emami paper mills limited
regd. office : Unit No. 1, 15th floor, ACROPOLIS, 1858/1, rajdanga main road, kasba, kolkata - 700 107
phone : 91 33 6627 1301 fax : 91 33 6627 1338 e-mail : emamipaper@emamipaper.com website: www.emamipaper.in
CIN : L21019WB1981PLC034161

EPML/BSE_NSE/2020-21/
22nd September, 2020

To
The Secretary
Bombay Stock Exchange Limited
Floor 25, Phirozee Jeejeebhoy Towers
Dalal Street,
Mumbai -400001

Scrip Code: 533208

To
The Secretary
National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra (East)
Mumbai-400 061

NSE Symbol-EMAMIPAP

Dear Sir/Madam,

Sub: Approved Annual Report for the year 2019-20

We would like to inform you that the Members of the Company at the 38th Annual General Meeting held on 21st September, 2020, have considered, approved and adopted the Standalone Financial Statements of the Company comprising of Audited Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Directors' and Auditors' thereon (together with Annual Report 2020).

Please note that the copy of the Annual Report has already been uploaded to the Stock Exchanges, at the time of dispatch to the Shareholders, vide out letter dated 25th August, 2020.

We request you to kindly take the above Annual Report, 2020 on record as per Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,

For **Emami Paper Mills Limited**

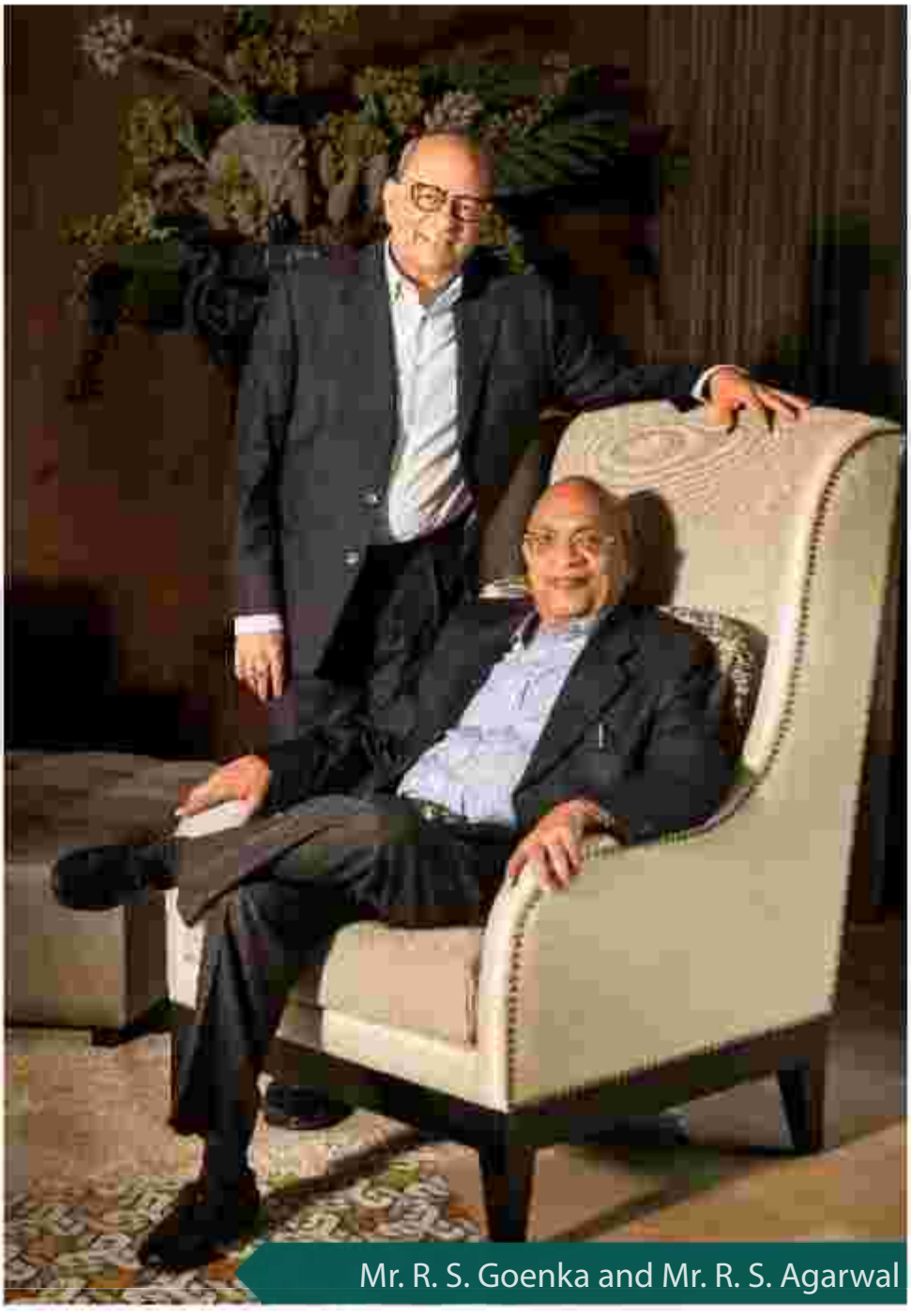
Saraf

G.Saraf
Vice President (Finance) & Secretary

Enclosed: As above

Emami Paper Mills Limited

Our source of Inspiration



Mr. R. S. Goenka and Mr. R. S. Agarwal

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Board of Directors



Mr. A. V. Agarwal
Executive Chairman

Mr. Manish Goenka
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. Shyamalendu Chatterjee
Independent Director



Mr. S. K. Khetan
Director (Operations) & CFO

Management team



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



Mr. A. A. Gupta
President



Mr. B. Agarwal
President



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



Mr. G Saraf
Vice President (Finance)
& Secretary



Mr. P. Chhajer
Vice President (Engg.)



Mr. S. Goenka
Vice President



Mr. S. Patwari
Vice President

Mr. A. K Singh
Vice President
(Production)



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

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

Mr. A. Khemka
Assistant Vice President
(Purchase)

Our founders' believe that

Success is imperative if we don't evolve to integrate the culture of collective leadership along with social bonding.

We believe in the philosophy of "Serving Society through Industry". Though still a voluntary activity, corporate social responsibility is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of our business.

We are committed to enhance education, healthcare and environment protection awareness; conduct affairs of our Company in a socially acceptable manner; understand, support & develop the communities and the cultures within which we operate; work harder to ensure safety of the people connected with the Company and the surroundings.



