH/day).
- Vacuum study in PM-1 resulted in modification of the Vacuum distribution lines wherein the flat box Vacuum Pump (45 KW) was stopped permanently by connecting its lines with Main vacuum pump - there by achieving a net power saving of 22 KWH (528 KWH/day).
- Warm water Pump of PM-2 (7.5 KW) was stopped and all shower lines were connected to booster pump 2 resulting in a net saving of 5 KWH (120 KWH/day).
- Agitator of 60m³ Chest in PM-2 was interlocked with its Pump which resulted in its stoppage for around 16 hrs/day. This 11KW motor was running continuously earlier – achieved a Power saving of 176 KWH/day.
- CFL and Sodium Vapour and Metal Halide Light Fittings are being replaced with LED Fittings.
- Based on the findings of the Electrical System Audit, Relay Coordination across the plant has been implemented. This will result in limiting the electrical fault to the local level thus saving the higher level Relays and therefore improving the overall plant uptime.
- Installation of New Vacuum Pump at Board Mill resulted in a saving of around 30 KWH.

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

- It is proposed to replace the Impeller of a Spare Cooling Tower Circulation Pump and install the Pump in Power Plant-3. This new Impeller is designed for low Head and high discharge and is estimated to result in a power saving of 40 KWH (960 KWH/day).
- New energy efficient Blowers are proposed for Aeration in Effluent Treatment Plant which will result in achieving power saving of around 150 KWH (3600 KWH/day).
- M&V Energy audit will be carried out by Approved Auditors sometime in the period May to July 2019 for complying with the PAT requirements of reduction of specific energy consumption for PAT cycle#2.

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 2018-19

- Imported Surface Sizing Chemical of Back coat was replaced with indigenous one without affecting quality.
- Trial of Back Layer Wire manufactured by local manufacturer was successfully taken.
- Two new Clari-floculators were installed to reuse the back water from PM#3 and PM#4 thereby also resulting in reducing the hydraulic and Solids load on ETP.
- The operating speed of Paper Machine #2 was increased from 520 mpm to 560 mpm with the efforts of our in-house team.
- Paper Machine #1 was successfully converted into a Newsprint Machine.
- The capacity of our Effluent Treatment Plant has been augmented by the incorporation of an Equalization Tank before the inlet into Primary Clarifiers and installation of an Upflow Anaerobic Sludge Blanket Reactor for more efficient reduction of BOD and COD.
- Subsequent to the increase in Machine draw, UTM Pulper capacity was enhanced by modifying the Pulper Dilution system and increasing the capacities of the pumps and pipe lines.
- The capacity of the Cyclone of the Trim Handling system was also optimized to handle to increase in the number of Sheeteters required for sheeting higher production by successfully modifying the design and size of the Cyclone.
- The capacity of the Broke handling and Broke Pulping system was increased from 50 TPD to 120 TPD by installing balancing equipment such as Screens and the system is running satisfactorily with the present furnish.

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

The above efforts have resulted in the following benefits;

- Better quality paper and paperboard with increased strength and improved printability.
- Saving in input cost.
- Decreased paper breaks on the machine.
- Reduced consumption of energy and water.
- Smoother and improved production process.

c) Future action plan

- Continual improvement of yield.
- Continual improvement of brightness, strength, bulk and other parameters of paper and paperboard.
- Reduction of fresh water consumption by recycling and reuse of treated process water and effluent.
- Use of alternative chemicals for quality optimization and cost saving.
- Continual reduction of power and steam consumption in production process.
- Maximizing utilization of treated effluent in green belt development.

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) Technology absorption:

a) Efforts made towards technology absorption, adoption and innovation

- Screen plate and Impeller design of PFS 12 fiber saver in LCD32 Pulper was modified which resulted in reduction of Fibre and water loss and reduced Pulper cleaning time during CGB run.
- Major portion of MS platforms on the Wire part were replaced with SS platform to address Safety concerns of failure of Frame Supports due to rusting.
- One NBKP Refiner was incorporated into the LBKP Street through modifications of pipe lines.
- Two Nos. of new Ream packing machines were installed to enhance the capacity of the Packing Section to meet the higher production.
- Frequent failure of the Auma Motor's Limit Switch on the Combining roll was addressed by providing an additional Limit Switch in parallel to ensure safe up & down movement of the Roll.
- Shoe press zone pressure over-shooting problem was addressed by locking the output value of Zone 1 and Zone 2 PID at 63%. Also a pressure transmitter was mounted to monitor the main pressure of the High Pressure pump.
- A new Position transducer has been installed for indication of the position of Pick-up Roll to improve safety during operations.
- New Microwave Consistency transmitter installed in Filler Layer machine chest for more accurate Consistency measurement.
- Temperature of Vacuum Sealing Water outlet line is being monitored to control excess steam going to condenser in Steam & Condensate system.
- To avoid drive Belt snapping due to slippage of Pulley, which was frequently occurring on account of high percentage of contamination in the MW coarse screen, a new RPM monitoring system has been introduced which gives an alarm and Trips the motor if it senses a slippage – thus saving down time and the drive Belt.
- Control logic of Stock level in Pulsation Dampener tank has been modified to eliminate Air ingress into the Head-box.
- CCK sump pit operation has been taken into the DCS for better control.
- Auto Filter operation which was earlier manual has been taken in DCS.

b) Benefits derived as result of above efforts

- Overall operational efficiency of the plants improved by adoption and absorption of state-of-the-art technologies.
- Quality of finished paper and paperboard improved by the introduction of continuous online monitoring and automation.
- Break downs are avoided and life of machinery and equipment are increased by installation of various health checking measures along with preventive maintenance.

C. Foreign exchange earnings and outgo:

(₹/Crores)

	2018-19	2017-18
Foreign exchange earnings	72.32	50.20
Foreign exchange outgo	725.33	564.87

Annexure II to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L21019WB1981PLC034161
- ii) Registration Date: 26/09/1981
- iii) Name of the Company: EMAMI PAPER MILLS LIMITED
- iv) Category / Sub-Category of the Company: Company limited by shares/ Indian Non-Government Company.
- v) Address of the registered office and contact details: -
ACROPOLIS, Unit 1, 15th Floor, 1858/1, Rajdanga Main Road, Kolkata -700107
Phone: (033) 66271301
Fax: (033) 66271338
Email id: emamipaper@emamipaper.com
- vi) Whether listed company: - Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
MAHESHWARI DATAMATICS PRIVATE LIMITED
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700001
Phone: 033-2243-5029/2248-2248
Fax: 033-22484787
Email: mdplc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Newsprint	17012	39.51
2	Writing and Printing Paper	17093	0.58
3	Paper Boards	17016	59.91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SI. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / Associate	% of shares held	Applicable Section
1	Not Applicable				

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2018)				No. of Shares held at the end of the year (31/03/2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	5657126	0	5657126	9.3508	5657126	0	5657126	9.3508	0.0000
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	39576160	0	39576160	65.4162	39576160	0	39576160	65.4162	0.0000
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	45233286	0	45233286	74.7670	45233286	0	45233286	74.7670	0.0000
2) Foreign									
g) NRIs-Individuals	125000	0	125000	0.2066	125000	0	125000	0.2066	0.0000
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	125000	0	125000	0.2066	125000	0	125000	0.2066	0.0000
Promoter's Shareholding A(1) + A(2)	45358286	0	45358286	74.9736	45358286	0	45358286	74.9736	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4129171	0	4129171	6.8252	4199615	0	4199615	6.9416	0.1164
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	0	0	0	0.0000	300000	0	300000	0.4959	0.4959
Sub-total(B)(1)	4129171	0	4129171	6.8252	4499615	0	4499615	7.4375	0.6123

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2018)				No. of Shares held at the end of the year (31/03/2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	6916238	103000	7019238	11.6022	7220299	103000	7323299	12.1048	0.5026
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1606678	187129	1793807	2.9650	1594434	164129	1758563	2.9068	-0.0582
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2045887	0	2045887	3.3817	1477717	0	1477717	2.4425	-0.9392
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	13348	0	13348	0.0221	6480	0	6480	0.0107	-0.0114
Clearing Members	71661	0	71661	0.1184	6888	0	6888	0.0114	-0.1070
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	67652	0	67652	0.11180	68202	0	68202	0.1127	0.0009
Sub-total(B)(2)	10721464	290129	11011593	18.2012	10374020	267129	10641149	17.5889	-0.6123
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14850635	290129	15140764	25.0264	14873635	267129	15140764	25.0264	0.0000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60208921	290129	60499050	100.000	60231921	267129	60499050	100.000	0.0000

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)			Shareholding at the end of the year (31/03/2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	DIWAKAR VINIYOG PRIVATE LIMITED (PAN.AABCD0860B)	9469810	15.6528	0.0000	9469810	15.6528	97.8900	0.0000
2.	EMAMI LIMITED (PAN.AAACH7412G)	7946000	13.1341	0.0000	7946000	13.1341	0.0000	0.0000
3.	SUNTRACK COMMERCE PRIVATE LIMITED (PAN.AAECS4157M)	7633900	12.6182	0.0000	7633900	12.6182	99.5559	0.0000
4.	BHANU VYAPAAR PRIVATE LIMITED (PAN.AABCB1334Q)	6005250	9.9262	0.0000	6005250	9.9262	93.6680	0.0000
5.	RAVIRAJ VINIYOG PRIVATE LIMITED (PAN.AABCE8702H)	2906000	4.8034	0.0000	2906000	4.8034	99.7935	0.0000
6.	PRABHAKAR VINIYOG PRIVATE LIMITED (PAN. AABCE8699P)	2808000	4.6414	0.0000	2808000	4.6414	99.9644	0.0000
7.	SURAJ VINIYOG PRIVATE LIMITED (PAN.AAHCS9799J)	2807200	4.6401	0.0000	2807200	4.6401	99.7435	0.0000
8.	PRITI SUREKA (PAN.ALBPS5796H)	1520926	2.5140	0.0000	1520926	2.5140	0.0000	0.0000
9.	RADHESHYAM GOENKA (PAN.AEGPG8285B)	1161250	1.9195	0.0000	1161250	1.9195	0.0000	0.0000
10.	RAJKUMAR GOENKA PAN. (AEAPG9489H)	819200	1.3541	0.0000	819200	1.3541	0.0000	0.0000
11.	SUSHIL KUMAR GOENKA (PAN.AHNPG1610Q)	726750	1.2013	0.0000	726750	1.2013	0.0000	0.0000
12.	SANTOSH GOENKA (PAN. ADXPG9550F)	239550	0.3960	0.0000	239550	0.3960	0.0000	0.0000
13.	SAROJ GOENKA (PAN. ADXPG1677K)	137000	0.2264	0.0000	137000	0.2264	0.0000	0.0000
14.	AMITABH GOENKA (PAN.ADCPG1933D)	125000	0.2066	0.0000	125000	0.2066	0.0000	0.0000
15.	RITU GOENKA (PAN.ADEPR1789C)	124813	0.2063	0.0000	124813	0.2063	0.0000	0.0000
16.	SHRUTI GOENKA (PAN.AFJPA9046C)	124813	0.2063	0.0000	124813	0.2063	0.0000	0.0000
17.	ASHISH GOENKA (HUF) (PAN.AAKHA0198M)	124812	0.2063	0.0000	124812	0.2063	0.0000	0.0000
18.	AMITABH GOENKA (HUF) (PAN.AAMHA3557Q)	124812	0.2063	0.0000	124812	0.2063	0.0000	0.0000
19.	INDU GOENKA (PAN.ADSPG0472F)	111400	0.1841	0.0000	111400	0.1841	0.0000	0.0000
20.	MOHAN GOENKA (PAN.ADZPG7446G)	102000	0.1686	0.0000	102000	0.1686	0.0000	0.0000
21.	SUSHIL KUMAR GOENKA (HUF) (PAN.AALHS4323R)	100500	0.1661	0.0000	100500	0.1661	0.0000	0.0000

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)			Shareholding at the end of the year (31/03/2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
22.	MANISH GOENKA (PAN.ADXPG3598B)	87000	0.1438	0.0000	87000	0.1438	0.0000	0.0000
23.	ASHISH GOENKA (PAN.AHAPG9553F)	75000	0.1240	0.0000	75000	0.1240	0.0000	0.0000
24.	DHIRAJ AGARWAL (PAN.ACZPA8018P)	25000	0.0413	0.0000	25000	0.0413	0.0000	0.0000
25.	ADITYA VARDHAN AGARWAL (PAN.ADAPA0465A)	12500	0.0207	0.0000	12500	0.0207	0.0000	0.0000
26.	HARSHA VARDHAN AGARWAL (PAN.ADBPA0877F)	10750	0.0178	0.0000	10750	0.0178	0.0000	0.0000
27.	PUJA GOENKA (PAN.AGLPG3997K)	10500	0.0174	0.0000	10500	0.0174	0.0000	0.0000
28.	USHA AGARWAL (PAN.ADAPA8046K)	8300	0.0137	0.0000	8300	0.0137	0.0000	0.0000
29.	RADHESHYAM AGARWAL (PAN.AGBPA2227J)	3500	0.0058	0.0000	3500	0.0058	0.0000	0.0000
30.	PRAMOD BAJORIA (PAN.AIYPB6594N)	1750	0.0029	0.0000	1750	0.0029	0.0000	0.0000
31.	SHANTI DEVI AGARWAL (PAN.AJQPB2754F)	1750	0.0029	0.0000	1750	0.0029	0.0000	0.0000
32.	LAXMI DEVI BAJORIA (PAN.ADAPA1967D)	1750	0.0029	0.0000	1750	0.0029	0.0000	0.0000
33.	RICHA AGARWAL (PAN.AABPG0814F)	1500	0.0025	0.0000	1500	0.0025	0.0000	0.0000
Total:		45358286	74.9736	0.0000	45358286	74.9736	68.3491	0.0000

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of Company	No. of Shares	Percentage of Total shares of Company
	At the beginning of the year				
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ Transfer/bonus/sweat/equity etc.)	There is no change to promoters' shareholding during the period April 1, 2018 to March, 31, 2019.			
	At the End of the year (or on the date of separation, if prepared during the year)				

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
1.	ANAND RATHI WEALTH SERVICES LIMITED PAN. AAACH8136P				
	01-04-2018	0	0.0000	-	-
	28/09/2018 - Transfer	1710000	2.8265	1710000	2.8265
	29/09/2018 - Transfer	-1710000	2.8265	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
2.	ANAND RATHI SHARE & STOCK BROKERS LIMITED PAN.AAACN3405F				
	01-04-2018	14010	0.0232	-	-
	06/04/2018 - Transfer	-10	0.0000	14000	0.0231
	13/04/2018 - Transfer	140	0.0002	14140	0.0234
	20/04/2018 - Transfer	-7007	0.0116	7133	0.0118
	27/04/2018 - Transfer	1705232	2.8186	1712365	2.8304
	04/05/2018 - Transfer	-100	0.0002	1712265	2.8302
	11/05/2018 - Transfer	1000	0.0017	1713265	2.8319
	18/05/2018 - Transfer	-635	0.0010	1712630	2.8308
	25/05/2018 - Transfer	-365	0.0006	1712265	2.8302
	08/06/2018 - Transfer	25	0.0000	1712290	2.8303
	15/06/2018 - Transfer	75	0.0001	1712365	2.8304
	22/06/2018 - Transfer	-100	0.0002	1712265	2.8302
	03/08/2018 - Transfer	60	0.0001	1712325	2.8303
	10/08/2018 - Transfer	40	0.0001	1712365	2.8304
	17/08/2018 - Transfer	190	0.0003	1712555	2.8307
	24/08/2018 - Transfer	10	0.0000	1712565	2.8307
	31/08/2018 - Transfer	50	0.0001	1712615	2.8308
	07/09/2018 - Transfer	150	0.0002	1712765	2.8311
	14/09/2018 - Transfer	-300	0.0005	1712465	2.8306
	21/09/2018 - Transfer	-200	0.0003	1712265	2.8302
	28/09/2018 - Transfer	-1710000	2.8265	2265	0.0037
	12/10/2018 - Transfer	1405	0.0023	3670	0.0061
	19/10/2018 - Transfer	-637	0.0011	3033	0.0050
	26/10/2018 - Transfer	-692	0.0011	2341	0.0039
	02/11/2018 - Transfer	424	0.0007	2765	0.0046
	09/11/2018 - Transfer	900	0.0015	3665	0.0061
	16/11/2018 - Transfer	-1400	0.0023	2265	0.0037
	23/11/2018 - Transfer	1712385	2.8304	1714650	2.8342
	07/12/2018 - Transfer	-1000	0.0017	1713650	2.8325
	21/12/2018 - Transfer	-1484	0.0025	1712166	2.8301
	28/12/2018 - Transfer	-166	0.0003	1712000	2.8298