Promoting Education - Bench cum Desk installation at Vivekananda Shikshya Kendra, Mukhura



Promoting Education - Cots installation at Ranipatna Blind School



Promoting Education - Free Exercise Notebook Distribution



Helping Hand - Relief Material Distribution during Super Cyclone Fani


Healthcare Program - Homeopathic & Ayurvedic Camps at Mohantipada


Healthcare Program - Dermatological Check up at Balasore


Community welfare - Safe Drinking Water at Muktaswar Mahadev Temple, Mukhura


Community Welfare - Blankets Distribution


Animal welfare - Goshala


Environmental Sustainability - Plantation Activities

Corporate Information

BOARD OF DIRECTORS

Mr. A.V. Agarwal
Executive Chairman

Mr. Manish Goenka
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 & CEO

Mr. S. Balasubramanian
Independent Director

Mr. Shyamalendu Chatterjee
Independent Director

Mr. S. K. Khetan
Director (Operations) & CFO
(w.e.f. 7th November, 2019)

HEAD - STRATEGY & OPERATIONS

Mr. M. B. S. Nair

VICE PRESIDENT (FINANCE) & SECRETARY

Mr. G. Saraf

AUDITORS

M/s Agrawal 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

'ACROPOLIS'
Unit No. 1, 15th Floor,
1858/1, Rajdanga Main Road,
Kasba, Kolkata – 700 107

Phone : +91-33-6627 1301

Fax : +91-33-6627 1338

Email : gsaraf@emamipaper.com
emamipaper@emamipaper.com

Website: www.emamipaper.in



Management Discussion and Analysis

A. INDUSTRY STRUCTURE & DEVELOPMENTS

GLOBAL PAPER INDUSTRY

Global paper and paperboard industry is expected to grow with a CAGR of 1.1% to reach 482 million tons by 2030. The growth will be achieved by recovery in economy, consumer awareness for sustainable packaging and increasing environmental concerns.

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 production. India accounts for a small but growing its share in the global market. In the past few years, demand has contracted slightly due to digital media, internet and paper less communication means. However improved demand in the packaging of FMCG products, rising spend on healthcare, E-commerce and ready-to-eat foods will support paperboard segment.

Paper industry occupies a prestigious position among the various manufacturing enterprises in view of its significant contribution to the society. Role of paper in promotion of literacy & education, print media for an important source of information & knowledge and in packaging of commodities of commercial value, makes it an indispensable product. 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. The centre of paper industry is also shifting towards eco-friendlier goods and technology. Over all, the paper industry is projected to remain steady and healthy across the globe.

COVID-19 pandemic is expected to affect supply chain for few months in the current financial year as human wellbeing would be top priority but world economy is sure to rebound in the rest of the year with focus to create a strategy that maintain production capacity while safeguarding health for all.

INDIAN PAPER INDUSTRY

India holds 15th rank among paper producing countries in the world with a total installed capacity of 16 million tons. India's share in the demand of paper is further growing as the domestic demand is increasing at a steady pace with the continued growth in GDP. Indian paper industry accounts for about 3.7% of the world's production of paper. The estimated turnover of the industry is ₹ 60,000 crores (USD 8.5 billion approximately) and its contribution to the exchequer is around ₹ 4,500 crores. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly.

It is expected that the overall demand of paper and paper board will grow at a CAGR of 7% and projected to grow continuously till 2030 to reach an estimated capacity of 27 million tons. Demand for Packaging Paper and Board segment is expected to grow faster at a CAGR of 8.9%. In spite 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 and the Asian countries average of 40 kg leaving scope for big rise in demand in India.

Management Discussion and Analysis *(Contd.)*

Based on raw materials, the market has been categorised into recycled paper, wood and agro residue. The recycled paper segment is expected to dominate the market during forecast period being environment friendly owing to growing concern about the global warming, protection of forests and conservation of resources.

The demand of paper is largely driven by:

- **Education and Government:** Efforts to improve the primary and higher education under Sarva Shiksha Abhiyan by Government of India is driving the students' enrolment and continuation of education in rural and urban areas.
- **Offices**: Printing Paper usage for legal and formal documents, printing and stationery, sticky work habits favoring paper.
- **E-Commerce and technology:** Internet penetration is creating new business models and demand for industrial packaging, consumer packaging and printing and writing paper.
- **Economic Activity:** The increase in economic activity is expected to open up more avenues (Manufacturing sector, Office space) for paper demand.
- **Demographics and Lifestyle:** Increased literacy rate, telecom penetration and emerging middle class spending on books, magazines, online shopping, fast food consumption, pro-environment choices (Plastic ban)
- **Consumerism:** Higher disposable income coupled with urbanization is expected to drive new and different consumer behaviours and drive demand for paper products.

Growing manufacturing sector, requirement of better quality packaging of FMCG products marketed through organised retail and demand for the upstream market of paper products, such as tissue paper, filter paper, tea bags, light weight online coated paper and medical grade copier paper and packaging Board for all the above products as secondary packing are expected to drive the paper and paperboard market in India in coming years.

Among the application segments, the demand of paperboard and packaging is growing at fastest pace as paperboard and packaging caters to industries including FMCG, pharma, food and beverages, textiles and electric & electronic goods. The segment is also expected to dominate the market owing to factors such as urbanisation, increasing preference for ready to eat foods and requirement of better quality packaging and such products marketed through organized retail and e-commerce segments.

Industry Segmentation: Paperboard segment demand is growing at a faster pace as compared to Printing & Writing and Newsprint segments. 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:** Rising literacy rate and universalization through legislative steps like Right to Education, government measures like Sarva Shiksha Abhiyan and mid-day meal schemes, increased spending on education are the main reasons for growth in the demand of Printing and Writing Paper. Printing and Writing Paper forms 29% of domestic paper market. Demand is expected to grow at a CAGR of 4.2% and reach 6 million tons by 2021. In the Writing & Printing Paper segment, cut size paper is projected to grow at a healthy rate of 10.5% CAGR driven by the education and office stationery segments.
- **Consumer Packaging Board Sector:** Paperboard packaging is a versatile and cost efficient method to protect, preserve and transport a wide range of consumer products with 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

Management Discussion and Analysis *(Contd.)*

packaging labels, boxes, cartons and cardboard boxes. In addition, it can be customized to meet the customers' needs or product-specific needs. The attributes, like lightweight, biodegradability, recyclability, are advantages of paperboard packaging that makes it essential component for packaging. The increasing consumer consciousness regarding sustainable packaging, as well as the strict regulations imposed by various environmental protection agencies regarding the use of environment-friendly packaging products are the factors driving the market for paperboard packaging. Further, the rapid growth of online shopping and door to door delivery services has fueled the usage of paperboard packaging products.

Domestic demand for paperboard during the year was firm across end use segments. In last 5-6 years, domestic demand for consumer packaging board has increased at 8-9% CAGR to touch around 4 million tons in 2019; 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. Within Paperboards, demand for VAP grade is projected to grow at a healthy rate of around 10.5% CAGR driven by growth in FMCG, Pharma, Publishing and Food & Beverages industries 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 presently around 3 million tons and is expected to reach 3.4 million ton in 2021-22.

- **Newsprint sector**: Development of printing technology, increased demand of newspapers in vernacular regional languages, 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 2.8 million tons in 2021-22. Competition from growing imports from developed countries is a major challenge to the industry.