	04/01/2019 - Transfer	-1710000	2.8265	2000	0.0033
	25/01/2019 - Transfer	-2000	0.0033	0	0.0000
	08/02/2019 - Transfer	15	0.0000	15	0.0000
	15/02/2019 - Transfer	-15	0.0000	0	0.0000
	31-03-2019	0	0.0000	0	0.0000
3.	L AND T MUTUAL FUND TRUSTEE LTD-L AND T DYNAMIC EQUITY FUND				
	PAN. AAATC4460E				
	01-04-2018	4129171	6.8252		
	06/04/2018 - Transfer	9768	0.0161	4138939	6.8413
	27/04/2018 - Transfer	2500	0.0041	4141439	6.8455
	04/05/2018 - Transfer	3676	0.0061	4145115	6.8515
	11/05/2018 - Transfer	10000	0.0165	4155115	6.8681
	01/06/2018 - Transfer	10000	0.0165	4165115	6.8846
	08/06/2018 - Transfer	4000	0.0066	4169115	6.8912
	22/06/2018 - Transfer	1000	0.0017	4170115	6.8929
	06/07/2018 - Transfer	2000	0.0033	4172115	6.8962
	20/07/2018 - Transfer	1000	0.0017	4173115	6.8978
	24/08/2018 - Transfer	1500	0.0025	4174615	6.9003
	07/09/2018 - Transfer	1000	0.0017	4175615	6.9020
	14/09/2018 - Transfer	10000	0.0165	4185615	6.9185
	21/09/2018 - Transfer	3000	0.0050	4188615	6.9234
	28/09/2018 - Transfer	8000	0.0132	4196615	6.9367
	12/10/2018 - Transfer	1000	0.0017	4197615	6.9383
	26/10/2018 - Transfer	2000	0.0033	4199615	6.9416
	31-03-2019	4199615	6.9416	4199615	6.9416
4.	CORUM SECURITIES PVT. LTD.				
	PAN. AABCC9545Q				
	01-04-2018	0	0.0000		
	10/08/2018 - Transfer	1795	0.0030	1795	0.0030
	17/08/2018 - Transfer	-1795	0.0030	0	0.0000
	15/03/2019 - Transfer	297521	0.4918	297521	0.4918
	22/03/2019 - Transfer	-297521	0.4918	0	0.0000
	29/03/2019 - Transfer	2479	0.0041	2479	0.0041
	31-03-2019	2479	0.0041	2479	0.0041
5.	KAMNA CREDITS AND PROMOTERS PRIVATE LIMITED *				
	PAN. AABCK7227R				
	01-04-2018	0	0.0000		
	20/04/2018 - Transfer	80000	0.1322	80000	0.1322
	27/04/2018 - Transfer	20000	0.0331	100000	0.1653
	01/06/2018 - Transfer	100000	0.1653	200000	0.3306
	29/06/2018 - Transfer	15000	0.0248	215000	0.3554

06/07/2018 - Transfer	2500	0.0041	217500	0.3595
20/07/2018 - Transfer	5500	0.0091	223000	0.3686
27/07/2018 - Transfer	17000	0.0281	240000	0.3967
03/08/2018 - Transfer	20000	0.0331	260000	0.4298
10/08/2018 - Transfer	37000	0.0612	297000	0.4909
17/08/2018 - Transfer	3000	0.0050	300000	0.4959
24/08/2018 - Transfer	2000	0.0033	302000	0.4992
31/08/2018 - Transfer	5000	0.0083	307000	0.5074
07/09/2018 - Transfer	4000	0.0066	311000	0.5141
14/09/2018 - Transfer	13000	0.0215	324000	0.5355
21/09/2018 - Transfer	2000	0.0033	326000	0.5389
28/09/2018 - Transfer	11500	0.0190	337500	0.5579
05/10/2018 - Transfer	3864	0.0064	341364	0.5642
12/10/2018 - Transfer	2500	0.0041	343864	0.5684
26/10/2018 - Transfer	4000	0.0066	347864	0.5750
02/11/2018 - Transfer	20000	0.0331	367864	0.6080
09/11/2018 - Transfer	1500	0.0025	369364	0.6105
16/11/2018 - Transfer	1000	0.0017	370364	0.6122
30/11/2018 - Transfer	3500	0.0058	373864	0.6180
07/12/2018 - Transfer	3000	0.0050	376864	0.6229
14/12/2018 - Transfer	1000	0.0017	377864	0.6246
21/12/2018 - Transfer	4500	0.0074	382364	0.6320
04/01/2019 - Transfer	4500	0.0074	386864	0.6395
11/01/2019 - Transfer	8000	0.0132	394864	0.6527
01/02/2019 - Transfer	2500	0.0041	397364	0.6568
08/02/2019 - Transfer	5000	0.0083	402364	0.6651
31-03-2019	402364	0.6651	402364	0.6651
6. PENGUIN TRADING & AGENCIES LIMITED				
PAN. AABCP9346E				
01-04-2018	782634	1.2936		
31-03-2019	782634	1.2936	782634	1.2936
7. ANAND RATHI GLOBAL FINANCE LIMITED				
PAN. AABCR1136N				
01-04-2018	1710000	2.8265		
31-03-2019	1710000	2.8265	1710000	2.8265
8. AVEES TRADING & FINANCE PVT. LTD. #				
PAN. AACCA5443L				
01-04-2018	200000	0.3306		
31-03-2019	200000	0.3306	200000	0.3306
9. SIMPLEX INFRASTRUCTURES LIMITED				
PAN. AAEC50765R				
01-04-2018	370500	0.6124		
31-03-2019	370500	0.6124	370500	0.6124

10.	ICM FINANCE PVT LTD PAN. AAFCA4930K				
	01-04-2018	0	0.0000		
	27/04/2018 - Transfer	51539	0.0852	51539	0.0852
	04/05/2018 - Transfer	-54	0.0001	51485	0.0851
	11/05/2018 - Transfer	18714	0.0309	70199	0.1160
	18/05/2018 - Transfer	2171	0.0036	72370	0.1196
	25/05/2018 - Transfer	16854	0.0279	89224	0.1475
	01/06/2018 - Transfer	9589	0.0158	98813	0.1633
	08/06/2018 - Transfer	15500	0.0256	114313	0.1890
	15/06/2018 - Transfer	14245	0.0235	128558	0.2125
	27/07/2018 - Transfer	31188	0.0516	159746	0.2640
	03/08/2018 - Transfer	10267	0.0170	170013	0.2810
	10/08/2018 - Transfer	-12838	0.0212	157175	0.2598
	02/11/2018 - Transfer	30840	0.0510	188015	0.3108
	16/11/2018 - Transfer	120749	0.1996	308764	0.5104
	15/03/2019 - Transfer	-297521	0.4918	11243	0.0186
	29/03/2019 - Transfer	-2479	0.0041	8764	0.0145
	31-03-2019	8764	0.0145	8764	0.0145
11.	POLUS GLOBAL FUND * PAN. AAHCP1682K				
	01-04-2018	0	0.0000		
	22/03/2019 - Transfer	300000	0.4959	300000	0.4959
	31-03-2019	300000	0.4959	300000	0.4959
12.	AVANT GARDE RE-ENERGY PRIVATE LIMITED PAN. AAICA2417J				
	01-04-2018	321290	0.5311		
	13/04/2018 - Transfer	-2500	0.0041	318790	0.5269
	31-03-2019	318790	0.5269	318790	0.5269
13.	Avees Trading And Finance Private Limited PAN. AAYFS5476N				
	01-04-2018	2769999	4.5786		
	31-03-2019	2769999	4.5786	2769999	4.5786
14.	VASUDHA RAHUL SANGHAI PAN. AJMPS0138C				
	01-04-2018	289686	0.4788		
	31-03-2019	289686	0.4788	289686	0.4788
15.	DEVESH SANGHAI PAN. ALCPS8013L				
	01-04-2018	266000	0.4397		
	31-03-2019	266000	0.4397	266000	0.4397

16.	PRABHADEVI PAWANKUMAR SANGHAI # PAN. ALJPS1268G				
	01-04-2018	345500	0.5711		
	25/05/2018 - Transfer	-50000	0.0826	295500	0.4884
	29/06/2018 - Transfer	-17500	0.0289	278000	0.4595
	20/07/2018 - Transfer	-7500	0.0124	270500	0.4471
	27/07/2018 - Transfer	-15000	0.0248	255500	0.4223
	03/08/2018 - Transfer	-10000	0.0165	245500	0.4058
	31-03-2019	245500	0.4058	245500	0.4058

* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	A. V. AGARWAL	At the beginning of the year	12500	0.0207	12500	0.0207
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	12500	0.0207	12500	0.0207
2.	MANISH GOENKA	At the beginning of the year	87000	0.1438	87000	0.1438
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	87000	0.1438	87000	0.1438
3.	P. S. PATWARI	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
4.	J. GODBOLE	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
5.	S. BALASUBRAMANIAN	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
6.	HARI MOHAN MARDA	At the beginning of the year	2650	0.0044	2650	0.0044
		Transfer /Bonus /Purchase/Sale				
		06/07/2018 - Transfer	500	0.0008	3150	0.0052
		27/07/2018 - Transfer	500	0.0008	3650	0.0060
		12/10/2018 - Transfer	300	0.0005	3950	0.0065
		At the end of the year	3950	0.0065	3950	0.0065

Sl. No	For Each of the Directors & KMP	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No of shares	% of total shares of the company
7.	J. K. KHETAWAT	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
8.	U. G. BHAT*	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
9.	RICHA AGARWAL	At the beginning of the year	1500	0.0025	1500	0.0025
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	1500	0.0025	1500	0.0025
10.	S. CHATTERJEE**	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL
11.	M. B. S. NAIR ***	At the beginning of the year	100	0.0002	100	0.0002
		Transfer /Bonus /Purchase/Sale				
		05/10/2018 - Transfer	(50)	0.0001	50	0.0001
		At the end of the year	50	0.0001	50	0.0001
12.	ASHISH DE ****	At the beginning of the year	NIL	NIL	NIL	NIL
		Transfer /Bonus /Purchase/Sale	NIL	NIL	NIL	NIL
		At the end of the year	NIL	NIL	NIL	NIL

* Resigned with effect from 11th October, 2018;

** Appointed as Additional Director (Non-executive & Independent) with effect from 07th January 2019;

*** Resigned with effect from 13th April 2018

**** Appointed with effect from 13.04.2018 and Resigned with effect from 01st March, 2019

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Trade)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,228.51	13.03	4.82	1,246.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.93	-	0.33	7.26
Total (i+ii+iii)	1,235.44	13.03	5.15	1,253.62
Change in Indebtedness during the financial year	-133.26	139.26	0.70	6.70
Indebtedness at the end of the financial year				
i) Principal Amount	1096.67	152.29	5.51	1,254.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.51	-	0.34	5.85
Total (i+ii+iii)	1,102.18	152.29	5.85	1,260.32

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Shri P. S. Patwari	Shri A. V. Agarwal	Shri Manish Goenka *	Shri M. B. S. Nair **	Shri Ashish De ***	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,05,68,000	60,00,000	7,09,677	2,21,018	1,13,63,200	3,88,61,895
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	47,71,850	80,441	-	90,754	21,97,706	71,40,751
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5.	Others, please specify (Contribution to Provident Fund & others)	24,68,160	7,20,000	85,161	26,522	-	32,99,843
6.	Total(A)	2,78,08,010	68,00,441	7,94,838	4,02,526	1,35,60,906	4,93,02,489
7.		Ceiling as per the Act : All the above remunerations have been paid within the Minimum Remuneration as per Schedule V of the Companies Act, 2013					

*Part of the year, re-designated as Promoter, Non-Executive Director since 14th May, 2018.

** Resigned with effect from 13th April, 2018 from Director (Operations)

*** Part of the year, appointed on 13th April, 2018 and he resigned with effect from 1st March 2019

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount	
		Shri J. N. Godbole	Shri S. Balsubramanian	Shri H. M. Marda	Shri J. K. Khetawat	Shri U. G. Bhat *	Shri Manish Goenka**	Smt. Richa Agarwal		Shri S. Chatterjee ***
1.	Independent Directors									
	• Fee for attending board/ committee meetings	3,00,000/-	2,70,000/-	3,45,000/-	3,15,000/-	50,000/-	NIL	NIL	40,000/-	13,20,000/-
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	3,00,000/-	2,70,000/-	3,45,000/-	3,15,000/-	50,000/-	NIL	NIL	40,000/-	13,20,000/-
2.	Other Non-Executive Directors									
	• Fee for attending board/ committee meetings	NIL	NIL	NIL	NIL	NIL	95,000/-	90,000/-	NIL	1,85,000/-
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	95,000/-	90,000/-	NIL	1,85,000/-
	Total (B)=(1+2)	3,00,000/-	2,70,000/-	3,45,000/-	3,15,000/-	50,000/-	95,000/-	90,000/-	40,000/-	15,05,000/-
	Total Managerial Remuneration	3,00,000/-	2,70,000/-	3,45,000/-	3,15,000/-	50,000/-	95,000/-	90,000/-	40,000/-	15,05,000/-
	Overall Ceiling as per the Act	16,00,000/-	16,00,000/-	19,00,000/-	17,00,000/-	2,00,000/-	6,00,000/-	4,00,000/-	2,00,000/-	82,00,000/-

* Part of the year, resigned with effect from 11th October 2018

** Part of the year, redesignated with effect from 13th April, 2018.

*** Part of the year, appointed w.e.f. 07th January, 2019.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		Total
		CFO Shri S. K. Khetan	Company Secretary Shri G. Saraf	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,44,810	33,65,592	89,10,402
	(b) Value of perquisites u/s17(2) of the Income-tax Act, 1961	41,36,636	22,79,495	64,16,131
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify (Contribution to Provident Fund & others)	6,65,377	4,03,871	10,69,248
6.	Total	1,03,46,823	60,48,958	1,63,95,781
7.	Ceiling as per the Act :	Not Applicable		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure III to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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 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'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 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.

The major thrust areas of development include Promoting Education and Vocational Skills; Animal Welfare; Eradication of Hunger, Malnutrition & Promotion of Health and Sanitation and Creation of Rural Infrastructure. Catering to the community needs, Emami facilitates -

- a. In creating an educated and empowered community through access of education at the primary level, providence of basic amenities like toilets, water, free text books etc. in educational institutions.
- b. For eradicating poverty and promoting health; free kitchen for the poor suffices poverty stricken people and poor children are being fed with protein supplements to combat malnutrition.
- c. Traditional Homeopathic and Ayurvedic health clinics are in operating in remote villages to treat the patients and provide medicines free of cost. Lack of proper infrastructure is a major handicap towards the socio-economic development of rural areas.
- d. To raise the quality of life, Emami provides necessary infrastructural facilities in the villages like laying and improving roads, culverts, lighting facilities, development of parks etc. for better living condition of the community.
- e. To ensure environmental sustainability and animal welfare, the company targets for least exploitation and zero pollution by adopting cleaner technologies and minimal consumption of natural resources.
- f. It takes care of nutrition and medical requirement to abandoned cattle in an exclusively made animal shelter.

The development programs are structured with intrinsic value to accelerate the return of these investments towards the society. Our endeavor in making a positive impact won't have been possible without the active co-operation from the local administration, community institutions, our employees and the community at large. We are committed to continue in our venture with an indomitable will and passion towards serving the society.

Web link: <http://www.emamipaper.in/social-commitments.html>

2. Composition of CSR Committee:

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

3. Average net profit of the company for last three financial years: Rs. 2230.73 lacs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 44.61 lacs

5. Details of CSR spend for the financial year 2018-19:

- Total amount spent for the financial year: Rs. 178.47 lacs
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below :

Sl. No.	Projects/ Activities	Sector	Location	Amount outlay (Budget) project or program wise	Amount spent on the project or program	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Eradication of hunger & health care	Balasore (Odisha) & Dakshineswar (Kolkata)	73.00	62.38	62.38	Direct
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Literacy	Balasore (Odisha) & Dakshineswar (Kolkata)	35.50	24.19	24.19	Direct
3	Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups.	Gender equality & women empowerment	Balasore (Odisha) & Dakshineswar (Kolkata)	14.00	15.59	15.59	Direct

Sl. No.	Projects/ Activities	Sector	Location	Amount outlay (Budget) project or program wise	Amount spent on the project or program	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency
4	Ensuring environmental sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources.	Environment	Balasore (Odisha) & Dakshineswar (Kolkata)	36.00	28.93	28.93	Direct
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art.	Protection of Historical importance and national heritage	Balasore (Odisha) & Dakshineswar (Kolkata)	14.00	24.37	24.37	Direct
6	Contribution to Prime Ministers National Relief Fund or any other fund setup by the Central Government for socio economic development and relief	Donation	Balasore (Odisha) & Dakshineswar (Kolkata)	5.00	-	-	-
7	Rural Development	Development	Balasore (Odisha) & Dakshineswar (Kolkata)	21.50	23.01	23.01	Direct
8	Building CSR activities as per Rule 4(6)	Employee service	Balasore (Odisha) & Dakshineswar (Kolkata)	1.00	-	-	-
				200.00	178.47	178.47	

Annexure IV to the Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019, 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 & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

- 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 the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally 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.
- 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 audit period there are no specific events/actions which have any major bearing on the Company's affairs.

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

Manoj Kumar Banthia
[Partner]

ACS No. 11470

COP No. 7596

FRN: P2010WB042700

Date: 07th May, 2019

Place: Kolkata

Annexure - I

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

Manoj Kumar Banthia
[Partner]
ACS No. 11470
COP No. 7596
FRN: P2010WB042700

Date: 07th May, 2019
Place: Kolkata

Annexure V to the Director's Report

Managerial Remuneration and Particulars of Employees

A) Details of every employee of the company as required under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide Notification dated 30th June, 2016 by Ministry of Corporate Affairs for the year ended 31st March, 2019:

- i) Percentage increase in remuneration of each director, CEO, CFO, CS or manager and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Name	Designation	Percentage increase (%)	Ratio
Shri A. V. Agarwal	Executive Chairman	-	28:1
Shri Manish Goenka *	Non-Executive, Non Independent	-	28:1
Shri P. S. Patwari	Executive Director &(CEO)	14.93	116:1
Shri M. B. S. Nair **	Director (Operations)	10.53	46:1
Shri Ashish De ***	Whole Time Director	NA	63:1
Shri J. Godbole	Non-Executive, Independent Director	22.45	1.2:1
Shri H. M. Marda	Non-Executive, Independent Director	32.69	1.4:1
Shri U. G. Bhat ****	Non-Executive, Independent Director	NA	0.4:1
Shri S. Balasubramanian	Non-Executive, Independent Director	42.10	1.1:1
Shri J. K. Khetawat	Non-Executive, Independent Director	133.00	1.3:1
Shri S. Chatterjee *****	Non-Executive, Independent Director	NA	0.7:1
Smt. Richa Agarwal	Non-Executive, Non-Independent Director	NA	0.4:1
Shri S. K. Khetan	Senior President & CFO	10.49	43:1
Shri G. Saraf	Vice President (Finance)& CS	13.46	25:1

*Part of the year, re-designated as Promoter, Non-Executive Director since 14th May, 2018.