IMPACT OF COVID-19:

Despite relaxations allowed to paper industry from lockdown restrictions, operations of more than 70% of the industry are badly affected due to regulatory approvals of Business Continuity Plan, social distancing norms, lack of skilled labours and raw material availability, logistics and Supply chain disruptions in Q1 of the current financial year as one-time impact. Paper sales dropped substantially during lock down period due to Coronavirus pandemic as demand from education, corporates and the print media came to a naught with over 80% of the economy on a standstill. The industry is hopeful to recover the demand by second half of the current financial year but considering uncertainties in the pace of opening of the economy, only cautious approach is desirable.

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. Considering the changed and challenging scenario, the company has incorporated flexibility in paper machines to manufacture value added writing and printing paper. The company is now having flexibility to manufacture newsprint and writing & printing paper on all paper machines up to 1,60,000 tpa capacity. 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 40% of its recycle grade paperboard is exported to overseas market.

Management Discussion and Analysis *(Contd.)*

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 with best logistic companies to cater fast track delivery of its products
- Close proximity to Mahanadi Coalfields Ltd (MCL) 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, wastepaper, 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.
- Strong customer base and dealers/distributors network.
- Governments thrust for education and literacy coupled with increasing disposable income in developing economy.
- Availability of sufficient good quality ground water with the required permissions from Central Groundwater Authority as well as from Odisha State level authorities
- 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 writing & printing paper, newsprint and multilayer paperboard with self-sufficient captive power plants.
- E-commerce is growing rapidly, translating into an increased traction for packaging paperboard
- With a number of countries replacing plastic bags with paper equivalents, paper industry opportunities are growing
- Preferred supplier status amongst leading end-use customers and brands

THREATS

- Quality and cost competitive raw material
- Numerous Regional Trade scheme (RTs)/Free Trade Agreement (FTAs) and competition from imports 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 and high cost of technology

B. PERFORMANCE & OUTLOOK

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

C. RISK AND CONCERNS

Your Company identified various risks and implemented its Mitigation Plans. Risk Policy and monitored frame works 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.

D. 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

Management Discussion and Analysis *(Contd.)*

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.

E. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Performance has been detailed in the Directors' Report.

F. 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: 1394

G. 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
		2019-20	2018-19		
i)	Debtors Turnover	7.25	7.15	0.10	Due to subdued demand and slowdown in economy
ii)	Inventory Turnover	5.78	5.97	(0.19)	
iii)	Interest Coverage Ratio	2.11	2.68	(0.57)	
iv)	Current Ratio	0.69	0.74	(0.05)	
v)	Debt Equity Ratio	1.35	1.53	(0.18)	
vi)	Operating Profit Margin (%)	19.07%	20.05%	(0.98%)	
vii)	Net Profit Margin (%)	(-)0.69%	2.86%	(3.55%)	

Management Discussion and Analysis *(Contd.)*

H. 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
		2019-20	2018-19		
i)	Return on net worth	(-)2.16%	8.88%	(11.04%)	Due to subdued demand and slowdown in economy

I. 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 Eighth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2020.

FINANCIAL SUMMARY

Particulars	2019-20 ₹/Crores		2018-19 ₹/Crores	
Operational Income		**1519.14**		**1542.03**
Profit before Finance Cost, Depreciation & Taxation (PBIDT)		247.92		263.43
Less: Finance Cost & Foreign Exchange Fluctuations		152.91		127.79
Profit Before Depreciation & Tax (PBDT)		**95.01**		**135.64**
Depreciation & amortization		72.53		69.40
Profit Before Taxation		**22.48**		**66.24**
Less : Provision for Current taxation	-		13.38	
MAT Credit entitlement	-	-	(13.38)	-
Current Income Tax for the previous year	0.27			(0.87)
Provision for deferred tax	5.66	5.93		23.12
Profit after Tax before Exceptional Items		**16.55**		**43.99**
Exceptional Items				
Expansion Project Abandonment Expenditure		(27.00)		-
Profit/Loss for the year after Exceptional Items		**(10.45)**		**43.99**
Add: Surplus brought forward		53.33		18.08
Less: Effect of adopting Ind- AS 116		(0.23)		-
Balance available for appropriation		42.65		62.07
Appropriations				
Dividend on Equity Shares		7.26		7.26
Corporate Dividend Tax		1.49		1.48
Balance carried forward		33.90		53.33

Directors' Report *(Contd.)*

PERFORMANCE HIGHLIGHT

During the financial year 2019-20, the Company recorded satisfactory performance by achieving Revenue and EBITDA of ₹ 1519.14 crores and ₹ 247.92 crores as against ₹1542.03 crores and ₹ 263.43 crores respectively for 2018-19. These results were driven by higher sales volume, higher sales price realization and lower input cost in H2 of the year. However performance impacted during H1 by subdued demand, dumping of newsprint at cheap prices, economic slowdown etc. The production of all grade of paper & paperboard in H1 was 1,50,105 Mt and same was increased to 1,63,540 Mt in H2 of the current year even after lockdown from 24th March 2020. 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. Further, your Company remains confident of fortifying its market standing in the paper & paperboard segment leveraging its superior strategies, execution excellence, investments in technology and a future ready product portfolio.

OPERATIONS AND OUTLOOK

Your Company has achieved remarkable performance with all-round growth of Multi-layer Coated Board plant and recorded 1,76,757 MT board production despite 8 days shut-down due to lockdown in March 2020 as against 1,78,534 MT during 2018-19. The packaging board plant capacity increased from 1,80,000 TPA to 2,00,000 TPA during the year. Your Company's resolute focus on top end quality products, superior consumer insights, enhanced service level with better logistic arrangements, a strategy of continuous innovation, improved manufacturing efficiencies and value creation has helped to sustain leadership position in the Industry.

Considering the changed and challenging scenario, your company has incorporated flexibility in paper machines to manufacture writing & printing paper in second half of the year and produced 34,775 Mt value added writing & printing paper. The flexibility to manufacture writing and printing paper and newsprint on all paper machines have improved productivity and profitability of the company remarkably. The company developed a brand "Solitaire" for the high end writing & printing segments and has become a leading quality player and captured sizable market share in the eastern India and established its presence in other region also. However, Newsprint industry witnessed a continued depressed market scenario during the year due to higher volume of imports at cheap rates (dumping). The Director General of Trade Remedies has initiated anti-dumping investigation concerning imports of Newsprint in January 2020.

Continuing with the system of benchmarking the manufacturing processes against industry best practices, upgradation of real time quality assurance systems and induction of state-of-the-art technology for its products in writing & printing and packaging board variants were carried during the year and achieved higher levels of productivity and product excellence. These initiatives coupled with in-house design and development expertise and innovation capabilities, have further improved the speed-to-market for new launches and augmented the innovation pipeline of the writing & printing business.

The Company implemented several initiatives encompassing cost management, supply chain optimisation, smart procurement, long term coal linkages and productivity improvement through automation which helped in absorbing escalation in input costs, product development etc.

The state-of-the-art manufacturing facilities along with market leadership in value added paperboards, writing & printing paper and newsprint, world class product quality, established supply chain system strategically positions your company to further enhance its leadership status in the Indian Paperboard and Paper Industry.

GUJARAT PROJECT

Considering unfavorable market conditions, financial stress & crisis in the international market, economically viable manufacturing of paperboard at green field site is getting extremely difficult. The Company doesn't see the present business environment going to change in a short period of time and has surrendered the allotted plot at Saykha Industrial Estate, District Bharuch, Gujarat.

CORONAVIRUS UPDATE

Emami Paper Mills Limited (EPM) is closely monitoring the global outbreak of coronavirus (COVID-19), and the Company has implemented a number of measures to protect employees, communities and operations so that the supply and movement of materials as well as the services are not impacted.

Beyond basic actions like encouraging employees to intensify their personal hygiene practices and instituting significant travel restrictions, the Company is taking following steps to ensure business continuity during this challenging and unpredictable period:

Directors' Report *(Contd.)*

- Permitting for non-critical operations, employees to work from home and to conduct meetings electronically to avoid the spread of germs during face-to-face interaction
- Implementing a social-distancing program at our sites in which people are encouraged to maintain a distance of 2 meters from co-workers, contractors and others such as truck drivers transporting materials to and from our sites
- Limiting the number of outside contractors, vendors and visitors at our sites, as well as face-to-face interactions between EPM employees and outsiders
- Maintaining safety inventories that would allow us to continue production, in the event of a supply-chain interruption
- Working closely with our suppliers, vendors and customers – and identifying alternative inputs and logistics sources and routes – to minimise the risk of supply-chain disruptions

Growing fears and uncertainty surrounding the pandemic, are expected to cause a temporary slowdown in economic activity. In Paper and Paper Board business, the coronavirus pandemic will be a factor, at least for the first half of 2020-21. With the rapidly changing conditions, the impact on volumes, growth and financials cannot be reasonably estimated at this time, as the duration and scope of disruptions to industry remain largely unclear.

DIVIDEND

In view of the Covid 19 and extraordinary circumstances, your Directors have not recommended any dividend for the financial year ended 31st March, 2020.

ENVIRONMENT MANAGEMENT

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

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

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

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

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environment Management System
- OHSAS 18001:2007 - Occupational Health & Safety Management System.

Your Company has also been practicing TPM with an objective to achieve zero defect zero breakdowns, zero pollution and zero loss.

At Emami Paper, significant progress has been made in energy conservation with the installation of energy efficient equipment. Various measures and equipment installed as part of the Energy Conservation measures have been elaborated elsewhere in this report under the relevant head.

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

- Online Ambient air quality monitoring system (3 Nos.)
- Online stack emission monitoring system (3 Nos.) with remote calibration facility
- Online effluent monitoring system for final discharge water at ETP
- Online groundwater level monitoring system (2 Nos.)
- State-of-the-art effluent treatment plant (ETP) - Augmented further to meet the more stringent standards proposed by CPCB. Additional facilities 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

Directors' Report *(Contd.)*

basin, Bio-gas scrubber with flaring unit and Multi-Grade Filter (MGF) followed by chlorination.

- Air pollution control through ESP, pneumatically operated Ash conveying system wherein Ash is conveyed through pipelines, Dust Suppression System, Ash conditioner installed on Ash silos for conditioning Ash before unloading onto the trucks, Water Sprinkling System on Coal conveyors etc.
- Decanter for secondary sludge dewatering
- Rainwater harvesting through 20 Nos of recharge well

Your Company is also pleased to report that:

- 100% of fly ash is used for fly ash bricks manufacturing.
- Massive green belt development has been undertaken in and around the Company premises
- A large percentage of water from our Effluent Treatment plant is utilized for agricultural and plantation purposes, discharge to the Sapna Nala is minimized.
- The entire quantity of Primary sludge from the Effluent Treatment Plant is fired in Power Boilers as co-fuel which therefore contributes towards generating Steam and Power.
- A new Domestic Solid Waste Management system has been commissioned wherein the Organic Domestic Waste is treated through Vermicomposting and converted into Organic manure.
- During the year, a new Clari-flocculator was installed at the Board Machine which has enabled the clarified water to be reused within the Board Machine and only the excess is sent to ETP for further treatment and disposal.
- A New Sewage Treatment Plant (STP) for the residential colony has been installed and commissioned.

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

SHARE CAPITAL

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF) & UNPAID/UNCLAIMED DIVIDEND

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹66,013/- of the Company for the Financial year 31st March, 2012 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013 on 26.09.2019.

During the year 4990 Nos. equity shares have been transferred to IEPF.

The Company has transferred an amount of ₹ 1,63,024.80 towards dividend to IEPF on the shares which were already transferred to IEPF till date.

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

Financial year	Dividend ID No.	Last date of Payment of dividend	Total Amount of Dividend (in ₹)	Unclaimed Dividend as on 31.03.2020	Last date for transfer to I.E.P.F. on
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	2,02,544.40	05/09/2024
2017-18	36th	04/09/2018	7,25,98,860	1,42,267.20	09/09/2025
2018-19	37th	22/08/2019	7,25,98,860	1,34,283.60	27/08/2026
Total :			**36,29,96,580**	**8,69,733.00**	

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

Directors' Report *(Contd.)*

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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:

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

Education being one of the major thrust areas, Emami have been directed in five major areas namely Infrastructural support to local educational institutions, Scholarship Program, the 'Bal Vikas' Program, Free Distribution of exercise notebooks and Capacity Building through Community Teachers. The company is operating free Homeopathic, Ayurvedic camps, Allopathic mobile health units, specialized health camps and infrastructural developments in PHCs to provide healthcare facilities to the community. Emami has been instrumental in providing food and required medical care about 200 abandoned cattle in an exclusively made animal shelter.

Our Company is committed to environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water and soil. A number of CSR activities has been taken up for environment and sustainability like free seedling distribution to local villages & educational institutions, block plantation, roadside plantation and peripheral plantation.

Infrastructural Development & Community Welfare is the key enabling conditions in improving the quality of life of the communities. Emami has been instrumental towards the development of rural infrastructure like restoration and construction of Historical places, Temples & community centers, Installation of Tube wells & Street lights, Blankets, Cloths & cots distribution to orphanages, promoting Swachh Bharat Abhiyan, Promoting local sports etc.

Emami took up relief efforts at the ground level in the worst affected area Bramhagiri block, Puri during Super Cyclone Fani. From arranging supplies of essential materials, PVC water tanks & roofing sheets to Cooked Food, our volunteers worked at the back end to reach relief materials to the disaster hit area.

This dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities as well as across the community.