** Part of the year, resigned with effect from 13th April, 2018.

***Part of the year, appointed on 13th April, 2018 and resigned with effect from 1st March 2019

**** Part of the year, resigned with effect from 11th October 2018

***** Part of the year, appointed w.e.f. 07th January, 2019.

- ii) Percentage increase in the median remuneration of employees in the financial year: 9.26%
- iii) Number of permanent employees on the rolls of company: 1441
- iv) Explanation on:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	13.05%
Percentile increase in the managerial remuneration	No increase
Justification for increase in the managerial remuneration	Retention of talented technical and managerial personnel as per Remuneration Policy of the Company.
Exceptional circumstances for increase in the managerial remuneration, if any	N.A.

- v) Affirmation that the remuneration is as per the remuneration policy of the company: Yes, the remuneration has been paid as per the remuneration policy of the company.

B) I) Statement pursuant to Rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

The Board's report shall include a statement showing the names of the top ten employees in terms of remuneration drawn and the names of every employee of the Company who –

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakhs rupees
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate was not less than Eight Lakhs Fifty Thousand rupees per month

Sl. No	Name and Age	Qualification & Experience (in years)	Designation	Date of Joining	% of equity share Held	Remuneration	Previous employment
Employment throughout the year							
1.	P. S. Patwari (64 years)	B.Com, FCA (39 years)	Executive Director &(CEO)	28.11.1994	NIL	2,78,08,010/-	Hindusthan Motors Ltd.
2.	Ashish De (69 years) *	B.Sc., P.G.Diploma in Pulp & Paper Technology from IPT, Saharanpur (46 Years)	Whole time Director	13.04.2018	NIL	1,35,60,906/-	J K Paper Limited
3.	M. B. S. Nair (68 years) **	B.Sc (Che) Paper Technology from IPT Saharanpur (45 years)	Head-Strategy & Operations	16.11.1999	0.0002	1,28,27,484/-	Sri Venkatesa Paper & Boards.
4.	S. K. Khetan (54 years)	ACA, ACS, (30 years)	Senior President & C.F.O.	11.10.1999	NIL	1,03,46,823/-	Titagarh Industries Ltd.
5.	Bharat Agarwal (54 Years)	C.A (25 Years)	Executive Vice President	11.12.2017	NIL	85,33,850/-	J K Paper Limited
6.	A. V. Agarwal (44 years) ***	B.Com (21 years)	Executive Chairman	23.10.2000	0.0207	68,00,441/-	Gulmohar Paper Ltd.
7.	G. Saraf (62 years)	FCS, LLB (44 years)	Vice President (Finance) & Secretary	30.03.1994	NIL	60,48,958/-	Polar Latex Ltd.
8.	Soumyajit Mukherjee (44 years)	P.G. in Economics	Vice President (Marketing & Sales)	15.04.2014	NIL	49,41,312/-	J K Paper Limited
9.	Shyam Patwari (32 years) ****	C.A (8 Years)	Vice President (Commercial)	21.07.2011	NIL	37,77,534/-	...
10.	Manish Goenka (45 years) *****	MBA (21 years)	Non-Executive Non-Independent Director	01.02.2000	0.1438	8,89,838/-	Gulmohar Paper Ltd.

Note: Mr. P. S. Patwari, Mr. M.B.S. Nair, Mr. Manish Goenka, Mr. Ashish De, Mr. S. K. Khetan, Mr. G. Saraf, Mr.Soumajit Mukherjee, are not relative of any other Director, Key Managerial Personnel and Manager.

*Part of the year,he was appointed on 13th April, 2018 and resigned with effect from 1st March, 2019.

**Part of the year, resigned with effect from 13thApril, 2018.

***Mr.A. V. Agarwal, Executive Chairman is the husband of Smt. Richa Agarwal, Non-Executive, Non-Independent Director.

****Mr. Shyam Patwari is the son of Mr. P.S. Patwari, Executive Director.

*****Part of the year, re-designated as Non-Executive, Non-Independent Director since 14th May, 2018.

II) Details of every employee of the Company who as required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019:

Sl. No	Name and Age	Qualification & Experience (in years)	Designation	Date of Joining	% of equity share Held	Remuneration	Previous employment
Employment throughout the year							
1.	P. S. Patwari (64 years)	B.Com, FCA (39 years)	Executive Director & (CEO)	28.11.1994	NIL	2,78,08,010/-	Hindusthan Motors Ltd.
2.	Ashish De (69 years)	B.Sc., P.G. Diploma in Pulp & Paper Technology from IPT, Saharanpur (46 Years)	Whole time Director	13.04.2018	NIL	1,35,60,906/-	J K Paper Limited
3.	M. B. S. Nair (68 years)	B.Sc (Che) Paper Technology from IPT Saharanpur (45 years)	Head-Strategy & Operations	16.11.1999	0.0002	1,28,27,484/-	Sri Venkatesa Paper & Boards.
4.	S. K. Khetan (54 years)	ACA, ACS, (30 years)	Senior President & C.F.O.	11.10.1999	NIL	1,03,46,823/-	Titagarh Industries Ltd.

Annexure VI

CIN : L21019WB1981PLC034161

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

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

2. BOARD OF DIRECTORS

A) COMPOSITION

The Board of Directors ("Board") comprises of 9 (Nine) Directors out of which 7 (Seven) Directors are Non-Executive Directors.

The Composition of the Board of Directors is in conformity with Regulation 17 & 17 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

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

Sl. No.	Name of the Director	DIN	Promoter/ Executive/ Independent/ Non-executive	No. of Board Meetings attended	Attendance at last AGM held on 10.08.2018	No. of outside Directorship held in other Public Limited Companies	No. of membership/ chairmanship in other Board/ Committee	
							Chairman	Member
01	Mr. A. V. Agarwal	00149717	Promoter, Executive Chairman	6	Yes	3	1	-
02	Mr. Manish Goenka*	00363093	Promoter, Non-Executive	3	Yes	2	-	1
03	Mr. P. S. Patwari	00363356	Executive & Chief Executive Officer (CEO)	6	Yes	1	-	-
04	Mr.J. Godbole	00056830	Independent, Non-Executive	6	Yes	6	2	5
05	Mr. S. Balasubramanian	02849971	Independent, Non-Executive,	6	Yes	7	1	6
06	Mr. H. M. Marda	00855466	Independent, Non-Executive,	6	Yes	8	-	1
07	Mr.J.K.Khetawat	00920819	Independent Non-Executive	6	Yes	3	-	-
08	Mr. U. G. Bhat**	00353361	Independent, Non-Executive,	2	Yes	-	-	-
09	Mrs. Richa Agarwal	01505726	Promoter, Non-Executive	3	Yes	-	-	-
10	Mr. Ashish De***	08109683	Executive	5	Yes	-	-	-
11	Mr. Shyamalendu Chatterjee ****	00048249	Independent, Additional Director (Non-Executive)	1	N. A.	4	4	-
12	Mr. M B S Nair *****	03086056	Executive	N. A.	-	-	-	-

*Mr. Manish Goenka, Whole Time Director was Re-designated as a Non-Executive Director with effect from 14th May 2018.

**Mr. U. G Bhat resigned with effect from 11th October 2018.

*** Mr. Ashish De was appointed on 13th April 2018 and he resigned with effect from 1st March 2019.

****Mr. Shyamalendu Chatterjee was appointed as an Independent, Additional Director (Non-Executive) with effect from 07th January 2019 by a Resolution by Circulation passed by the Nomination and Remuneration Committee on 31st December 2018 and the Board of Directors on 07th January 2019.

***** Mr. MBS Nair, Executive Director resigned with effect from 13th April 2018.

B) DIRECTORSHIPS IN OTHER LISTED ENTITIES

Sl. No.	Name of the Director	Number of other Listed Entity in which the person is a Director	Name of the other Listed Entity	Category of Directorship
1.	Mr. A .V. Agrwal	1	1. Emami Limited	Non-Executive Director
2.	Mr. Manish Goenka	0	NA	NA
3.	Mr. P. S. Patwari	0	NA	NA
4.	Mr. J . Godbole	6	1. J K Cement Limited	Independent Director
			2. Gujarat Alkalies & Chemicals Limited	Independent Director
			3. Saurashtra Cement Limited	Independent Director
			4. Kesar Terminals & Infrastructure Limited	Independent Director
			5. Zuari Agrochemicals Limited	Independent Director
			6. Zuari Global Limited	Independent Director
5.	Mr. S. Balasubramanian	3	1. SANGHI Industries Limited	Independent Director
			2. TTK Healthcare Limited	Independent Director
			3. UCAL Fuels Systems Limited	Independent Director
6.	Mr. H .M. Marda	1	Emami Realty Limited	Independent Director
7.	Mr. J. K. Khetawat	1	RTL Logistics Limited	Whole Time Director
8.	Mrs. Richa Agarwal	0	NA	NA
9.	Mr. Shyamalendu Chatterjee	1	SREI Infrastructure Finance Limited	Independent Director

C) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

During the year 6 (Six) Board Meetings were held as on 13th April 2018, 02nd May 2018, 10th August 2018, 21st September 2018, 26th October 2018 and 05th February 2019.

D) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

E) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE NON-EXECUTIVE DIRECTORS AS ON MARCH, 31, 2019.

Sl. No	Name of Directors	Category	No. of Equity Shares
01	Mr. Manish Goenka	Promoter, Non-Executive	87000
02	Mr. J. Godbole	Independent, Non-Executive	NIL
03	Mr. S. Balasubramanian	Independent, Non-Executive	NIL
04	Mr. J. K. Khetawat	Independent, Non-Executive	NIL
05	Mr. H. M. Marda	Independent, Non-Executive	3950
06	Mrs. Richa Agarwal	Promoter, Non-Executive	1500

Note: No Convertible Instruments have been issued by the Company.

F) FAMILIARIZATION PROGRAM IMPARTED TO INDEPENDENT DIRECTORS

Senior Management Personnel of the Company makes presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Material Events, Whistle Blower Policy, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility Policy.

The details of the Familiarization Programme is available on the website: [http:// www.emamipaper.in](http://www.emamipaper.in)

G) LEAD INDEPENDENT DIRECTOR

The Board has appointed Mr. J.Godbole, Chairperson of the Independent Directors Meeting, as the Lead Independent Director. The role of the Lead Independent Director is to provide leadership to the Independent Directors, liaise on behalf of the Independent Directors and ensure the Board's effectiveness to maintain high-quality governance of the organization and the effective functioning of the Board.

H) MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 05th February, 2019 under the Chairmanship of Mr J.Godbole, Independent Director, inter alia, to discuss evaluation of the performance of Non-independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors and the evaluation of the quality, content and timeliness of 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 expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

I) CHART OF SKILLS /EXPERTISE /COMPETENCE OF BOARD AND INDIVIDUAL DIRECTORS OF THE COMPANY IN THE CONTEXT OF THE ITS BUSINESS (ES) :

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, Board has appointed individual Directors on merit, skills, expertise, and competence from time to time as mentioned below for each director of the Board along with their names:

Sl. No	Name of the Director	Specialization
1.	Mr. A V. Agarwal (Promoter , Executive Chairman)	Well known Industrialist. Rich and varied experience of 19 years in marketing, Corporate Planning, Business Development, Strategy formulation, and overall management.
2.	Mr. P.S.Patwari (Executive Director)	Chartered Accountant, extensive experience of 37 years in the area of Finance, Accounting, Corporate Planning, Business Development, Strategy formulations, and overall management.
3.	Mr. Manish Goenka (Promoter , Non-Executive Director)	Industrialist with extensive business experience of 19 years, expertise in Marketing, Corporate Planning, Business Development, Strategy Formulation, and Overall Management.
4.	Mr. J.Godbole (Independent , Non-Executive Director)	Former Chairman of IDBI having extensive experience in the area of Finance, in particular Bank Finance, Corporate Planning and Strategy formulation.
5.	Mr. S. Balasubramanian (Independent , Non-Executive Director)	Former Chairman of Company Law Board has rich and varied experience in the Corporate Law. He is a well-known personality for his valuable contribution to the Corporate world. He was also a former member of Indian Postal Service and having senior level experience in the public sector.
6.	Mr. H. M. Marda (Independent , Non-Executive Director)	Chartered Accountant, an Industrialist with extensive business experience over 3 decades in the area of Accounting, Corporate Planning, Strategy formulation and overall management.
7.	Mr. J. K. Khetawat (Independent , Non-Executive Director)	An Industrialist with extensive business experience in the area of Real Estate Development, Corporate Planning, Logistics, Strategy formulation, and overall management.

Sl. No	Name of the Director	Specialization
8.	Mrs. Richa Agarwal (Promoter , Non-Executive Director)	Extensive experience in the area of Social welfare, Corporate Social Responsibilities (CSR) Initiatives, Women Empowerment, and Overall Business Management.
9.	Mr. Shyamalendu Chatterjee (Independent , Additional Director (Non-Executive))	He has over 50 years of experience in Retail, Commercial, Investment Banking and NBFC. He has expertise in the areas of Corporate Finance, International Banking, Retail Banking, Project Financing and Balance Sheet Management.

J) 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 subsection 6 of Section 149 of the Companies Act, 2013 and also as per Regulation 16(1) (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In the opinion of the Board of Directors, the Independent Directors of the Company are persons of integrity and possess necessary expertise and experience.

K) RESIGNATION OF INDEPENDENT DIRECTOR

Shri U. G. Bhat was reappointed for a further period of 5 years effective from 1st April 2019, as approved by the Nomination & Remuneration Committee and the Board of Directors at their meeting held on 02nd May 2018 and was subsequently approved by the Members at the 36th Annual General Meeting held on 10th August 2018.

Before the expiry of his tenure, Shri U. G. Bhat vide his Letter dated 11th October 2018 tendered his resignation from the Directorship of the Company with a reference to the Policy of the Government & the Management to retire the Superannuated Directors.

3. AUDIT COMMITTEE

The Audit Committee presently consists of Mr. J. Godbole, as Chairman, Mr. S. Balasubramanian, Mr. H. M. Marda, Mr. J. K. Khetawat, and Mr. Shyamalendu Chatterjee as other members. All of them are Non-Executive Independent Directors.

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE OF THE AUDIT COMMITTEE:

I) The Audit Committee shall act in accordance with the terms of reference specified under Section 177 of the Companies Act, 2013 (as amended from time to time) and as per the provisions of Regulation 18(3) read with Schedule-II, Part-C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) which shall inter alia include:

1. Oversight of the listed entity's financial reporting process and the disclosure of its 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 listed entity;
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 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 utilized 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 there on;
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 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.

II) The audit committee shall mandatorily review the following information:

- 1) Management Discussion and Analysis of financial condition and results of operations;
- 2) Statement of significant Related Party Transactions (as defined by the audit committee), submitted by management;
- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal Audit Reports relating to internal control weaknesses; and
- 5) The appointment, removal, and terms of remuneration of the Chief internal auditor shall be subject to review by the audit committee.
- 6) 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 utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

B) COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit Committee presently consists of the following Independent, Non-Executive Directors:

Sl. No.	Name and Category of the Director	Designation
1.	Mr. J. Godbole, Independent , Non-Executive Director	Chairman
2.	Mr. S. Balasubramanian, Independent, Non-Executive Director	Member
3.	Mr. J. K. Khetawat, Independent, Non-Executive Director	Member
4.	Mr. H. M. Marda, Independent, Non-Executive Director	Member
5.	*Mr. Shyamalendu Chatterjee Independent, Non-Executive Director	Member

* Appointed as an Additional Member by the Board of Directors at their Meeting held on 05th February 2019.

The composition of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. G. Saraf, Company Secretary acts as the Secretary to the Committee.

C) MEETING AND ATTENDANCE DURING THE YEAR

4(four) Audit Committee meetings were held on 02nd May 2018, 10th August 2018, 26th October 2018 and 05th February 2019.

The attendance of each member director at the Audit Committee Meetings held during the Financial Year 2018-19 is furnished below:

Sl. No.	Name of Director	Designation	Audit Committee Meeting	
			Held	Attended
01.	Mr. J. Godbole	Chairman	4	4
02.	Mr. S. Balasubramanian	Member	4	4
03.	Mr. H. M. Marda	Member	4	4
04.	Mr. J. K. Khetawat	Member	4	4

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.

Mr. J. Godbole, Chairman of the Audit Committee was present in the Annual General Meeting of the Company held on 10th August 2018.

4. NOMINATION AND REMUNERATION COMMITTEE

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Nomination & Remuneration Committee shall act in accordance with the terms of reference specified under Section 178(2), (3) of the Companies Act, 2013 (as amended from time to time) and as per the provisions of Regulation 19(4) read with Schedule-II, Part-D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) which shall inter alia includes:

- 1) 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;
- 2) Formulation of the criteria for evaluation of Performance of Independent Directors and Board of Directors;
- 3) Devising a policy on diversity of the board of directors;

- 4) 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.
- 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, NAME OF MEMBERS AND CHAIRMAN

In compliance of section 178(3) of the Companies Act, 2013 a Nomination and Remuneration Committee for appointment and remuneration of Executive Director and other Key Managerial Personnel (KMPs) and Senior Managerial Personnel (SMPs) was constituted on 25th April 2014.

The Nomination and Remuneration Committee presently consists of the following Independent, Non-Executive Directors:

Sl. No.	Name and Category of the Director	Designation
1.	Mr. J. Godbole, Independent , Non-Executive Director	Chairman
2.	Mr. S. Balasubramanian, Independent, Non-Executive Director	Member
3.	Mr. H. M. Marda, Independent, Non-Executive Director	Member
4.	Mr. J. K. Khetawat, Independent, Non-Executive Director	Member

The composition of Nomination and Remuneration Committee meets the requirement of Regulation 19(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C) MEETING AND ATTENDANCE DURING THE YEAR

During the year 3 (three) meetings of the Nomination and Remuneration Committee were held on 13th April 2018, 02nd May 2018 and 05th February 2019.