Directors' Report *(Contd.)*

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. NOCCI, HR – Best Practices Award – 2019
2. Brands of Odisha Pride of India, Corporate Excellence Award – 2020
3. International Society of Waste Management, Air and Water (ISWMAW), Icon SWM Excellence Award -2019 in the large scale category industry.
4. 19th Annual Greentech Environment Award 2019 – Winner Category

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Corporate Governance Policies guide the conduct of affairs of the Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in the governance. The Code of conduct for Senior Management and Employees of the Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes.

The Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Accounting Policies are reviewed and updated from time to time.

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

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

The Board of Directors of the Company have adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Corporate Social Responsibility Policy, Risk Management Policy, Dissemination of material events Policy, Documents preservation policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and conduct for regulating, monitoring and reporting of trading by Insiders, Code of Practices and Procedures for Fair Disclosures, Policy on Prevention of Fraud and Internal Financial Control Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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 to be held in 2022. The remuneration and other terms and conditions are fixed by the Board of Directors.

In this regard, the company has received a Certificate from the Auditors to the effect that continuation as Statutory Auditors, would be in accordance with the provision of Section 141 of the Companies Act, 2013.

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 2019-20 for both the units at Balasore, H.O. and Kolkata under section 148 of the Companies Act, 2013, at the Board Meeting held on 08th May, 2019 to audit cost accounting records as may be applicable to the Company for the financial year 2019-20 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 2020-21 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

Directors' Report *(Contd.)*

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s MKB & Associates, Company Secretary in practice for the financial year 2019-20 to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as **Annexure IV.**

Secretarial Auditors Report does not contain any qualification, reservation or adverse remark or disclaimer.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Annual secretarial Compliance Report issued by M/s MKB & Associates, Company Secretary in practice has been submitted to the Stock Exchanges.

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 ₹118 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-Compliances.

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

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

Directors' Report *(Contd.)*

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. Mr. S. K. Khetan, Senior President was re-appointed as Chief Financial Officer (CFO) of the Company being Whole Time Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013 with effect from 01st April, 2019. Further, he was appointed as a Whole Time Director designated as Director (Operations) for a period of 3 years with effect from 07th November, 2019.
2. Mr. P.S.Patwari was re-appointed as Executive Director for a period of 3 years with effect from 01st April, 2020.
3. Mr. Manish Goenka was appointed as a Whole Time Director for a period from 1st August 2020 to 14th July, 2023.

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 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 29th June,2020, 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 09th January, 2020.

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.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Business Responsibility Report of the Company for the year ended 31st March, 2020 is given in a seperate Section as Annexure - VII.

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

Directors' Report *(Contd.)*

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

A. V. Agarwal
Executive Chairman
DIN : 00149717

Place: Kolkata
Date: 29th June, 2020

Annexure to the Directors' Report

Annexure-I to the Directors' Report

Information under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020.

A. Conservation of energy:

i) **Following Energy conservation measures have been taken:**

- Cooling Tower Fan blade angles have been increased from 6^0 to 9^0 in order to increase the Air-flow. Consequently, load on the Fan increased from 65% to 95% and resulted in an increase of 2^0 C in Cooling Tower Approach temperature which in turn resulted in a net extra power generation of 115 kWh/hour.
- By conducting a Vacuum leakage test Condensers, 7 number of air leakages were identified and arrested. Meanwhile condenser was also cleaned with High pressure jet. Both these together resulted in an increase in Condenser Vacuum from (-)0.87 to (-)0.92 Ata, resulting in net extra power generation 115 kWh/hr
- The Central Centrifugal Air Compressor's operating pressure was reduced from 7.0 Kg/cm^2 to 6.0 Kg/cm^2 without affecting the operations. As a result, the running hours of GA-132 Compressor came down from 24 Hrs to 4 Hrs and a net power saving of around 2000 kWh/Day was achieved.
- The installed Condenser cooling water pump was designed for 30-meter head and 2200m^3/hr flow whereas the actual system head was only 16 meter. The Pump was retrofitted with a new impeller for generating a head of 16 meter at 2500 m^3/hr flow which resulted in a saving of 1990 kWh/day power.
- Dilution water pump of 45 KW installed at the UTM Pulper in PM-2 was replaced with 18.5KW – resulted in energy saving of 260kWh/day.
- By optimizing the Vacuum system in PM # 3, one Vacuum pump (No. 10) could be stopped without compromising on the Vacuum requirement – resulted in Power saving of 4800 kWh/ day.

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

- New energy efficient Blowers are proposed for Aeration system of effluent treatment plant which will result in achieving power saving of around 3600 kWh/ day.
- Optimization proposed for operation of fresh water reservoir pumps is expected to save around 960 kWh/ day.
- Power saving of around 960 kWh/ day is expected to be achieved by optimising the sizing of Feed pump to high density cleaner in DIP#1.
- Power saving of around 1500 kWh/ day is expected to be achieved by modifying the drive of PM#3 Hydra Nip section.

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 2019-20**

- Trials have also been taken with indigenous Felts in place of imported Felts in the Press section of PM#3. The results are satisfactory and a phased replacement is planned which is expected to result in a saving of around 40% compared to cost of using imported Felts.
- The front drum of the Winder in PM#2 was coated with Tungsten Carbide to improve friction and improve the quality of Writing

Annexure to the Directors' Report *(Contd.)*

and Printing Reels.

- Indigenous Oxidised Starch with higher Solids has been successfully introduced at the Size Press in lower GSM paper in PM#2 (in place of imported Starch) which has increased Starch pickup at the Size Press and improved the surface properties of Paper.
- During higher production rates in VAP grades especially in higher GSM between 280 to 350, in Board Machine (BM#4), throughput constraint was experienced after enhancing the overall production of the machine. This was overcome by installing the available spare pump of UTM Pulper which was able to deliver the required throughput.
- One constraint encountered for reducing the quality change duration in BM#4 was the availability of fresh water. This was overcome by utilising the Wet Broke Tower of BM#4 as a Buffer tower for storage of water and shifting a 15 bar pump to Wet Broke Tower. By doing this, the duration of cleaning activities during quality change was reduced by 3 hrs.
- The Wattage of individual IR lamps in BM#4 was increased from 3 KW to 4 KW which resulted in better drying and improved quality. Drying efficiency also increased which ultimately resulted in saving of overall Power consumption of the IR Dryers.

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

The above efforts have resulted in the following benefits;

- Improved quality of paper and paperboard with increased strength and improved printability.
- Saving in input costs.
- Reduced paper breaks on the machine.
- Reduced consumption of energy and water.
- Smoother and improved operation of the machines and production processes.

c) Future action plan

- Continue to work on improvement of yield.
- Continue to work on improvement of brightness, strength, bulk and other physical properties of paper and paperboard.
- Reduction of fresh water consumption by recycling and reuse of treated process water and treated water from effluent.
- Usage of alternative chemicals for quality optimization and cost saving.
- Continual reduction of power and steam consumption in production processes.
- 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

- Top layer and under top layer head boxes in BM#4 were replaced with latest generation head boxes. The quality of Paperboard has improved substantially after replacement of these head boxes.
- One new EOT crane of 35-ton capacity supplied by M/s Sparkline has been installed at dry-end as process crane to handle Parent Rolls for the 2nd Rewinder.
- One new vacuum pump installed at wet end of BM#4 for increasing the Vacuum and also achieving energy savings.
- One Clarifloculator was installed for treating the SFT water for reuse in process in BM#4.
- In BM#4 CCK, screw Pump Cartridge seal has been replaced with dry mechanical seal to address repeated leakage.
- Some process parameters were successfully modified in PM#3 to produce Writing & Printing Paper from purchased Pulp for the first time. This non surface-sized Paper has been well accepted in the market. Besides

Annexure to the Directors' Report *(Contd.)*

modifying the process parameters, new BHKP treatment Street with two Nos. Refiners and BCTMP Street with a Deflaker has been newly installed and commissioned in the Stock preparation of PM#3.

- A major overhaul of the PM3 Head-box was carried out by the OEM, M/s Valmet for elimination of quality defects and better control of operating parameters. M/s Valmet also supplied and replaced major spares of the Head-box. Subsequent to this overhaul, quality defects in paper have been eliminated and paper formation has been substantially improved.
- A new Sorting Plant for sorting imported Waste Paper has been installed and commissioned in DIP3. This has resulted in improvement in quality of Sorting and reduction of quality defects in paper due to incoming raw material. It has resulted in higher yield of sorted raw material.

b) Benefits derived as result of above efforts

- Overall operational efficiency of the plants has improved by adoption and absorption of state-of-the-art technologies.
- Quality of finished paper and paperboard has improved due to the adoption of newer technologies and continuous monitoring of all quality parameters.
- Break downs have reduced and life of plant and machinery has increased due to the installation of various machine health monitoring systems such as vibration probes - based on which predictive maintenance can be done instead of preventive maintenance thus also saving maintenance costs.

C. Foreign exchange earnings and outgo:

(₹/Crores)

Particulars	2019-20	2018-19
Foreign exchange earnings	147.52	72.32
Foreign exchange outgo	691.51	725.33

Annexure to the Directors' Report *(Contd.)*

Annexure II to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[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: mdpldc@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:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Paper and Paper Board	1701	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Annexure to the Directors' Report *(Contd.)*

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 (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	5657126	-	5657126	9.3508	5657126	-	5657126	9.3508	0.0000
b) Central Govt	-	-	-	-	-	-	-	-	0.0000
c) State Govt(s)	-	-	-	-	-	-	-	-	0.0000
d) Bodies Corp	39576160	-	39576160	65.4162	39576160	-	39576160	65.4162	0.0000
e) Banks / FI	-	-	-	-	-	-	-	-	0.0000
f) Any Other	-	-	-	-	-	-	-	-	0.0000
Sub-total(A)(1)	45233286	-	45233286	74.7670	45233286	-	45233286	74.7670	0.0000
2) **Foreign**									
g) NRIs-Individuals	125000	-	125000	0.2066	125000	-	125000	0.2066	0.0000
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	125000	-	125000	0.2066	125000	-	125000	0.2066	0.0000
Promoter's Shareholding A(1) + A(2)	45358286	-	45358286	74.9736	45358286	-	45358286	74.9736	0.0000
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	4199615	-	4199615	6.9416	4104279	-	4104279	6.7840	-0.1576
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	300000	-	300000	0.4959	300002	-	300002	0.4959	0.0000
Sub-total(B)(1)	4499615	-	4499615	7.4375	4404281	-	4404281	7.2799	-0.1576

Annexure to the Directors' Report *(Contd.)*

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	7220299	103000	7323299	12.1048	7274385	103000	7377385	12.1942	0.0894
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1594434	164129	1758563	2.9068	1631978	156579	1788557	2.9563	0.0495
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1477717	-	1477717	2.4425	1467717	-	1467717	2.4260	-0.0165
c) Others (Specify)									
(i) Non Resident Indians	6480	-	6480	0.0107	17625	-	17625	0.0291	0.0184
(ii) Clearing Members	6888	-	6888	0.0114	12007	-	12007	0.0198	0.0084
(iii) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(iv) Investor Education and Protection Fund Authority	68202	-	68202	0.1127	73192	-	73192	0.1210	0.0083
Sub-total(B)(2)	10374020	267129	10641149	17.5889	10476904	259579	10736483	17.7464	0.1575
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14873635	267129	15140764	25.0264	14881185	259579	15140764	25.0263	-0.0001
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60231921	267129	60499050	100.0000	60239471	259579	60499050	100.0000	0.0000

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% 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	97.8900	9469810	15.6528	0.0000	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	99.5559	7633900	12.6182	0.0000	0.0000

Annexure to the Directors' Report *(Contd.)*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% 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	
4.	BHANU VYAPAAR PRIVATE LIMITED PAN AABCB1334Q	6005250	9.9262	93.6680	6005250	9.9262	0.0000	0.0000
5.	RAVIRAJ VINIYOG PRIVATE LIMITED PAN AABCE8702H	2906000	4.8034	99.7935	2906000	4.8034	0.0000	0.0000
6.	PRABHAKAR VINIYOG PRIVATE LIMITED PAN AABCE8699P	2808000	4.6414	99.9644	2808000	4.6414	0.0000	0.0000
7.	SURAJ VINIYOG PRIVATE LIMITED PAN AAHCS9799J	2807200	4.6401	99.7435	2807200	4.6401	0.0000	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
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

Annexure to the Directors' Report *(Contd.)*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% 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	
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**	**68.3491**	**45358286**	**74.9736**	**0.0000**	**0.0000**

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

Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No.of Shares	% of total shares of Company	No. of Shares	% of Total shares of Company
At the beginning of the year	**There is no change to promoters' shareholding during the period April 1, 2019 to March 31, 2020.**			
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ Transfer/bonus/sweat equity etc.)				
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.	**L AND T MUTUAL FUND TRUSTEE LTD- L AND T BALANCED ADVANTAGE FUND PAN. AAATC4460E**				
	01-04-2019	4199615	6.9416		
	28/06/2019 - Transfer	-8489	0.0140	4191126	6.9276
	16/08/2019 - Transfer	-47	0.0001	4191079	6.9275
	13/09/2019 - Transfer	-17257	0.0285	4173822	6.8990
	20/09/2019 - Transfer	-162	0.0003	4173660	6.8987
	27/09/2019 - Transfer	-2	0.0000	4173658	6.8987
	18/10/2019 - Transfer	-555	0.0009	4173103	6.8978
	24/01/2020 - Transfer	-36642	0.0606	4136461	6.8372
	31/01/2020 - Transfer	-32182	0.0532	4104279	6.7840
	31-03-2020	4104279	6.7840	4104279	6.7840