The attendance of each member director at the Nomination & Remuneration Committee Meeting held during the Financial Year 2018-19 is furnished below:

Sl. No.	Name of Director	Designation	Nomination & Remuneration Committee Meeting	
			Held	Attended
01.	Mr. J. Godbole	Chairman	3	3
02.	Mr. H. M Marda	Member	3	3
03.	Mr. J. K. Khetawat	Member	3	3
04.	Mr. S. Balasubramanian	Member	3	3

Mr. J. Godbole, Chairman of the Nomination & Remuneration Committee was present in the Annual General Meeting of the Company held on 10th August 2018.

D) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Company had adopted a Performance Evaluation Policy at the Meeting of the Board of Directors held on 27th January 2015.

The Performance Evaluation Policy was revised as per the Guidance Note on Board Evaluation as issued by the Securities Exchange Board of India vide Circular No: SEBI/H.O/CFD/CMD/CIR/P/2017/004 DATED 5th January 2017 and approved by the Board of Directors at their Meeting held on 31st January 2017.

The Performance Evaluation Policy was further revised as per the amendment of Section 178(2) of the Companies Act, 2013, which was approved by the Board of Directors at their meeting held on 13th February 2018.

The revised Criteria for Performance Evaluation of the Independent Directors as per the abovementioned Policy are as follows:

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 to him/her as assigned 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 judgment and voices opinion freely

The Board of Directors at their Meeting held on 08th May 2019 have evaluated the performance of the Independent Directors of the Company and it included the evaluation of the performance of the Independent Directors and the fulfillment of the Independence Criteria as specified in Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 policy is available at the website of the Company i.e. www.emamipaper.in

F) PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and as per the requirement of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted the criteria for evaluation of its own performance, its committees and individual directors and carried out the required annual evaluation at its Meeting held on 08th May 2019.

The Performance Evaluation Policy was revised as per the amendment of Section 178(2) of the Companies Act, 2013, which was approved by the Board of Directors at their meeting held on 13th February 2018.

The various broad criteria applicable to the Performance Evaluation of the Board as per the new Performance Evaluation Policy are as follows:

- I. Structure of the Board
- II. Meetings of the Board
- III. Functions of the Board
- IV. Board and Management
- V. Professional Development

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

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

Further, the Independent directors have evaluated the performance of Executive Chairman, Non-Independent Directors and the Board of Directors as a whole at a separate meeting held on 05th February 2019 as per the requirement of Regulation 25 (3) & (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under SEBI Notification No. SEBI/HO/CFD/CIR/P/2018/79 dated 10th May 2018 the Board of Directors at their Meeting held on 08th May 2019 has evaluated the performance of the entire Board of Directors and the Disclosures regarding the same as follows:

1) Observations of Board Evaluation carried out for the year:

Observations were made regarding Board Meeting at the Plant Level and Inviting Agenda from Independent Directors.

2) Previous year's observations and actions are taken.

Observations were made in respect of the Number of Board Meetings and improvement in the Information system. Necessary actions have already been taken and compliance made.

3) Proposed actions based on current year observations.

Necessary actions will be taken in 2019-20.

5) REMUNERATION

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.

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

Name of the Directors	Total Rupees
Mr. J. Godbole	3,00,000.00
Mr. S. Balasubramanian	2,70,000.00
Mr. H. M. Marda	3,45,000.00
Mr. J. K. Khetawat	3,15,000.00
Mr. U. G. Bhat *	50,000.00
Mr. Manish Goenka**	95,000.00
Mr. Shyamalendu Chatterjee ***	40,000.00
Mrs. Richa Agarwal	90,000.00
Total :	15,05,000.00

*Part of the year, resigned with effect from 11th October 2018.

**Part of the year, re-designated as Promoter, Non-Executive Director with effect from 14th May 2018.

*** Part of the Year, appointed with effect from 07th January 2019.

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

- i) During the year, the Company has paid Rs. 25,35,744/- as professional fees to M/s S.P.B. Projects & Consultancy Ltd; a Company in which Mr. U. G. Bhat is interested as Managing Director.
- ii) Except these, there was no other pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

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 Managing Director / Whole Time Directors (MD/WTDs), Executive Directors (EDs), 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 and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

Executive Directors who are in whole time employment of the Company are not paid any sitting fees for attending Board/ Committee Meetings.

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.

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.

C) REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY FOR THE YEAR ENDED 31-03-2019: (Amount in Rs.)

Name of Directors	Salary & Allowances (Fixed component)*	Benefits**	Bonuses	Total	Service Contract	Notice Period
Mr. A. V. Agarwal	60,00,000/-	8,00,441/-	-	68,00,441/-	3 Years (w.e.f. 08.11.2018)	3 Months
Mr. Manish Goenka***	7,09,677/-	85,161/-	-	7,94,838/-	3 Years (w.e.f. 01.07.2015)	3 Months
Mr. P. S. Patwari	2,05,68,000/-	72,40,010/-	-	2,78,08,010/-	3 Years (w.e.f.01.04.2017)	3 Months
Mr. M. B. S. Nair *****	2,39,436/-	1,26,882/-	-	3,66,318/-	3 Years (w.e.f. 25.04.2017)	3 Months
Mr. Ashish De*****	1,13,63,200/-	21,97,706/-	-	1,35,60,906/-	3 years (w.e.f. 13.04.2018)	3 Months
Total :	3,88,80,313/-	1,04,50,200/-	-	4,93,30,513/-		

* Fixed component includes Basic Salary and Fixed allowances

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

*** Part of the Year, Redesignated as Non-Executive Director w.e.f. 14th May 2018.

****Part of the year resigned with effect from 01st March 2019.

*****Part of the year resigned with effect from 13th April 2018.

- Note:**
- None of the Directors were paid performance linked incentives.
 - Severance Fees - There are no such fees paid to any of the Director.
 - None of the Directors have issued any Stock Options of the Company.

6) STAKEHOLDERS' GRIEVANCE COMMITTEE:

The Stakeholders' Grievance Committee was constituted on 25th April, 2014, as per requirement of Section 178(5) of the Companies Act, 2013 (as amended from time to time) and Regulation 20(4) read with Schedule II, Part D (B) of SEBI (Listing Obligations & Disclose Requirements) Regulations 2015 (as amended from time to time):

A) TERMS OF REFERENCE

- Resolving the grievances of the security holders, including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.

- ii) Review of measures taken for the effective exercise of voting rights by shareholders.
- iii) The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- 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 and Category of the Director	Designation
1.	Mr. H. M. Marda, Independent, Non-Executive Director	Chairman
2.	Mr. P. S. Patwari, Executive Director & CEO	Member
3.	Mr. Manish Goenka, Promoter, Non-Executive Director	Member

The composition of the Stakeholders Grievance Committee meets the requirement of Regulation 20 (2) & (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

C) MEETING AND ATTENDANCE DURING THE YEAR

During the year 1(one) meeting of the Stakeholders' Grievance Committee was held on 05th February 2019.

The attendance of each member director at the Stakeholders' Grievance Committee Meeting held during the Financial Year 2018-19 is furnished below:

Sl. No.	Name of Director	Designation	Stakeholders' Grievance Committee Meeting	
			Held	Attended
01.	Mr. H. M. Marda	Chairman	1	1
02.	Mr. P. S. Patwari	Member	1	1
03.	Mr. Manish Goenka	Member	1	1

Mr. H. M. Marda, the Chairman of the Stakeholders Grievance Committee was present at the Annual General Meeting held on 10th August 2018.

There were no complaints received during the year and no complaint remains pending as on date.

8) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per Section 135 of the Companies Act, 2013 the Committee was constituted on 21st January 2014 to monitor and review the C.S.R. activities of the company from time to time. Corporate Social Responsibility is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors but also on the social and environmental aspects. Therefore, it is the core corporate responsibility of EPML to practice its corporate values through its commitment to growing in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

A) COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following members:

Sl. No.	Name and Category of the Director	Designation
1.	Mr. A.V. Agarwal, Promoter, Executive Chairman	Chairman
2.	Mr. J. Godbole, Independent Non-Executive Director	Member
3.	Mr. P. S. Patwari, Executive Director & CEO	Member
4.	Mr. Manish Goenka, Promoter Non-Executive Director	Member
5.	Mr. H. M. Marda, Independent Non-Executive Director	Member
6.	Mrs. Richa Agarwal, Promoter Non-Executive Director	Member

B) MEETING AND ATTENDANCE DURING THE YEAR

During the year 2(two) meetings of the Corporate Social Responsibility Committee were held on 02nd May 2018 and 26th October 2018.

The attendance of each member director at the Corporate Social Responsibility Committee Meeting held during the Financial Year 2018-19 is furnished below:

SI. No.	Name of Director	Designation	CSR Committee Meeting	
			Held	Attended
01.	Mr. A.V. Agarwal	Chairman	2	2
02.	Mr. J. Godbole	Member	2	2
03.	Mr. P. S. Patwari	Member	2	2
04.	Mr. Manish Goenka	Member	2	1
05.	Mr. H. M. Marda	Member	2	2
06.	Mrs. Richa Agarwal	Member	2	1

9) 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:

SI. No.	Name and Category of the Director	Designation
1.	Mr. H. M. Marda, , Independent, Non-Executive Director	Chairman
2.	Mr. J. K. Khetawat, Independent, Non-Executive Director	Member
3.	Mr. Manish Goenka, Promoter, Non-Executive Director	Member
4.	Mr. P. S. Patwari, Executive Director & CEO	Member

B) MEETING AND ATTENDANCE DURING THE YEAR

During year 3(three) meetings of the Finance Committee were held on 04th April 2018, 23rd July 2018 and 26th March 2019.

The attendance of each member director at the Finance Committee Meeting held during the Financial Year 2018-19 is furnished below:

SI. No.	Name of Director	Designation	Remuneration Committee Meeting	
			Held	Attended
1.	Mr. H. M. Marda	Chairman	3	2
2.	Mr. J. K. Khetawat	Member	3	3
3.	Mr. P. S. Patwari	Member	3	3
4.	Mr. Manish Goenka	Member	3	2

10) PROJECT MANAGEMENT COMMITTEE

The Project Management Committee was constituted by the Board in its meeting held on 14th August 2017 to study the various aspects of the proposed expansion of Multilayer Coated Board manufacturing at Balasore, Odisha. Further at the Board Meeting held on 13th February 2018 the scope of the Committee was modified to include exploration of the acquisition of one or more mills in India in the field of high-end packaging board by the Company.

COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following members:

Sl. No.	Name and Category of the Director	Designation
1.	Mr. H. M. Marda, Independent, Non-Executive Director	Chairman
2.	Mr. J. K. Khetawat, Independent, Non-Executive Director	Member
3.	Mr. Manish Goenka, Promoter, Non-Executive Director	Member
4.	Mr. P. S. Patwari, Executive Director & CEO	Member

No meeting of the Project Management Committee held during the year 2018-19.

11) FUND RAISING COMMITTEE

The Fund Raising Committee was constituted by the Board in its meeting held on 31st August 2017 for deciding various matters related for the purpose of raising funds through the issuance of Securities.

COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following members:

Sl. No.	Name and Category of the Director	Designation
1.	Mr. H. M. Marda, Independent, Non-Executive Director	Chairman
2.	Mr. J. K. Khetawat, Independent, Non-Executive Director	Member
3.	Mr. Manish Goenka, Promoter, Non-Executive Director	Member
4.	Mr. P. S. Patwari, Executive Director & CEO	Member
5.	Mr. J. Godbole, Independent, Non-Executive Director	Member

No meeting of the Fund Raising Committee held during the year 2018-19.

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

Financial Year	Venue	Date	Time
2015-16	Emami Towers, 687, Anandapur, E.M. Bypass, Kolkata – 700 107	10.08.2016	11.00 a.m.
2016-17	-do-	14.08.2017	11.00 a.m.
2017-18	OZORA, 20 th Floor, ACROPOLIS, 1858/1 Rajdanga Main Road Kolkata-700107	10.08.2018	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) 36th Annual General Meeting held on 10th August 2018 for the year 2017-18:

- 1) Appointment of Mr. H. M. Marda (holding DIN.00855466) as an Independent Director of the Company to hold office for another term of consecutive 5 (five) years commencing from 1st April 2019;
- 2) Appointment of Mr. U.G. Bhat (holding DIN.00353361), as an Independent Director of the Company to hold office for another term of consecutive 5 (five) years commencing from 1st April 2019;
- 3) Appointment of Mr. J. K. Khetawat (holding DIN. 00920819), as an Independent Director of the Company to hold office for another term of consecutive 5 (five) years commencing from 1st April 2019 ;
- 4) Appointment of Mr. J Godbole (holding DIN. 00056830), as an Independent Director of the Company to hold office for another term of consecutive 5 (five) years commencing from 1st April 2019;
- 5) Appointment of Mr. S.Balasubramanian (holding DIN. 02849971), as an Independent Director of the Company to hold office for another term of consecutive 5 (five) years commencing from 1st April 2019 ;

- 6) Re-appointment of Shri Aditya Vardhan Agarwal, (DIN. 00149717) as Whole-Time Director designated as Executive Chairman for a period of 3 years (approx.) with effect from 8th November 2018 to 31st October 2021;
- 7) Appointment of Shri Ashish De, (holding DIN. 08109683) as a Whole Time Director of the Company for a period of 3 years (approx.), with effect from 13th April 2018 to 31st March 2021.

ii) 35th Annual General Meeting held on 14th August 2017 for the year 2016-17:

- 1) Approval of reappointment of Mr. P. S. Patwari (DIN. 00363356) as Executive Director, for a period of 3 years w.e.f 1st April 2017 including payment of remuneration for that period.
- 2) Approval of reappointment of Mr. M. B. S. Nair (DIN. 03086056) as Whole Time Director, designated as Director (Operations) for a period of 3 years w.e.f. 25th April 2017 including payment of remuneration for that period.
- 3) Approval of Remuneration with the continuation of the appointment of Mr. Shyam Patwari in the office or place of Profit under Section 188 of the Companies Act, 2013.

iii) 34th Annual General Meeting held on 10th August 2016 for the year 2015-16:

- 1) To approve a variation of the remuneration of Mr. M. B. S. Nair, (DIN. 03086056) as Whole-Time Director designated as Director (Operations) w.e.f. 18th November 2015 to 25th April 2017.

C) I) WHETHER SPECIAL RESOLUTIONS PASSED LAST YEAR THROUGH POSTAL BALLOT

Yes, approval for the issue of further securities up to Rs. 350 crores were passed on 3rd November 2018.

II) VOTING PATTERN FOR THE POSTAL BALLOT VOTING WHICH WAS PASSED ON 3RD NOVEMBER 2018 (INCLUDING REMOTE E VOTING):

(a) Votes in Favour of the Resolution:

Mode of Voting	Total Number of Shareholders casted vote	Total Number of Votes Casted	Number of Votes Casted by them in favor	% of Total Number of Valid Votes casted in favor
E-Voting	35	41608901	41608901	100.00
Ballot (Postal)	13	650	150	0.00
Total	48	41609551	41609051	100.00

(b) Voted Against the Resolution:

Mode of Voting	Total Number of Shareholders casted vote	Total Number of Votes Casted	Number of Votes Casted by them in favor	% of Total Number of Valid Votes casted in favor
E-Voting	35	41608901	0	0.00
Ballot (Postal)	13	650	500	0.00
Total	48	41609551	500	0.00

III) PERSON WHO CONDUCTED THE POSTAL BALLOT VOTING - Shri Sandip Kumar Kejriwal, Practising Company Secretary as Scrutinizer.

IV) WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT: YES.

The Company has proposed to provide additional Voting Option through Postal Ballot to all the Shareholders, as per the Agenda/Resolution proposed to be passed by the Members at the forthcoming 37th Annual General Meeting of the Company.

V) PROCEDURE FOR POSTAL BALLOT

The Company follows the procedure for the postal ballot as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The procedural steps for Postal Ballot process as followed by the Company are as follows:

Step 1	Approval by the Board of Directors for passing a Resolution through Postal Ballot & Remote E-Voting
Step 2	Approval of the Notice for passing Resolution through Postal Ballot & Remote E-Voting and fixing the record date for eligibility of Shareholders for voting through Postal Ballot & Remote E-Voting along with the date for voting

Step 3	Appointment of a Scrutinizer for facilitating the Postal Ballot & Remote E-Voting Process
Step 4	Intimation to the Stock Exchange regarding the Postal Ballot Voting & Remote E-Voting and that of the record date for eligibility of Shareholders to vote along with the date for voting
Step 5	Dispatch of Physical and Soft Copies of the Notice to the Shareholders
Step 6	Submission of the Scrutinizers Report of Postal Ballot & Remote E-Voting to the Chairman of the Company within 48 hours of the conclusion of the voting
Step 7	Declaration of the Results of the Postal Ballot & Remote E-Voting by the Chairman and posting the same in the website of the Company
Step 8	Submission of the Results of the Postal Ballot Voting & Remote E-Voting to the Stock Exchange
Step 9	Publication of the Results of the Postal Ballot & Remote E-Voting in newspapers
Step 10	Filing of Necessary E-forms to the Ministry of Corporate Affairs (MCA) regarding the passing of the Resolutions

13) MEANS OF COMMUNICATIONS

a) Quarterly results:

The Quarterly Financial Results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Newspapers wherein results are normally published:

The Financial Results of the Company are published in widely circulated newspapers namely Economic Times/Business Standard/The Times of India (English daily) and The Dainik Statesman/Ekdin/Ei-Samay (Bengali daily).

c) Any website, where displayed:

The Financial Results of the Company are displayed on the Company's website: www.emamipaper.in

d) Whether it also displays official news releases:

No Official news releases.

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

No Presentations are made.

14) GENERAL SHAREHOLDER INFORMATION

a) 37th Annual General Meeting:

Date: 12th August, 2019

Time: 11.00 a.m.