Annexure to the Directors' Report *(Contd.)*

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
2.	**KAMNA CREDITS AND PROMOTERS PRIVATE LIMITED PAN AABCK7227R**				
	01-04-2019	402364	0.6651		
	31-03-2020	402364	0.6651	402364	0.6651
3.	**PENGUIN TRADING & AGENCIES LIMITED PAN. AABCP9346E**				
	01-04-2019	782634	1.2936		
	31-03-2020	782634	1.2936	782634	1.2936
4.	**ANAND RATHI GLOBAL FINANCE LIMITED PAN AABCR1136N**				
	01-04-2019	1710000	2.8265		
	31-03-2020	1710000	2.8265	1710000	2.8265
5.	**JMS MINING PRIVATE LIMITED * PAN AACCJ1575C**				
	01-04-2019	0	0.0000		
	30/08/2019 - Transfer	175000	0.2893	175000	0.2893
	20/09/2019 - Transfer	100000	0.1653	275000	0.4546
	08/11/2019 - Transfer	95500	0.1579	370500	0.6124
	31-03-2020	370500	0.6124	370500	0.6124
6.	**SIMPLEX INFRASTRUCTURES LIMITED # PAN AAECS0765R**				
	01-04-2019	370500	0.6124		
	23/08/2019 - Transfer	-175000	0.2893	195500	0.3231
	13/09/2019 - Transfer	-100000	0.1653	95500	0.1579
	08/11/2019 - Transfer	-95500	0.1579	0	0.0000
	31-03-2020	0	0.0000	0	0.0000
7.	**POLUS GLOBAL FUND PAN AAHCP1682K**				
	01-04-2019	300000	0.4959		
	31-03-2020	300000	0.4959	300000	0.4959
8.	**AVANT GARDE RE-ENERGY PRIVATE LIMITED PAN AAICA2417J**				
	01-04-2019	318790	0.5269		
	31-03-2020	318790	0.5269	318790	0.5269
9.	**AVEES TRADING AND FINANCE PRIVATE LIMITED PAN AAYFS5476N**				
	01-04-2019	2769999	4.5786		
	31-03-2020	2769999	4.5786	2769999	4.5786
10.	**VASUDHA RAHUL SANGHAI PAN AJMPS0138C**				
	01-04-2019	289686	0.4788		
	31-03-2020	289686	0.4788	289686	0.4788
11.	**DEVESH SANGHAI PAN ALCPS8013L**				
	01-04-2019	266000	0.4397		
	31-03-2020	266000	0.4397	266000	0.4397

Annexure to the Directors' Report *(Contd.)*

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
12.	**PRABHADEVI PAWAN KUMAR SANGHAI # PAN ALJPS1268G**				
	01-04-2019	245500	0.4058		
	31-03-2020	245500	0.4058	245500	0.4058

* Not in the list of Top 10 shareholders as on 01/04/2019 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

\# Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

(v) Shareholding of Directors & KMPs

Sl. No	For Each of the Director & 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 PAN: ADAPA0465A	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 PAN:ADXPG3598B	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 PAN:AFPPP9517B	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 PAN:ACHPG9889N	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 PAN:AADPB8034A	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 PAN:AEWPM7400E	At the beginning of the year	3950	0.0065	3950	0.0065
		05/04/2019 - Transfer	-1100	0.0018	2850	0.0047
		At the end of the year	2850	0.0047	2850	0.0047
7.	J. K. KHETAWAT PAN:AFCPK5718G	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.	S. CHATTERJEE PAN:AAIPC6471F	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

Annexure to the Directors' Report *(Contd.)*

Sl. No	For Each of the Director & 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
9.	RICHA AGARWAL PAN:AABPG0814F	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. K. KHETAN * PAN:AGCPK8747J	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.	G. SARAF ** PAN:ASGPS6321L	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

* Appointed as Whole Time Director designated as Director (Operations) with effect from 07th November 2019 and also to continue to hold the designation of Chief Financial Officer (CFO), a KMP of the Company;

** Holding the designation of Vice President (Finance) & Secretary, a KMP of the Company

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits (Trade)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1096.67	152.29	5.51	1254.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.51	-	0.34	5.85
Total (i+ii+iii)	**1102.18**	**152.29**	**5.85**	**1260.32**
Change in Indebtedness during the financial year	**(146.14)**	**(9.99)**	**0.43**	**(155.70)**
Indebtedness at the end of the financial year				
i) Principal Amount	949.59	141.68	5.92	1097.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.45	0.62	0.36	7.43
Total (i+ii+iii)	**956.04**	**142.30**	**6.28**	**1104.62**

Annexure to the Directors' Report *(Contd.)*

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
		Mr. P. S. Patwari	Mr. A. V. Agarwal *	Mr. S. K. Khetan**	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,15,96,400	1,10,30,000	36,62,400	3,62,88,800
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	50,08,050	1,05,470	6,12,714	57,26,234
	(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)	25,91,568	13,23,600	2,92,084	42,07,252
6.	Total(A)	2,91,96,018	1,24,59,070	45,67,198	4,62,22,286
7.		Ceiling as per the Act : All the above remunerations have been paid as per Schedule V of the Companies Act, 2013			

* Includes arrear amount of ₹16,01,600/- for the period of 08th November, 2018 to 31st March, 2019.

** Part of the year, appointed as Director (Operations) with effect from 07th November, 2019.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. J. N. Godbole	Mr. S. Balsubramanian	Mr. H.M. Marda	Mr. J. K. Khetawat	Mr. S. Chatterjee	Mr. Manish Goenka	Mrs. Richa Agarwal	
1.	**Independent Directors**								
	• Fee for attending board/ committee meetings	2,60,000	1,75,000	2,90,000	1,50,000	2,00,000	NIL	NIL	10,75,000
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	2,60,000	1,75,000	2,90,000	1,50,000	2,00,000	NIL	NIL	10,75,000
2.	**Other Non-Executive Directors**								
	• Fee for attending board/ committee meetings	NIL	NIL	NIL	NIL	NIL	1,70,000	1,15,000	2,85,000
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	1,70,000	1,15,000	2,85,000
	Total (B)=(1+2)	2,60,000	1,75,000	2,90,000	1,50,000	2,00,000	1,70,000	1,15,000	13,60,000
	Total Managerial Remuneration	2,60,000	1,75,000	2,90,000	1,50,000	2,00,000	1.70,000	1,15,000	13,60,000
	Overall Ceiling as per the Act	14,00,000	9,00,000	16,00,000	8,00,000	10,00,000	8,00,000	5,00,000	70,00,000

Annexure to the Directors' Report *(Contd.)*

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

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		Total
		CFO Mr. S .K. Khetan*	Company Secretary Mr. G. Saraf	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,52,506	52,94,966	1,09,47,472
	(b) Value of perquisites u/s17(2) of the Income-tax Act, 1961	5,91,082	8,27,254	14,18,336
	(c) Profits in lieu of salary under section 17(3) of 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)	4,25,749	4,31,087	8,56,836
6.	Total	66,69,337	65,53,307	1,32,22,644
7.	Ceiling as per the Act :	Not Applicable		

* Remuneration to Mr. S K Khetan w.e.f. 07th November, 2019 included under Clause VI as Whole Time Director designated as Director (Operations).