Venue: Kolkata Centre for Creativity

777, Anandapur, EM Bypass

Kolkata - 700 107, West Bengal, India

b) Financial Year;

i. April to March

ii. First Quarter Results – 2nd week of August

iii. Half-yearly Results – 2nd week of November

iv. Third Quarter Results – 2nd week of February

v. Results for the year ending 31st March – by May.

c) Dividend :

The Board of Directors has recommended a dividend at the rate of 60% i.e. Re.1.20 (Rupees One and Twenty Paise only) per Equity Share of Rs.2/- each and at the rate of 8% on Preference Share of Rs.100/-.

This is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend, if approved by the Members at the ensuing Annual General Meeting, will be paid/despatched on or before 10th September, 2019.

D) Listing of Equity Shares on the Stock Exchange:

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

The Address of Bombay Stock Exchange Limited is as follows:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

The relevant Listing Fees for the year 2018-19 was paid.

E) Stock Code:

The Bombay Stock Exchange Ltd. - 533208

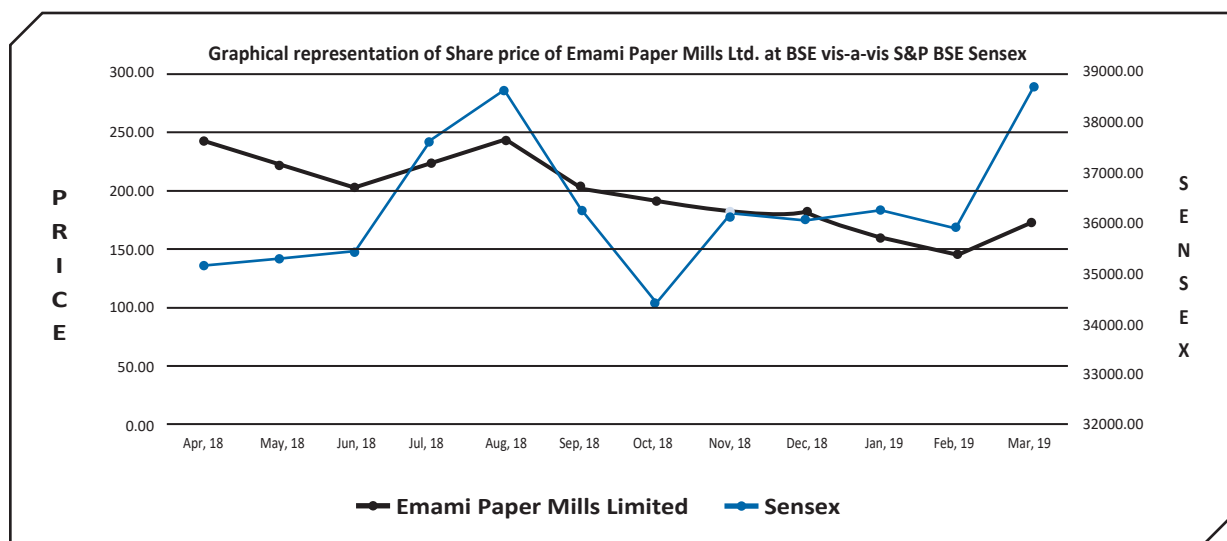
The ISIN Number of Company's Equity Shares (of face value Rs.2/- per share) for NSDL & CDSL is INE 830CO1026.

F) Market Price Data:

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

Market Price Data: High/Low in each month in the Financial Year 2018-19:

Month	BSE	
	High Price (Rs.)	Low Price (Rs.)
April, 2018	250.00	187.60
May, 2018	255.00	213.00
June, 2018	238.00	191.00
July, 2018	242.00	187.15
August, 2018	288.00	220.00
September, 2018	283.70	199.85
October, 2018	219.95	180.00
November, 2018	208.00	175.80
December, 2018	195.00	166.35
January, 2019	204.00	152.00
February, 2019	170.00	117.30
March, 2019	190.00	146.00

G) Performance in Comparison to Broad-Based indices - 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: mdplc@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 Stakeholders Grievance Committee and are noted at Board Meetings.

K) **Distribution of Shareholding as on 31.03.2019 (Equity):**

I) **Shareholding Pattern as on 31.03.2019:**

Category	Number of shares held	% of Shareholding
A. Promoters' holding		
Promoters		
Indian promoters		
- Individuals	5657126	9.35
- Corporate	39576160	65.41
- Foreign Promoters	125000	0.21
Sub-total	45358286	74.97
B. Non-promoters' holding		
1. Institutional investors		
a. Mutual Funds and UTI	4199615	6.94
b. Banks, financial institutions and Insurance companies	-	-
c. Central Govt./State Govt.	-	-
d. Foreign Institutional Investors	300000	0.50
Sub-total	4499615	7.44
2. Others		
a. Private corporate bodies	7323299	12.10
b. Indian public	3236280	5.34
c. NRI / OCBs	6480	0.01
d. NBFCs registered with RBI	-	-
d. Others (Clearing Member)	6888	0.01
e. Others (Investors Education & Protection Fund)	68202	0.11
Sub-total	10641149	17.59
Grand-total	60499050	100.00

II) Distribution of Shareholding according to Nominal Value as on 31.03.2019:

Category	No. of Shareholders	Number of Shares held	% of Shareholding
1 – 50	977	16750	0.03
51 – 100	371	34117	0.06
101- 150	102	13483	0.02
151 – 250	219	45825	0.08
251 – 500	284	116549	0.19
501 – 5000	393	664645	1.10
5001 and above	136	59607681	98.52
Total :		60499050	100.00

L) Dematerialization of Shares

99.56 percent of the Company's Paid-up Equity Share Capital is held in dematerialized form, out of which 89.64 percent are held with National Securities Depository Limited (NSDL) and 9.92 percent are held with Central Depository Services Limited (CDSL) as on 31st March 2019.

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

The Company has not issued any of the aforesaid instruments.

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

Regularly monitored and reviewed by the Management

O) Plant Locations:

1. Vill – Balgopalpur
Balasore – 756 020, Odisha
Phone : (91) (6782) 275723/26/79
Fax : (91) (6782) 275778
Email : balasore@emamipaper.com
2. R. N. Tagore Road, Alambazar
Kolkata –700 035, West Bengal
Phone: (91)(33) 6622-3100, 6540-9610
Fax: (91)(033) 2564-6926
Email: gulmohar@emamipaper.com

P) Address for correspondence:

Company Secretary
EMAMI PAPER MILLS LIMITED
Acropolis, Unit 1, 15th Floor
1858/1, Rajdanga Main Road,
Kolkata - 700 107.
Phone No.: (033) 66271301
Fax: (033) 66271338
Email : emamipaper@emamipaper.com;
gsaraf@emamipaper.com
Website: www.emamipaper.in

Q) List of All credit Rating obtained by the Entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit program or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

- Not Applicable

15) OTHER DISCLOSURES

a) **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.

b) **Compliances by the Company**

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

c) **Vigil Mechanism and Whistle Blower Policy:**

The Vigil Mechanism and Whistle Blower Policy was approved by the Board of Directors on 21st January 2014 and the same was further revised by the Board of Directors at their Meeting held on 02nd February 2019 in compliance with Regulation 22(1) of SEBI (Listing Obligations & Disclose Requirements) Regulations 2015

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 Director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate 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 at the website of the Company i.e. <http://www.emamipaper.in>

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

d) **The policy for determining 'material' subsidiaries of the Company**

The Company does not have any subsidiary Company.

e) **The policy on dealing with related party transactions is available on the website of the Company: <http://www.emamipaper.in>.**

f) **Commodity Price Risk and Commodity hedging activities.**

Regularly Monitored

g) **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 Institutions Placement during the Financial Year ended 31st March 2019.

h) **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 is enclosed to this report.

i) Non Acceptance of the Recommendation of any Committee of the Board

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

j) 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 2019 :

Sl. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid (Amount in Rs.)
1.	Statutory Audit fees paid for Audit of the Company	12,00,000/-
2.	Fees paid for Limited review of the Company	2,25,000/-
3.	Fees paid for other services	2,74,975/-
4.	Reimbursement of expenses	37,205/-
	Total	17,37,180/-

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

Serial	Particulars	Disclosure
a.	Number of Complaints filed during the Financial Year	NIL
b.	Number of Complaints disposed off during the financial year	NA
c.	Number of Complaints pending as on the end of the financial year	NA

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

17) 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:

Board: The Company has an Executive Chairperson.

Reporting of Internal Auditor: The Internal Auditors report directly to the Audit Committee of the Company.

18) The Disclosures of the 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 Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A.
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	N.A.
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

19) RISK MANAGEMENT

The monitoring of Risk Management continued under the Audit Committee and Board of Directors. Presentation of progress and implementation status of mitigation plans were made by the Executive Management Team periodically.

20) SUBSIDIARY

The Company does not have any subsidiary Company.

21) 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 and reviewed by the Audit Committee and the Board of Directors at their respective meetings held on 5th February 2019.

The Company Secretary is the Compliance Officer.

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 C.E.O. certifying that all members of the Board, its Committee members and all employees working at level of Executive and above including Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the current year.

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

22) 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 enclosed at the end of the Report.

23) DISCLOSURE WITH RESPECT TO THE UNCLAIMED DIVIDENDS

The unclaimed dividend for the year prior to and including the financial year, 2010-11 have been transferred to the General Revenue Account of the Central Government / the Investor Education and Protection Fund established by the Central Government / (IEPF), as applicable.

Shareholders who have not encashed their dividend warrants to the financial year(s) up to and including 2010-11 may claim such dividend (transferred to the General Revenue Account) from the Registrar of Companies, West Bengal, Government of India, Nizam Palace, II MSO Building, 2nd Floor, 234/4 A. J. C. Bose Road, Kolkata-700 020 by applying in the prescribed form.

The dividend for the undernoted years, if remaining unclaimed for 7 years, will be statutorily transferred by the Company to I.E.P.F.in accordance with the schedule given below. Communication has been sent by the Company to the concerned Shareholders advising them to write to the Company with respect to their unclaimed dividend.

Attention is drawn that the unclaimed dividend for the financial year 2011-12 is due for transfer to IEPF on 16/09/2019.

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

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

24) 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).

Accordingly, the Company has transferred 68,202 shares in respect of which Dividends have not been claimed for the consecutive period of 7 years from 2008-2009 to 2010-11.

The Total amount of Unclaimed/unpaid Dividend transferred to the IEPF suspense Account is Rs.1,36,404/- on 23/11/2017, 05/12/2017 and 27/10/2018.

The Breakup of the transfer to the IEPF Account is as follows:

Sl. No	Financial Year	No. of shares	Total Value of Amount transferred to IEPF suspense A/c.
1.	2008-09	65352	130704.00
2.	2009-10	2300	4600.00
3.	2010-11	550	1100.00
Total:		68202	136404.00

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 in the Website of the Company along with the details of those shareholders.

In terms of Rule 6(3) of the Investor Education and 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.

25) 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. www.emamipaper.in

26) 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 will be 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 atleast 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>

27) 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. www.emamipaper.in

28) 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. www.emamipaper.in

29) PERFORMANCE EVALUATION POLICY:

The Company had adopted a Performance Evaluation Policy which was approved by the Board of Directors at the Board Meeting held on 27th January 2015.

The Securities and Board of India vide their Circular No: SEBI/H.O./CFD/CMD/CIR/P/2017/004 DATED 5th January 2017, issued a Guidance Note on Board Evaluation.

The Company has revised its Performance Evaluation Policy in line with the said Guidance note, which was approved by the Board of Directors at their meeting held on 31st January 2017.

As per the Amendment in Section 178(2) of the Companies Act, 2013, Nomination & Remuneration Committee shall specify the manner for effective evaluation of Performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance.

The Performance Evaluation Policy was further revised keeping in view the amendments in the Companies Amendment Bill, 2017 and the same was approved by the Board of Directors at their Meeting held on 13th February 2018.

30) SECRETARIAL AUDIT:

Secretarial Audit from an Independent Practicing Company Secretary M/s. M. K. B. & Associates, Company Secretary for the financial year ended 31st March 2019 has been completed and Secretarial Audit for the year forms part of this Annual Report.

31) DETAILS OF APPOINTMENT/REAPPOINTMENT OF NON-EXECUTIVE/ INDEPENDENT DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mrs. Richa Agarwal will retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

The information pertaining to the Director is as follows:

Name of Director	Mrs. Richa Agarwal
Age	About 41 years
Date of Appointment	27.01.2015
Expertise in Specific Functional areas	She has extensive experience in the area of Corporate Planning, Business Development, Marketing, Strategy Formulation, and Overall Business Management
Qualification	B.Com.
Chairman/Director of other Companies	Emami Centre For Creativity Private Limited - Director
Membership/Chairmanship in Other Board/ Committee	NIL
Equity Shares held in the Company	1500

Mr. Shyamalendu Chatterjee was appointed as an Additional Director (Non-Executive & Independent) with effect from 07th January 2019, subject to the approval of the Members at the ensuing General Meeting.

The information pertaining to the Director is as follows:

Name of Director	Mr. Shyamalendu Chatterjee	
Age	About 72 years	
Date of Appointment	07th January 2019	
Expertise in Specific Functional areas	He has over 50 years of experience in Retail, Commercial, Investment Banking, and NBFC. He has an expertise in the areas of Corporate Finance, International Banking, Retail Banking, Project Financing, and Balance Sheet Management.	
Qualification	BA (Hons.)	
Chairman/Director of other Companies	<ol style="list-style-type: none"> 1. SREI Infrastructure Finance Limited- Director 2. Sahaj e-village Limited – Director 3. SREI Equipment Finance Limited - Director 4. SREI Capital Markets Limited - Director 	
Membership/Chairmanship in Other Board/ Committee	Chairmanship	Membership
	1. Audit Committee	1. Corporate Social Responsibility Committee
	2. Nomination and Remuneration Committee	2. Committee of Directors
	3. Stakeholders Relationship Committee	3. Credit Committee
	4. Risk Committee	-
	5. Asset Liability Management Committee	-
	6. Business Responsibility Committee	-
Shareholding in the Company	Nil	
Number of Meetings of the Board attended during the year	01	
Relationship amongst Directors inter se	NA	

32) NATIONAL AUTOMATED CLEARING HOUSE (NACH)/ELECTRONIC CLEARING SERVICES (ECS)

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

For and On Behalf of the Board

Place: Kolkata
Date: 08th May, 2019

A. V. Agarwal
Executive Chairman
(DIN: 00149717)

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, 2019 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 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, 2019.

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

Place: Kolkata
Date: 8th May, 2019

To
The Members,
EMAMI PAPER MILLS LTD.
Kolkata.

Sub : Certificate under Regulation 34(3) read with Para 10 (i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have examined all relevant Records, Registers, Forms, Documents and papers of EMAMI PAPER MILLS LTD., having its Registered Office at Acropolis, Unit No. 1, 15th Floor, 1858/1, Rajdanga Main Road, Kasba, Kolkata – 700 107, as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on 31st March, 2019.

In our opinion and based on the above examinations and according to the information supplied to us by the Company and also information obtained from the relevant websites, we hereby certify that none of the directors of the Company (as per Annexure) have been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI /Ministry of Corporate Affairs or any such statutory authority during the year ended 31st March, 2019.

For **Sushil Tiwari & Associates**
Company Secretaries

(Sushil Tiwari)
Proprietor

Dated : 01.05.2019

ANNEXURE**LIST OF DIRECTORS OF EMAMI PAPER MILLS LIMITED**

Sl. No.	Name of the Director	Designation	DIN
1.	Shri Aditya Vardhan Agarwal	Executive Chairman	00149717
2.	Shri Manish Goenka (Redesignated as Non-Executive Non-Independent Director with effect from 14th May 2018)	Non-Executive, Non-Independent Director	00363093
3.	Shri Pitamber Sharan Patwari	Whole Time Director	00363356
4.	Shri Jayant Narayan Godbole	Non-Executive, Independent Director	00056830
5.	Shri Sundaram Balasubramanian	Non-Executive, Independent Director	02849971
6.	Shri Hari Mohan Marda	Non-Executive, Independent Director	00855466
7.	Shri Jugal Kishore Khetawat	Non-Executive, Independent Director	00920819
8.	Smt Richa Agarwal	Non-Executive, Non-Independent Director	01505726
9.	Shri Shyamalendu Chatterjee (With effect from 07th January, 2019)	Additional Director (Non-Executive & Independent)	00048249
10.	Shri M. B. S. Nair (Resigned with effect from 13th April, 2018)	Whole Time Director	03086056
11.	Shri U. G. Bhat (Resigned with effect from 11th October, 2018)	Non-Executive, Independent Director	00353361
12.	Shri Ashish De (Appointed on 13th April, 2018 and Resigned with effect from 01st March, 2019)	Whole Time Director	08109683

For **Sushil Tiwari & Associates**
Company Secretaries

(Sushil Tiwari)
Proprietor

Dated : 01.05.2019

COMPLIANCE CERTIFICATE

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

We P. S. Patwari, Executive Director & C.E.O. and S. K. Khetan, Senior President, & C.F.O. certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. We also certify that based on our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violates the Company's code of conduct.
3. 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.
4. We have indicated to the auditors and the Audit Committee :
 - a. significant changes in internal control over financial reporting during the year;
 - b. significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - c. 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**

S. K. Khetan
Senior President & (CFO)

For **Emami Paper Mills Limited**

P. S. Patwari
Executive Director & (CEO)

Date: 08th May, 2019
Place: Kolkata

DECLARATION BY CHIEF EXECUTIVE OFFICER (C.E.O.) OF THE COMPANY

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

As per requirement of Regulation 34(3) read with Clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, P. S. Patwari, Executive Director and Chief Executive Officer (C.E.O.) of Emami Paper Mills Limited hereby declare that:

All members of Board, its Committees and all employees working at the level of Executive and above including Senior Managerial Personnel have affirmed compliance with the Code of Conduct of the Company for the year 2018-19.

For **Emami Paper Mills Limited**

Place: Kolkata
Date: 08th May 2019

P. S. Patwari
Executive Director & (CEO)

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
EMAMI PAPER MILLS LIMITED

Report on the IndAS 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, 2019, 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 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 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 financial position of the Company as at 31st March, 2019, 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 conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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 financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. New Regulation-Timing of Revenue Recognition

Key Audit Matter	Response to KAM
<p><i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</i></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period or on point in time. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>If a performance obligation is not satisfied over time, an entity satisfies the performance obligation at a point in time. To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the entity shall consider the requirements for control and shall consider indicators of the transfer of control,</p>	<p><i>Principal Audit Procedures</i></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing.</p> <ul style="list-style-type: none"> • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • We reviewed the collation of information and the logic of the report generated used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. • We reviewed the incidence of transfer of control through satisfaction of performance obligation and the point of time at which the right to payment occurs.

Independent Auditor's Report (Contd.)

Key Audit Matter	Response to KAM
which include, but are not limited to (a) The entity has a present right to payment for the asset (b) The customer has legal title to the asset (c) The entity has transferred physical possession of the asset (d) The customer has the significant risks and rewards of ownership of the asset (e) The customer has accepted the asset	<p>Conclusion</p> <p>The assumption applied by the company were taken into consideration and we agree with management evaluations.</p>

2. Input Tax Credit

Key Audit Matter	Response to KAM
<p>Non reconciliation of Input Tax Credit receivable with GSTR-2A</p> <p>The Company has accounted for Input Tax Credit on the basis of invoices received from suppliers of goods and services. However, some of these suppliers are yet to file GSTR-1 reflecting the supplies made by them to the company leading to differences between credit recognized by the company and that shown in GSTR 2A.</p>	<p>Principal Audit Procedures</p> <p>We have checked the GSTR-1 and GSTR-3B filed by the Company and vouched a sample population of Invoices on the basis of which Input Tax Credit was accounted for .</p> <p>The company is in the process of reconciling the GST Input Tax credit for the years 2017-18 and 2018-19. However, this process cannot be completed till an end date being declared by the authorities for filing GSTR1 for a particular period.</p> <p>In view of the present scenario and the various changes being implemented in the GST law, it was found prudent not to account for the difference till the situation crystallizes.</p> <p>Conclusion</p> <p>The assumption applied by the company were taken into consideration and we agree with management evaluations.</p>

3. Interest Rate Risk Mitigation

Key Audit Matter	Response to KAM
<p>The company uses derivative financial instruments to hedge interest rate risks arising from loans taken in the ordinary course of business. Management's hedging policy is documented in corresponding internal guidelines and serves as the basis for these transactions. The means of limiting this risk include entering into cross-currency interest rate swaps. The companies enter into interest rate hedges for the purpose of achieving an economically sensible ratio of floating to fixed interest rate exposures.</p> <p>Asset/(Liability) in respect of those interest rate swaps are measured at fair value (i.e. Mark To Market value). Any change in Mark To Market value of those swaps are recognized in Other Comprehensive Income when those qualify for hedge accounting and designated as hedge instrument by the company; in other cases, the change in Mark To Market value is recognized in Profit and Loss Statement. Accordingly, the company is carrying interest rate swap assets of INR 6.18 Crores and interest rate swap liability of INR 4.02 Cr as at 31.03.19; the change in fair value amounting to INR 4.68 Cr is recognized in Other Comprehensive Income and that amounting to INR 2.43 Cr is recognized in Profit and Loss Statement.</p>	<p>Principal Audit Procedures</p> <p>As a part of our audit procedures, among other things we assessed the contractual and financial parameters and evaluated the accounting treatment, including the effects on equity and profit or loss, of the various hedging relationships.</p> <p>We also evaluated the Company's internal control system with regard to derivative financial instruments, including the internal activities to monitor compliance with the hedging policy. In addition to evaluating the internal control system, we obtained bank confirmations for the hedging instruments in order to assess completeness. With regard to the expected cash flows and the assessment of the effectiveness of hedges, we essentially conducted a retrospective assessment of past hedging levels. In doing so, we were able to satisfy ourselves that the estimates and assumptions made by management were substantiated and sufficiently documented.</p> <p>Conclusion</p> <p>We agree with management's evaluation.</p>

Independent Auditor's Report (Contd.)

4. Foreign Currency Exposure-Currency Swaps

Key Audit Matter	Response to KAM
<p>The company has earned a gain of Rs. 2.70 Crores from fair value (MTM Value) change in Currency Swaps which is recognized in Profit and Loss Statement. The company has liability of INR 4.48 Crores as at 31.03.19 which is measured at MTM value.</p> <p>MTM asset/(Liability) are measured at fair value as of the balance sheet date. For Currency rate Swaps, the negative Fair Values as of the Balance Sheet date amount to Rs. 4.48 Crores.</p>	<p><u>Principal Audit Procedures</u></p> <p>As a part of our audit procedures, we assessed the contractual and financial parameters and evaluated the accounting treatment, including the effects on equity and profit or loss, and the rationale behind not designating derivative as hedge. For the purpose of auditing the fair value measurement of financial instruments, we also assessed the methods of calculation employed on the basis of market data. In addition to evaluating the internal control system, we obtained bank confirmations for the derivative instruments in order to assess completeness.</p> <p>On the basis of principle of conservatism, it would had been more appropriate and rationale to designate these derivatives as hedged instruments.</p> <p><u>Conclusion</u></p> <p>The assumption applied by the company were taken into consideration and we agree with management evaluations.</p>

Information Other than the 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, Corporate Overview, Key Highlights, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis Report, Business Responsibility Report, etc., but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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

Independent Auditor's Report *(Contd.)*

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.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 annual financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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.

Independent Auditor's Report (Contd.)

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 and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts.
 - d) In our opinion, the aforesaid 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, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 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.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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

Subodh Kumar Agrawal

Partner

Membership No. : 054670

Place: Kolkata

Date: 08th May, 2019.

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)

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, 2019 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.

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 financial reporting 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 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 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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;

Annexure “A” to the Independent Auditors’ Report (Contd.)

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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

Subodh Kumar Agrawal

Partner

Membership No. : 054670

Place: Kolkata

Date: 08th May, 2019.

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)

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except for one plot of leasehold land, which is in the process of being registered since 2010-11, the gross block and net block of which amounts to Rs.15.23 lacs and Rs.12.82 lacs respectively, as on 31st March, 2019.
- ii. According to the information and explanations given to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts.
- iii. The Company has granted loans to 2 (two) companies listed in the register maintained under Section 189 of the Companies Act, 2013. In our opinion
 - a) the terms and conditions on which the loans had been granted were not, prima facie, prejudicial to the interest of the company.
 - b) the borrowers have been regular in the payment of principal and interest as stipulated
 - c) there are no overdue amounts for more than 90 days from the due date of each such loans
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 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. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- 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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues to the appropriate authorities during the year. There were

Annexure “B” to the Independent Auditors’ Report (Contd.)

no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues in arrears as at 31st March, 2019 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, 2019 on account of disputes are given below:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount	Amount Unpaid
			(₹ in Lacs)	(₹ in Lacs)
The Central Excise Act, 1994 & Service Tax (Finance Act, 1994)	1994-95	ACCE	0.87	
	2008-09 to Oct’2012	Comm. Appeals	0.07	
	2012-13 & 2014-15	Comm. Appeals	2.67	3.61
	2006-07	Tribunal	110.64	74.81
		Case to be filed before		
	2011-12 & 2012-13	CESTAT, Kolkata	9.09	8.18
	2010-11 to 2012-13	Commissioner (A) BBSR	19.03	18.32
	2011-12	CESTAT, Kolkata	4.46	3.67
	2014-15	Assistant Commissioner (CGST & Customs), Balasore	18.62	2.43
	2014-15	Assistant Commissioner (CGST & Customs), Balasore	45.76	5.97
Central Sales Tax	1993-94	Tribunal	20.26	16.26
	2004-05	DCCT	1.99	0.53
	2009-10	Comm. Appeals	19.62	17.12
	2010-11	Tribunal (Cuttack)	2.58	1.88
	2015-16	Tribunal (Cuttack)	2.17	1.15
	2016-17	DCCT, Balasore	31.85	28.66
	2017-18	Comm. Appeals	3.69	3.69
Value Added Tax Act, (Orissa)	2006-07	Comm. Appeals	0.64	0.59
	2009-10	Comm. Appeals	10.79	10.79
	2011-12	Comm. Appeals	1.98	1.78
Orissa Sales Tax	1989-90	High Court	2.01	0.79
ESIC	1996-97	ESIC Court	0.25	0.22
Entry Tax Act (West Bengal)	2013-14	High Court	89.39	81.29
	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	14.28	14.28

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to financial institutions, bankers and the government. The Company did not have any outstanding debentures during the year.
- ix. The Company did not raise any money by way of initial public offer and further public offer (including debt instrument). To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans were obtained.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

Annexure “B” to the Independent Auditors’ Report (Contd.)

- xi. According to the information and explanations given to us, the company has paid/ provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
- 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 Act 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. According to the information and explanations given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For Agrawal Subodh & Co.

Chartered Accountants

Firm’s Registration No : 319260E

Subodh Kumar Agrawal

Partner

Membership No. : 054670

Place: Kolkata

Date: 08th May, 2019.

Balance Sheet as at 31st March 2019

₹ in Crores

Particulars	Note	₹ in Crores	
		As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	1,296.95	1,281.58
Capital work-in-progress	2.2	102.90	8.74
Intangible assets	2.3	0.18	0.18
Financial assets			
Investments	2.4	43.82	56.33
Loans	2.5	6.05	2.24
Derivative assets	2.6	4.81	6.27
Others	2.7	0.45	0.25
Other non-current assets	2.8	7.39	16.87
		1,462.55	1,372.46
Current assets			
Inventories	2.9	332.06	261.06
Financial assets			
Trade receivables	2.10	208.91	221.47
Cash and cash equivalents	2.11	9.38	13.83
Bank balance other than cash and cash equivalents	2.12	0.98	2.31
Loans	2.13	0.56	0.79
Derivative assets	2.14	1.37	3.38
Others	2.15	3.14	1.45
Current tax asset (net)	2.16	1.22	-
Other current assets	2.17	90.44	87.58
		648.06	591.87
Total assets		2,110.61	1,964.33
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.18	12.10	12.10
Other equity		245.91	230.99
		258.01	243.09
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.19	894.45	961.59
Derivative liability	2.20	3.91	3.29
Other financial liabilities	2.21	6.94	4.94
Provisions	2.22	11.52	9.27
Deferred tax liabilities (net)	2.23	21.23	7.88
Deferred revenue	2.24	40.79	50.69
		978.84	1,037.66
Current liabilities			
Financial liabilities			
Borrowings	2.25	480.75	413.94
Trade payables	2.26	188.33	84.52
Derivative liability	2.27	4.58	4.26
Other financial liabilities	2.28	189.35	168.72
Other current liabilities	2.29	10.75	11.19
Current tax liability (net)	2.30	-	0.95
		873.76	683.58
Total equity and liabilities		2,110.61	1,964.33
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

Subodh Kumar Agrawal

Partner

Membership No. - 054670

Place: Kolkata

Date: 8th May, 2019

S. K. Khetan

Sr. President & CFO

G. Saraf

V.P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

Directors

Statement of Profit and Loss for the year ended 31st March 2019

₹ in Crores

Particulars	Note	Year ended	
		31st March, 2019	31st March, 2018
REVENUES			
Revenue from operation	2.31	1,528.48	1,366.37
Other income	2.32	13.55	10.90
Total income		1,542.03	1,377.27
EXPENSES			
Cost of material consumed	2.33	1,011.97	878.82
Changes in inventories of finished goods and work-in-progress	2.34	(76.03)	2.30
Power and fuel		152.74	137.35
Employee benefits expense	2.35	66.76	62.46
Finance costs	2.36	106.68	83.63
Depreciation and amortization expense		69.40	64.31
Excise Duty		-	10.29
Other expenses	2.37	144.27	114.18
Total expenses		1,475.79	1,353.34
Profit before tax		66.24	23.93
Tax expenses			
Current tax	2.38	(0.87)	-
Deferred tax		23.12	7.55
Total tax expenses		22.25	7.55
Profit for the year		43.99	16.38
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of gains/(loses) on employees defined benefit plans		(0.74)	(0.40)
Less: Income tax effect on above		0.26	0.14
Fair value changes of investment in equity shares		(12.51)	0.62
Less: Income tax effect on above		(4.28)	-
Items that will be reclassified to profit and loss			
Net fair value changes of cash flow hedges		(4.68)	0.53
Less: Income tax effect on above		1.62	(0.18)
Total other comprehensive income		(20.33)	0.71
Total comprehensive income for the year		23.66	17.09
Earning per equity share (Face value ₹ 2/- each)			
(1) Basic (in ₹)		7.27	2.71
(2) Diluted (in ₹)		7.27	2.71
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

Subodh Kumar Agrawal

Partner

Membership No. - 054670

Place: Kolkata

Date: 8th May, 2019

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P. S. Patwari

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Statement of Changes in Equity for the year ended 31st March 2019

₹ in Crores

Equity Share Capital

Particulars	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 31.03.2018	12.10	-	12.10
For the year ended 31.03.2019	12.10	-	12.10

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		Re-classifiable to profit & loss	
					FVTOCI of Equity investment	Remeasurement of defined benefit plans	Cash flow hedge reserve	
Balance on 01.04.2017	1.33	17.93	140.00	10.44	53.65	(1.38)	0.67	222.64
Profit for the year 2017-18				16.38				16.38
Other comprehensive income for the year					0.62	(0.26)	0.35	0.71
Total comprehensive income	-	-	-	16.38	0.62	(0.26)	0.35	17.09
Dividend and tax thereon				(8.74)				(8.74)
Balance on 31.03.2018	1.33	17.93	140.00	18.08	54.27	(1.64)	1.02	230.99
Profit for the year 2018-19				43.99				43.99
Other comprehensive income for the year					(16.79)	(0.48)	(3.06)	(20.33)
Total comprehensive income	-	-	-	43.99	(16.79)	(0.48)	(3.06)	23.66
Dividend and tax thereon				(8.74)				(8.74)
Balance on 31.03.2019	1.33	17.93	140.00	53.33	37.48	(2.12)	(2.04)	245.91

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

Subodh Kumar Agrawal

Partner

Membership No. - 054670

Place: Kolkata

Date: 8th May, 2019

S. K. Khetan

Sr. President & CFO

G. Saraf

V.P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

Directors

Cash Flow Statement for the year ended 31st March 2019

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cash Flow From Operating Activities :		
Profit before tax	66.24	23.93
Adjustment for :		
Depreciation and amortization expenses	69.40	64.31
Notional Foreign Exchange Loss / (Gain)	(2.10)	2.93
Fair value Loss / (Gain) on derivatives	(0.26)	(8.56)
Provision for Earned Leave & Gratuity (Net)	1.50	1.90
Finance cost	106.68	83.63
Dividend Income	(0.33)	(0.24)
Income from current investment measured at fair value through profit and loss (Profit) / Loss on disposal of property, plant and equipment	(0.20) 0.08	(1.66) 0.08
Operating profit before working capital changes :	241.01	166.32
Add: Decrease / Increase in Working Capital		
Trade receivables, loans and advances	15.25	(66.63)
Bank Balances (except cash / cash equivalent)	1.33	1.47
Inventories	(71.00)	(32.05)
Trade and other payables	101.94	7.34
Cash generated from operations	288.53	76.45
Taxes paid	(13.48)	(7.71)
Net Cash from / (used in) Operating Activities	275.05	68.74
Cash Flow From Investing Activities :		
Purchase of property, plant and equipment	(157.51)	(126.15)
Sale of property, plant and equipment	0.40	0.21
Dividend income	0.33	0.24
Income from current investment	0.20	1.66
Proceeds from maturity of long term investment	-	-
Net Cash from / (used in) investing activities	(156.58)	(124.04)
Cash Flow From Financing Activities :		
Proceeds from non-current borrowings (net)	(86.10)	62.17
Increase/(Decrease) in current borrowings	62.64	51.30
Interest and other finance cost paid	(90.72)	(65.47)
Dividend paid	(8.74)	(8.74)
Net Cash from / (used in) Financing Activities	(122.92)	39.26
Net increase in Cash & Cash Equivalents	(4.45)	(16.04)
Cash & Cash Equivalents (Opening Balance)	13.83	29.87
Cash & Cash Equivalents (Closing Balance)	9.38	13.83

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

Subodh Kumar Agrawal

Partner

Membership No. - 054670

Place: Kolkata

Date: 8th May, 2019

S. K. Khetan

Sr. President & CFO

G. Saraf

V.P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

Directors

Notes to the Financial Statements for the year ended 31st March 2019

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). 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 plants at Balasore and Kolkata locations.

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, 2019 were approved by the Board of Directors and authorised for issue on 8th May, 2019.

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 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

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

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.

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 2019 (Contd.)

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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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.

Impairment is made on the expected credit losses, which are the present value of the expected cash shortfalls over the life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised 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

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

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.

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 financial 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

Financial liabilities 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.

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.

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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

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

The Company has adopted following policy for revenue recognition in line with principles of Ind AS 115. 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 and other claims/refunds are accounted for as and when admitted.

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 fulfillment 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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

m) Expenditure:

Expenses are accounted on accrual basis.

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 term 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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

p) **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.

q) **Leases:**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit & Loss over lease term.

r) **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.

s) **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

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

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.

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, alongwith 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.

t) 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.

u) 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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

v) 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.

w) 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.

x) 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 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.1 PROPERTY, PLANT AND EQUIPMENTS (PPE)

Particulars	Gross Block as at 01.04.18	Addition	Disposal/ Adjustment	Gross Block as at 31.03.19	Accumulated Depreciation as at 01.04.18	Depreciation for the year	Disposal/ Adjustment	Accumulated Depreciation as at 31.03.19	Closing WDV as at 31.03.19	Opening WDV as at 01.04.18
Tangible Assets										
Free-hold land	7.27	0.01	-	7.28	-	-	-	-	7.28	7.27
Leasehold land	12.23	-	-	12.23	0.40	0.20	-	0.60	11.63	11.83
Factory building	160.93	6.34	0.06	167.21	11.28	5.59	0.01	16.86	150.35	149.66
Non factory building	117.86	10.94	0.11	128.69	6.15	3.53	0.01	9.67	119.02	111.71
Plant & Equipment	1,090.70	64.69	1.94	1,153.45	97.92	57.88	0.22	155.58	997.87	992.77
Office equipment	0.80	0.10	-	0.90	0.42	0.18	-	0.60	0.30	0.38
Computers	1.62	0.18	0.01	1.79	1.16	0.34	0.01	1.49	0.30	0.46
Furniture & Fittings	7.53	2.85	0.03	10.35	1.84	0.80	0.01	2.63	7.72	5.69
Vehicles	2.54	1.61	0.32	3.83	0.73	0.83	0.21	1.35	2.48	1.81
Total	1,401.48	86.72	2.47	1,485.73	119.90	69.35	0.47	188.78	1,296.95	1,281.58

2.2 CAPITAL WORK-IN-PROGRESS

Particulars	Gross Block as at 01.04.18	Addition	Disposal/ Adjustment	Gross Block as at 31.03.19	Accumulated Depreciation as at 01.04.18	Depreciation for the year	Disposal/ Adjustment	Accumulated Depreciation as at 31.03.19	Closing WDV as at 31.03.19	Opening WDV as at 01.04.18
Capital Work In Progress	8.74	117.72	23.56	102.90	-	-	-	-	102.90	8.74
Total	8.74	117.72	23.56	102.90	-	-	-	-	102.90	8.74

2.3 OTHER INTANGIBLE ASSETS

Particulars	Gross Block as at 01.04.18	Addition	Disposal/ Adjustment	Gross Block as at 31.03.19	Accumulated Depreciation as at 01.04.18	Depreciation for the year	Disposal/ Adjustment	Accumulated Depreciation as at 31.03.19	Closing WDV as at 31.03.19	Opening WDV as at 01.04.18
Computer Software	0.40	0.06	-	0.46	0.22	0.06	-	0.28	0.18	0.18
Total	0.40	0.06	-	0.46	0.22	0.06	-	0.28	0.18	0.18

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.1 PROPERTY, PLANT AND EQUIPMENTS (PPE)

Particulars	Gross Block as at 01.04.17	Addition	Disposal/ adjustment	Gross Block as at 31.03.18	Accumulated Depreciation as at 01.04.17	Depreciation for the year	Adjustment	Accumulated Depreciation as at 31.03.18	Closing WDV as at 31.03.18	Opening WDV as at 01.04.17
Tangible Assets										
Free-hold land	7.25	0.02	-	7.27	-	-	-	-	7.27	7.25
Leasehold land	12.18	0.05	-	12.23	0.20	0.20	-	0.40	11.83	11.98
Factory building	150.82	10.11	-	160.93	5.27	6.01	-	11.28	149.66	145.55
Non factory building	101.89	15.97	-	117.86	2.96	3.19	-	6.15	111.71	98.93
Plant & Equipment	996.39	94.59	0.28	1,090.70	45.14	52.79	0.01	97.92	992.77	951.25
Office equipment	0.55	0.25	-	0.80	0.20	0.22	-	0.42	0.38	0.35
Computers	1.19	0.43	-	1.62	0.66	0.50	-	1.16	0.46	0.53
Furniture & Fittings	3.62	3.92	0.01	7.53	0.98	0.86	-	1.84	5.69	2.64
Vehicles	1.50	1.08	0.04	2.54	0.28	0.47	0.02	0.73	1.81	1.22
Total	1,275.39	126.42	0.33	1,401.48	55.69	64.24	0.03	119.90	1,281.58	1,219.70

2.2 CAPITAL WORK-IN-PROGRESS

Particulars	Gross Block as at 01.04.17	Addition	Disposal/ adjustment	Gross Block as at 31.03.18	Accumulated Depreciation as at 01.04.17	Depreciation for the year	Adjustment	Accumulated Depreciation as at 31.03.18	Closing WDV as at 31.03.18	Opening WDV as at 01.04.17
Capital Work In Progress	4.79	9.31	5.36	8.74	-	-	-	-	8.74	4.79
Total	4.79	9.31	5.36	8.74	-	-	-	-	8.74	4.79

2.3 OTHER INTANGIBLE ASSETS

Particulars	Gross Block as at 01.04.17	Addition	Disposal/ adjustment	Gross Block as at 31.03.18	Accumulated Depreciation as at 01.04.17	Depreciation for the year	Adjustment	Accumulated Depreciation as at 31.03.18	Closing WDV as at 31.03.18	Opening WDV as at 01.04.17
Computer Software	0.40	-	-	0.40	0.15	0.07	-	0.22	0.18	0.25
Total	0.40	-	-	0.40	0.15	0.07	-	0.22	0.18	0.25

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.4 NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment measured at fair value through other comprehensive income		
Quoted equity shares fully paid up		
Emami Ltd: Face value ₹1/- each	37.32	49.82
	(4,66,500 nos)	(4,66,500 nos)
Emami Realty Ltd: Face value Re.2/- each (Earlier Emami Infrastructure Ltd)	0.01	0.02
	(4,66,500 nos)	(4,66,500 nos)
Aggregate amount and market value of quoted investment	37.33	49.84
Unquoted equity shares fully paid up		
Pan Emami Cosmed Ltd: Face value ₹10/- each	6.48	6.48
	(3,07,300 nos)	(3,07,300 nos)
Aggregate amount of unquoted investment	6.48	6.48
Investment carried at amortized cost		
Investment in Government securities (Lodged with government authorities)		
Investment in national saving certificates	0.01	0.01
Total	43.82	56.33

2.5 NON-CURRENT LOANS

Unsecured, considered good		
Security deposit	6.05	2.24
Total	6.05	2.24

2.6 NON-CURRENT DERIVATIVE ASSETS

Unsecured, considered good		
Interest rate swaps	4.81	6.27
Total	4.81	6.27

2.7 OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured, considered good		
Fixed deposit with banks with original maturity more than 12 months	0.45	0.25
Total	0.45	0.25

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.8 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Capital advances	0.33	6.26
Prepaid expenses	0.24	0.16
Indirect tax deposits under litigation	5.93	6.12
Deposits	0.52	4.03
Loans and advances to employees	0.37	0.30
Total	7.39	16.87

2.9 INVENTORIES

Raw materials and chemicals	162.11	174.52
Work-in-progress	58.38	26.52
Finished goods	65.58	21.41
Stores and spares	42.88	34.63
Packing materials	3.11	3.98
Total	332.06	261.06
Includes following inventories in transit		
Raw materials and chemicals - in transit	5.54	28.40
Stores and spares - in transit	1.32	0.01
	6.86	28.41

2.10 TRADE RECEIVABLES

Unsecured, considered good		
Due from others	208.91	221.47
	208.91	221.47

2.11 CASH AND CASH EQUIVALENTS

Balance with bank on current accounts	9.32	13.69
Cash in hand	0.06	0.14
	9.38	13.83

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unclaimed dividend account	0.08	0.07
Fixed deposit with scheduled banks	0.90	2.24
	0.98	2.31

2.13 CURRENT LOANS

Unsecured, considered good		
Security deposits	0.56	0.79
	0.56	0.79

2.14 CURRENT DERIVATIVE ASSETS

Unsecured, considered good		
Interest rate swap	1.37	3.38
	1.37	3.38

2.15 OTHER CURRENT FINANCIAL ASSETS

Interest receivable	0.22	0.15
Others	2.92	1.30
	3.14	1.45

2.16 CURRENT TAX ASSET (NET)

Advance income tax (net of provision)	1.22	-
	1.22	-

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.17 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Indirect tax credit	53.00	55.14
Export incentive receivable	0.88	0.48
IGST/Cess refundable	0.97	-
Advance to suppliers	30.32	28.55
Loans and advances to employees	0.62	0.59
Prepaid Expenses	3.47	1.62
Deposits	0.27	0.20
Income tax refundable	0.42	0.42
Advance to others	0.49	0.58
	90.44	87.58

2.18 EQUITY SHARE CAPITAL

Authorised		
Equity Shares of ₹ 2/- each	16.00	16.00
Number of equity shares	(80,000,000)	(80,000,000)
Preference Shares of ₹ 100/- each	61.25	61.25
Number of preference shares	(6,125,000)	(6,125,000)
	77.25	77.25
Issued, Subscribed & Paid up		
Equity Shares of ₹ 2/- each fully paid up	12.10	12.10
Number of equity shares	(60,499,050)	(60,499,050)
	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.

Shareholders holding more than 5% equity shares in the company

Name of shareholders	Number and % of holding	Number and % of holding
Diwakar Viniyog Private Limited	9469810 (15.65%)	9469810 (15.65%)
Emami Limited	7946000 (13.13%)	7946000 (13.13%)
Suntrack Commerce Private Limited	7633900 (12.62%)	7633900 (12.62%)
Bhanu Vyapaar Private Limited	6005250 (9.93%)	6005250 (9.93%)
L and T Mutual Fund Trustee Limited	4199615 (6.94%)	0 (0%)

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.19 NON-CURRENT BORROWINGS

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured loans		
Term loans from banks	768.21	827.60
8% Cumulative Redeemable Non-Convertible Preference Shares	298.72	288.42
	1,066.93	1,116.02
Less: Current maturities of non-current borrowings	172.48	154.43
	894.45	961.59

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.

Terms of repayment of non-current borrowings		
Allahabad Bank		
ECB repayable in 20 quarterly installment commencing from 01.07.2016	38.25	47.24
Exim Bank		
ECB repayable in 28 quarterly installment commencing from 03.04.2017	68.99	78.02
IDBI Bank		
ECB repayable in 24 quarterly installment commencing from 31.03.2017	55.97	66.77
Axis Bank		
ECB repayable in 20 quarterly installment commencing from 01.02.2017	82.28	89.53
Axis Bank		
ECB repayable in 20 quarterly installment commencing from 16.04.2018	63.22	64.63
Axis Bank		
FCNR(B) repayable in 21 quarterly installment commencing from 30.06.2017	50.80	71.75
State Bank of India		
FCNRB taken over by ICICI bank; repayable in 20 quarterly installments commencing in 2020-21	91.15	117.45
YES Bank		
FCNR(B) repayable in 17 in quarterly installment commencing from 30.11.2018	32.82	35.18
DCB Bank		
FCNR(B) repayable in 24 in quarterly installment commencing from 30.04.2019	47.36	50.10
IDFC Bank		
FCNR(B) repayable in 20 in quarterly installment commencing from 06.03.2019	51.23	50.74
RBL Bank		
FCNR(B) repayable in 24 quarterly installment commencing from 03.01.2017	42.34	45.26
ICICI Bank		
FCNR(B) repayable in 20 quarterly installment commencing from 30.06.2019	74.87	74.60

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
ICICI Bank		
RTL Repayable in 14 quarterly instalments. commencing from 24.12.2014	6.00	18.18
ICICI Bank		
RTL Repayable in 17 quarterly instalments commencing from 03.09.2015	9.99	18.16
IndusInd Bank		
FCNR(B) repayable in 16 quarterly installments commencing from 30.06.2019	52.97	-

Repayment/redemption terms of 8% cumulative redeemable non-convertible preference shares (CRNPS)

50,00,000 CRNPS are redeemable at a premium of ₹ 500 per share and 11,25,000 CRNPS are redeemable at a premium of ₹ 600 per share on the expiry of 12 years from the date of issue, with an option to redeem it earlier at a premium to be decided mutually between the Company and the CRNPS holders at a meeting of CRNPS holders called for this purpose.

2.20 NON-CURRENT DERIVATIVE LIABILITY

Interest rate swap	3.44	0.27
Currency swap	0.47	3.02
	3.91	3.29

2.21 OTHER NON-CURRENT FINANCIAL LIABILITIES

Retention money	0.07	0.12
Trade deposits	5.51	4.82
Other payables	1.36	-
	6.94	4.94

2.22 NON-CURRENT PROVISIONS

Provision for employee benefits		
Gratuity	8.10	6.29
Earned leave	0.82	0.38
Others	2.60	2.60
	11.52	9.27

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.23 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities		
Difference in tax base of property, plant and equipment	138.65	129.65
Fair valuation of investment	5.77	1.49
Deferred tax assets		
Unabsorbed tax depreciation	(70.63)	(80.46)
Carry forward tax losses	–	(4.29)
Deferred allowances under Income Tax Act	(3.40)	(1.53)
	70.39	44.86
MAT Credit entitlement	(49.16)	(36.98)
Net deferred tax liabilities	21.23	7.88

2.24 DEFERRED REVENUE

Import duty savings (EPCG) attributable to pending export obligation	40.79	50.69
	40.79	50.69

- 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 ₹9.90 crore (₹5.95 crore) released to statement of profit and loss on fulfillment of export obligations.

2.25 CURRENT BORROWINGS

Secured		
Loan repayable on demand from banks	244.42	113.61
Buyer's credit facilities from banks	84.04	287.30
Unsecured		
From banks	152.29	13.03
	480.75	413.94

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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.26 TRADE PAYABLES

Particulars	As at 31st March, 2019	As at 31st March, 2018
Payable to micro, small and medium enterprises	3.64	0.24
Payable to related parties	-	0.06
Payable to others	184.69	84.22
	188.33	84.52

2.27 CURRENT DERIVATIVE LIABILITY

Interest rate swap	0.57	0.10
Currency swap	4.01	4.16
	4.58	4.26

2.28 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of non current borrowings	172.48	154.43
Interest accrued but not due	5.85	7.26
Accrued employee benefits	0.20	0.05
Unclaimed dividend	0.08	0.07
Other payables	10.74	6.91
	189.35	168.72

2.29 OTHER CURRENT LIABILITIES

Advance from customers	6.45	3.61
Statutory dues	4.30	7.58
	10.75	11.19

2.30 CURRENT TAX LIABILITY (NET)

Provision for income tax (net of advance tax)	-	0.95
	-	0.95

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.31 REVENUE FROM OPERATION

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of paper and paperboard	1,519.99	1,359.80
Other operating revenues		
Scrap sales	3.78	3.10
Export incentives	3.58	1.67
Others	1.13	1.80
Total	1,528.48	1,366.37

2.32 OTHER INCOME

Dividend income	0.33	0.24
Insurance claim	1.30	0.83
Profit on Sale of current investments	0.20	1.66
Import duty saving (EPCG) attributable to export obligation met during the year	9.90	5.95
Foreign exchange fluctuation	-	1.80
Others	1.82	0.42
Total	13.55	10.90

2.33 COST OF MATERIAL CONSUMED

Pulp and waste paper	862.33	748.23
Chemicals	125.54	104.90
Packing materials	24.10	25.69
Total	1,011.97	878.82

2.34 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Inventories at the beginning of the year		
Finished goods	21.41	39.37
Work-in-progress	26.52	10.86
Total (A)	47.93	50.23
Inventories at the end of the year		
Finished goods	65.58	21.41
Work-in-progress	58.38	26.52
Total (B)	123.96	47.93
(Increase) / Decrease [A - B]	(76.03)	2.30

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.35 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and wages	56.66	53.20
Contribution to provident and other funds	4.31	4.23
Staff welfare expenses	5.79	5.03
Total	66.76	62.46

2.36 FINANCE COSTS

Interest expenses on borrowings	79.81	56.93
Effective interest on redeemable, non-convertible preference shares	16.21	15.68
Other interest expenses	1.26	0.44
Other borrowing costs	3.62	3.49
Exchange difference regarded as adjustment to borrowing cost	13.50	8.36
Less: Interest earned	(7.72)	(1.27)
Total	106.68	83.63

2.37 OTHER EXPENSES

Consumption of stores and spares	29.85	25.25
Rent	1.80	1.68
Repairs to buildings	0.83	0.49
Repairs to plant and machinery	6.70	4.37
Repairs others	2.61	2.58
Insurance	2.13	1.63
Manufacturing expenses	25.72	23.22
Freight outward	6.33	9.48
Selling expenses	16.25	16.81
Donation	2.35	0.44
Directors' sitting fee	0.15	0.11
Rates and taxes	14.35	18.63
Foreign exchange fluctuation	21.11	-
Loss on disposal of property, plant and equipment	0.08	0.08
Miscellaneous expenses	14.01	13.63
	144.27	118.40
Less: Trial run expenses (net)	-	4.22
Total	144.27	114.18

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.38 CURRENT TAX

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current income tax for the year	13.38	6.32
Less: MAT credit available	(13.38)	(6.32)
Current income tax for the previous year(s)	(0.87)	-
Total	(0.87)	-
Reconciliation of estimated income tax to income tax expense is as below:		
Profit/(loss) before tax	66.24	23.93
Enacted tax rate	34.944%	34.608%
Expected income tax expense at statutory income tax rate	23.15	8.28
a) Income exempt from tax	(0.11)	(0.08)
b) Non-deductible expenses	1.36	0.79
c) Effect of tax holiday period on deferred tax	(1.70)	(1.44)
d) Effect of change in tax rate	0.42	-
e) Reversal of earlier years' tax provision	(0.87)	-
Tax expenses reported	22.25	7.55
Current tax net of MAT credit	(0.87)	-
Deferred tax	23.12	7.55
Total tax expenses as per profit and loss statement	22.25	7.55

2.39 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 -

Sl. No.	Particulars	2018-19		2017-18	
		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	12.87	3.30	10.81	2.88
	Included in profit and loss:				
	- Current Service Cost	1.33	0.85	1.22	0.40
	- Interest Cost	0.93	0.24	0.82	0.22
	- Past Service Cost	-	-	-	-
	- Actuarial Gain/(Loss)	-	(0.35)	-	-
	Included in OCI:				
	Actuarial losses/(gains) arising from:				
	- Experience adjustments	0.38	-	1.32	(0.10)
	- Financial assumption	0.08	-	(0.77)	(0.05)
	Others				
	Benefits Paid	(1.42)	(0.23)	(0.53)	(0.05)
	Present Value of obligation as at year end	14.17	3.81	12.87	3.30
	Current Liabilities	2.03	1.17	2.94	1.02
	Non-Current Liabilities	12.14	2.64	9.93	2.28
	Total Liability	14.17	3.81	12.87	3.30

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Sl. No.	Particulars	2018-19		2017-18	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Funded	Funded	Funded	Funded
II. Change in Fair Value of Plan Assets during the year					
Plan assets at the beginning of the year	6.58	2.92	6.57	2.74	
Included in profit and loss:					
Interest Income	0.51	0.22	0.51	0.21	
Expected return on plan assets	-	0.01	-	-	
Included in OCI:					
- Actuarial Gain/(Loss) on plan assets	(0.29)	-	-	-	
Others:					
Employer's contribution	0.69	0.07	0.03	0.02	
Benefits Paid	(1.42)	(0.23)	(0.53)	(0.05)	
Plan assets at the end of the year	6.07	2.99	6.58	2.92	
Weighted Average Asset Allocations at the year end					
Equities	-	-	-	-	
Bonds	-	-	-	-	
Gilts	-	-	-	-	
Insurance Policies	100%	100%	100%	100%	
Total	100%	100%	100%	100%	
III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets					
1. Present Value of obligation as at year-end	14.17	3.81	12.87	3.30	
2. Fair Value of plan assets at year end	6.07	2.99	6.58	2.92	
3. Funded status (Surplus/(Deficit))	(8.10)	(0.82)	(6.29)	(0.38)	
Net Asset/(Liability)	(8.10)	(0.82)	(6.29)	(0.38)	
IV. Expenses recognised in the Statement of Profit and Loss					
Current Service Cost	1.33	0.85	1.22	0.40	
Interest Cost	0.93	0.24	0.82	0.22	
Past Service Cost	-	-	-	-	
Actuarial Gain/(Loss)	-	(0.35)	-	-	
Expected return on plan assets	(0.51)	(0.23)	(0.51)	(0.21)	
Total Expense	1.75	0.51	1.53	0.41	
V. Expenses recognised in the Statement of Other Comprehensive Income					
Net Actuarial (Gain)/Loss	0.46	-	0.55	(0.15)	
Expected return on plan assets excluding interest income	0.29	-	-	-	
Total Expense	0.75	-	0.55	(0.15)	
VI. Actuarial Assumptions					
Discount Rate	7.70%	7.70%	7.75%	7.75%	
Salary Escalation - First 5 Years	6.00%	6.00%	6.00%	6.00%	
Salary Escalation - After 5 Years	6.00%	6.00%	6.00%	6.00%	
Expected Rate of Return on Plan Assets	7.70%	7.70%	7.75%	7.75%	
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

VII. The best estimate contribution for the next year would be ₹ 1.93 Crores for Gratuity and ₹0.94 Crores for Leave Encashment.

VIII. Experience Adjustments

Particulars	Year ended 31.03.19		Year ended 31.03.18	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(Gain) / Loss on Plan Liabilities	0.38	-	1.32	(0.10)
% of Opening Plan Liabilities	2.95%	0.00%	12.21%	-3.47%
Gain / (Loss) on Plan Assets	(0.29)	-	-	-
% of Opening Plan Assets	-4.41%	0.00%	0.00%	0.00%

IX. Sensitivity Analysis

Gratuity	Year ended 31.03.19		Year ended 31.03.18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.92)	1.03	(0.23)	1.50
Future salary growth (1% movement)	1.05	(0.95)	1.49	(0.23)
Withdrawal Rates (1% movement)	0.08	(0.11)	0.67	0.48

Leave Encashment	Year ended 31.03.19		Year ended 31.03.18	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.08)	0.41	(0.20)	0.21
Future salary growth (1% movement)	0.41	(0.09)	0.21	(0.20)
Withdrawal Rates (1% movement)	0.17	0.11	0.02	(0.03)

X. Maturity Profile of Defined Benefit Obligations

Year	Year ended 31.03.19		Year ended 31.03.18	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Funded	Funded	Funded
1st Following Year	2.03	1.17	0.71	0.17
2nd Following Year	1.20	0.16	2.88	1.02
3rd Following Year	1.02	0.13	1.72	0.29
4th Following Year	1.20	0.12	1.73	0.23
5th Following Year	1.34	0.35	1.46	0.27
6th Following Year	1.40	0.23	1.20	0.32
7th Following Year	1.15	0.11	1.32	0.23
8th Following Year	1.93	0.30	1.23	0.22
9th Following Year	1.77	0.29	1.29	0.21
10th Following Year	1.74	0.21	1.19	0.28

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.40 CONTINGENT LIABILITIES AND COMMITMENTS

Sl. No. Particulars	As at 31st March, 2019	As at 31st March, 2018
A. CONTINGENT LIABILITIES		
Claims against the Company not acknowledged as debts (Net of Advances) :		
Sales tax matters	0.83	3.22
Entry tax matters	2.96	2.32
Excise duty, service tax and customs duty matters	1.17	0.56
Renewable Energy Purchase Obligation (RPO)	1.89	-
Withdrawal of incentive tariff of electricity by NESCO	0.42	0.42
Total	7.27	6.52

Contingent liabilities disclosed above represent possible obligations where the possibility of cash outflow to settle the obligations is remote.

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	55.54	67.20
B. COMMITMENTS		
Capital commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	10.14	5.57
Total	10.14	5.57

2.41 LEASES

The Company has entered into operating lease agreements for office space, godowns, and guest house. The total charge to statement of profit and loss for the year on account of operating lease is ₹ 2.13 crore (₹ 1.08 crore).

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

Future minimum lease payments under non-cancellable operating leases are as below:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	0.50	0.75
Later than one year but not later than five years	0.05	0.56
Later than five years	-	-
Total	0.55	1.31

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

2.42 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 (upto 13th May, 2018)

Shri P. S. Patwari, Executive Director

Shri M. B. S. Nair, Whole Time Director (upto 12th April, 2018)

Shri Ashish De, Whole time Director (with effect from 13th April, 2018)

Shri S. K. Khetan, Senior President & CFO

Shri G. Saraf, VP (Finance) & Secretary

Other Directors

Shri Manish Goenka, Non Executive Director (with effect from 14th May, 2018)

Shri J. N. Godbole, Independent Director

Shri S. Balasubramanian, Independent Director

Shri H. M. Marda, Independent Director

Shri J. K. Khetawat, Independent Director

Shri U. G. Bhat, Independent Director (upto 11th October, 2018)

Smt Richa Agarwal, Non Executive Director

Shri Shymalendu Chatterjee, Independent Director (with effect from 7th January, 2019)

b. Relatives of Key Management Personnel

Shri R. S. Agarwal

Smt. Usha Agarwal

Shri Harsh Vardhan Agarwal

Smt. Preeti Sureka

Shri Shyam Patwari

c. Enterprise where Key Management Personnel and their relatives are able to exercise significant influence

Emami Limited

Emami Cement Limited

Emami Capital Market Limited

Emami Foundation

AMRI Hospitals Limited

Oriental Sales Agencies (India) Private Limited

Suntrack Commerce (P) Ltd.

Sneha Enclave Private Limited

Sneha Gardens Private Limited

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Emami Estates Private Limited
 Bhanu Vyapaar Private Limited
 Auto Hi-Tech Private Limited
 Diwakar Viniyog Private Limited
 Pan Emami Cosmed Ltd
 TMT Viniyogan Limited
 SPB Projects & Consultancy Ltd

Disclosure of transactions between the Company and related parties

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprise described in (c) above		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Remuneration to Key Management Personnel*								
- Short Term Employment benefits	6.54	6.38	-	-	-	-	6.54	6.38
- Other Remunerations	-	-	-	-	-	-	-	-
Purchases of Goods & Services	-	-	-	-	0.46	0.37	0.46	0.37
Rent Maintainance & Other Charges Payable (Emami Limited)	-	0.00	-	0.01	0.62	0.76	0.62	0.77
Salary Paid	-	-	0.46	0.47	-	-	0.46	0.47
Reimbursement for SAP maintenance (Emami Limited)	-	-	-	-	0.47	0.60	0.47	0.60
Interest received	-	-	-	-	6.46	-	6.46	-
Dividend Received (Emami Limited)	-	-	-	-	0.33	0.24	0.33	0.24
Rent Received (Emami Limited)					0.08	-	0.08	-
Donation (Emami Foundation)					1.57	-	1.57	-
Balance as on 31st March	-	-	-	-	-	-	-	-
- Investment	-	-	-	-	0.56	0.56	0.56	0.56
- Security Deposit Given	-	-	-	-	-	-	-	-
- Creditors	-	-	-	-	-	0.06	-	0.06
- Inter Corporate Deposit	-	-	-	-	-	-	-	-
- ICD Interest receivable	-	-	-	-	-	-	-	-

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.43 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, 2019 and 31st March, 2018.

As at 31st March, 2019

(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	10.36	-	-	-	-	10.36	10.36
Trade receivables	208.91	-	-	-	-	208.91	208.91
Investments	-	43.82	-	-	-	43.82	43.82
Derivatives	-	-	0.90	5.28	-	6.18	6.18
Loans	6.61	-	-	-	-	6.61	6.61
Other financial assets	3.59	-	-	-	-	3.59	3.59
	229.47	43.82	0.90	5.28	-	279.47	279.47
Financial liabilities:							
Trade and other payables	189.69	-	-	-	-	189.69	189.69
Borrowings	1,547.68	-	-	-	-	1,547.68	1,547.68
Derivatives	-	-	4.01	4.48	-	8.49	8.49
Other financial liabilities	22.45	-	-	-	-	22.45	22.45
	1,759.82	-	4.01	4.48	-	1,768.31	1,768.31

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

As at 31st March, 2018

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	16.14	-	-	-	-	16.14	16.14
Trade receivables	221.47	-	-	-	-	221.47	221.47
Investments	-	56.33	-	-	-	56.33	56.33
Derivatives	-	-	1.56	8.09	-	9.65	9.65
Loans	3.03	-	-	-	-	3.03	3.03
Other financial assets	1.70	-	-	-	-	1.70	1.70
	242.34	56.33	1.56	8.09	-	308.32	308.32
Financial liabilities:							
Trade and other payables	84.52	-	-	-	-	84.52	84.52
Borrowings	1,529.96	-	-	-	-	1,529.96	1,529.96
Derivatives	-	-	-	7.55	-	7.55	7.55
Other financial liabilities	21.83	-	-	-	-	21.83	21.83
	1,636.31	-	-	7.55	-	1,643.86	1,643.86

2.44 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, 2019 and 31st March, 2018. 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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(₹ in crores)

Particulars	Carrying amount	Undiscounted Amount		
		Payable within 1 year	More than 1 years	Total
As at 31st March, 2019				
Non-derivative liabilities				
Trade payables	189.69	188.33	1.36	189.69
Borrowings	1,150.97	256.52	894.45	1,150.97
Borrowings-Repayable on demand	396.71	396.71		396.71
Security deposits	5.51		5.51	5.51
Others	16.94	16.87	0.07	16.94
Derivative liabilities				
Swaps	8.49	4.58	3.91	8.49
As at 31st March, 2018				
Non-derivative liabilities				
Trade payables	84.52	84.52		84.52
Borrowings	1,403.32	441.73	961.59	1,403.32
Borrowings-Repayable on demand	126.64	126.64		126.64
Security deposits	4.82	-	4.82	4.82
Others	17.01	16.89	0.12	17.01
Derivative liabilities				
Swaps	7.55	4.26	3.29	7.55

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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

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 exports 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, 2019:

(₹ in crores)

	U.S. Dollar	Euro	GBP	Total
a) Financial assets	16.59	0.31	-	16.90
b) Financial liabilities	1,215.12	24.95	-	1,240.06

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 ₹0.17 crores and ₹12.40 crores for financial assets and financial liabilities respectively for the year ended March 31, 2019.

The following table sets forth information relating to foreign currency exposure as at March 31, 2018:

(₹ in crores)

	U.S. Dollar	Euro	GBP	Total
a) Financial assets	16.88	0.58	0.25	17.72
b) Financial liabilities	1,287.56	27.70	1.45	1,316.71

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 ₹0.18 crores and ₹13.17 crores for financial assets and financial liabilities respectively for the year ended March 31, 2018.

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.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

Interest Rate Risk Exposure

Particulars	As at 31.03.2019		As at 31.03.2018	
	(₹ in Crores)	% of Total	(₹ in Crores)	% of Total
Fixed Rate Borrowings	432.97	35%	36.34	3%
Variable Rate Borrowings	815.99	65%	1,205.20	97%
Total Borrowings	1,248.96	100%	1,241.54	100%

Sensitivity on variable rate borrowings

₹ in Crores

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31.03.19	31.03.18	31.03.19	31.03.18
Interest rate increase by 0.25%	(2.04)	(3.01)	(2.04)	(3.01)
Interest rate decrease by 0.25%	2.04	3.01	2.04	3.01

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, 2019 and March 31, 2018 was ₹ 37.33 crores, ₹49.84 crores, respectively. A 10% change in equity price as at March 31, 2019 and March 31, 2018 would result in an impact of ₹3.73 crores and ₹ 4.98 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

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, 2019 and 31st March, 2018 is the carrying value of each class of financial assets.

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

2.45 CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENTS IS AS FOLLOWS

Particulars	Total Carrying Value		Total Fair Value	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Financial Assets :				
Investments in equity instruments	43.81	56.32	43.81	56.32
Loans	6.61	3.03	6.61	3.03
Trade Receivables	208.91	221.47	208.91	221.47
Cash and Cash Equivalents	9.38	13.83	9.38	13.83
Other Financial Assets	10.76	13.67	10.76	13.67
Total	279.47	308.32	279.47	308.32
Financial Liabilities :				
Borrowings	1,547.68	1,529.96	1,547.68	1,529.96
Trade & Other Payables	189.69	84.52	189.69	84.52
Other Financial Liabilities	30.94	29.38	30.94	29.38
Total	1,768.31	1,643.86	1,768.31	1,643.86

2.46 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.

Particulars	As at 31.03.2019	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets :				
Investments in equity instruments	43.81	37.33	-	6.48
Derivative financial instruments	6.18	-	6.18	-
Liabilities :				
Derivative financial instruments	8.49	-	8.49	-

Particulars	As at 31.03.2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets :				
Investments in equity instruments	56.32	49.84	-	6.48
Derivative financial instruments	9.65	-	9.65	-
Liabilities :				
Derivative financial instruments	7.55	-	7.55	-

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

2.47 Expenditure incurred on Corporate Social Responsibility activities, included in different heads of expenses in the Statement of Profit and Loss is ₹ 1.78 Crores (₹ 1.84 Crores).

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2019 is ₹0.45 Crores (₹ 0.40 Crores) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

2.48 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.

2.49 EARNINGS PER SHARE (EPS)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net Profits after tax (₹ in crore)	43.98	16.38
Number of equity shares (Nos. in crore)	6.05	6.05
Basic and diluted earnings per share (₹)	7.27	2.71
Nominal Value per share (₹)	2.00	2.00

2.50 PAYMENT TO AUDITORS

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
As auditors		
Audit fee	0.12	0.15
Tax audit fees	0.02	0.02
In other capacity		
For certification & Consultancy		
To statutory auditors	0.04	0.05
Out of pocket expenses	0.01	0.01
Total	0.19	0.22

Notes to the Financial Statements for the year ended 31st March 2019 (Contd.)

2.51 TRIAL RUN EXPENSES (NET)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cost of material consumed		
Pulp and waste paper	-	24.45
Chemicals	-	2.37
Packing materials	-	0.62
Changes in inventory of finished goods and work-in-progress	-	(11.66)
Power and fuel	-	5.01
Stores and maintenance	-	0.58
Employee benefit expenses	-	4.05
Overheads	-	1.33
Total trial run expenses	-	26.75
Realization from sale of trial production	-	22.53
Trial run expenses (net)	-	4.22

2.52 From 1st April 2018, the company has adopted IND AS 115 'Revenue from Contracts with Customers' with no material impact as the accounting policies were already in line with the new standard.

2.53 Ind AS 116 -Leases : On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases and Appendix C of Ind AS 12 "Uncertainty over Income Tax Treatment". The effective date for adoption of same is financial periods beginning on or after 1st April 2019. The Company is in the process of evaluating the effect on adoption of Ind AS 116.

2.54 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.

2.55 The Board of Directors has recommended final dividend of ₹1.20 per equity share of ₹2/-each and a final dividend of ₹8.00 per preference share of ₹100/-each subject to approval of shareholders in ensuing Annual General Meeting. Proposed dividend as above amounting to ₹12.16 crore for the year 2018-19 and dividend distribution tax thereon, has not been recognized as liability as on 31.03.2019 in terms of Indian Accounting Standard - 10 'Events After The Reporting Period' as notified by Ministry of Corporate Affairs through Companies (Accounting Standards) Amendment Rules, 2016 dated 30.03.2016.

2.56 Previous year's figures have been reclassified/ 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

Subodh Kumar Agrawal

Partner

Membership No. - 054670

Place: Kolkata

Date: 8th May, 2019

S. K. Khetan

Sr. President & CFO

G. Saraf

V.P. (Finance) & Secretary

A. V. Agarwal

Manish Goenka

P. S. Patwari

Directors



Glimpse of the 36th Annual General Meeting
held on 14th August, 2018



Glimpse of the Shree Shree Jagannath Mandir
at Emami Nagar, Balgopalpur, Balasore, Odisha



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