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 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

Annexure to the Directors' Report *(Contd.)*

2. Composition of CSR Committee:

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

3. Average net profit of the company for last three financial years: ₹ 4071.91 lacs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 81.44 lacs

5. Details of CSR spend for the financial year 2019-20:

a) Total amount spent for the financial year: ₹ 150.06 lacs

b) Amount unspent, if any: Nil

c) 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)	46.50	49.49	49.49	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)	23.00	19.07	19.07	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)	16.00	23.32	23.32	Direct

Annexure to the Directors' Report *(Contd.)*

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)	27.00	26.77	26.77	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)	17.00	9.79	9.79	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)	-	8.22	8.22	Direct
7	Rural Development	Development	Balasore (Odisha) & Dakshineswar (Kolkata)	20.50	13.25	13.25	Direct
8	Building CSR activities as per Rule 4(6)	Employee service	Balasore (Odisha) & Dakshineswar (Kolkata)	-	0.15	0.15	-
				150.00	**150.06**	**150.06**	-

Annexure to the Directors' Report *(Contd.)*

Annexure IV to the Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 MIILS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EMAMI PAPERS 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, 2020 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, 2020, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   b) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011

   c) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   d) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   f) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008

   g) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

Annexure to the Directors' Report *(Contd.)*

h) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

i) 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

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 and Listing Regulations.

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 the Company has got its equity shares listed on National Stock Exchange of India Limited (NSE).

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: 29th June, 2020
Place: Kolkata
UDIN: A011470B000394831

Annexure to the Directors' Report *(Contd.)*

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.

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode only and the same have been verified by us.

For **MKB & Associates**
Company Secretaries

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

Date: 29th June, 2020
Place: Kolkata
UDIN: A011470B000394831

Annexure V to the Directors' Report

Managerial Remuneration and Particulars of Employees

A) Details of every employee of the company as required under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide Notification dated 30th June, 2016 by Ministry of Corporate Affairs for the year ended 31st March, 2020:

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 2019-20:

Name	Designation	Percentage increase (%)	Ratio
Mr. A. V. Agarwal	Executive Chairman	29.84	43:1
Mr. Manish Goenka	Non-Executive, Non Independent Director	-	0.68:1
Mr. P. S. Patwari	Executive Director & CEO	5.15	116:1
Mr. S. K. Khetan*	Director (Operations) & CFO	9.55	45:1
Mr. J. Godbole	Non-Executive, Independent Director	NA	1.1:1
Mr. H. M. Marda	Non-Executive, Independent Director	NA	1.15:1
Mr. S. Balasubramanian	Non-Executive, Independent Director	NA	0.70:1
Mr. J. K. Khetawat	Non-Executive, Independent Director	NA	0.60:1
Mr. S. Chatterjee	Non-Executive, Independent Director	NA	0.80:1
Mrs. Richa Agarwal	Non-Executive, Non-Independent Director	27.78	0.46:1
Mr. G. Saraf	Vice President (Finance) & Secretary	11.10	26:1

* Mr. S. K. Khetan was working as Senior President & CFO of the Company was elevated to the position of Director (Operations) with effect from 07th November, 2019.

ii) Percentage increase in the median remuneration of employees in the financial year: 5%

iii) Number of permanent employees on the rolls of company: 1394

iv) Explanation on:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	3%
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) Rule 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 –

Annexure to the Directors' Report *(Contd.)*

a) 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

b) 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.	Mr. P. S. Patwari (65 years)	B.Com, FCA (40 years)	Executive Director & CEO	28.11.1994	NIL	2,91,96,018	Hindusthan Motors Ltd.
2.	Mr. M.B.S. Nair (69 years)	B.Sc (Che) Paper Technology from IPT Saharanpur (46 years)	Head-Strategy & Operations	16.11.1999	NIL	1,33,35,094	Sri Venkatesa Paper & Boards
3.	Mr. A.V. Agarwal* (45 years)	B.Com (22 years)	Executive Chairman	23.10.2000	NIL	**1,24,59,070	Gulmohar Paper Ltd.
4.	Mr. S. K. Khetan (55 years) ***	ACA, ACS, (31 years)	Director (Operations) & C.F.O.	11.10.1999	NIL	1,12,36,535	Titagarh Industries Ltd.
5.	Mr. Bharat Agarwal (55 years)	C.A. (26 Years)	President	11.12.2017	NIL	92,68,877	J K Paper Limited
6.	Mr. Ashish A.Gupta (57years)	B.E. (Mechanical), Chartered Engineer, Certified Energy Manager & Energy Auditor (31 Years)	President	22.01.2018	NIL	90,17,891	I.T.C. Ltd.
7.	Mr. G.Saraf (63 years)	FCS, LLB (45 years)	Vice President (Finance) & Secretary	30.03.1994	NIL	65,53,307	Polar Latex Ltd.
8.	Mr. Soumyajit Mukherjee (45 years)	P.G. in Economics (21 years)	Senior Vice President (Marketing & Sales)	15.04.2014	NIL	57,15,045	J K Paper Limited
9.	Mr. Shyam Patwari (33 years) ****	C.A. (9 Years)	Vice President	21.07.2011	NIL	51,10,893	
10.	Mr. Mukesh Agarwal (48 years)	B.Com (Hons) FCA (25 years)	AVP (Finance)	17.04.1996	NIL	50,84,945	Indian Oil Corporation

Note : Mr. P. S. Patwari, Mr. M. B. S. Nair, Mr. S.K.Khetan, Mr. Bharat Agarwal, Mr. Ashish A. Gupta, Mr. G.Saraf, Mr. Soumyajit Mukherjee, Mr. Mukesh Agarwal are not relative of any other Director, Key Managerial Personnel and Manager.

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

** Includes arrear amount of ₹16,01,600/- for the period of 08th November, 2018 to 31st March, 2019.

***Mr. S. K. Khetan was working as Senior President & CFO of the Company was elevated to the position of Director (Operations) with effect from 07th November, 2019.

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

Annexure to the Directors' Report *(Contd.)*

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, 2020:

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.	Mr. P. S. Patwari (65 years)	B.Com, FCA (40 years)	Executive Director & CEO	28.11.1994	NIL	2,91,96,018	Hindustan Motors Ltd.
2.	Mr. M.B.S. Nair (69 years)	B.Sc (Che) Paper Technology from IPT, Saharanpur (46 years)	Head (Strategy & Operations)	16.11.1999	NIL	1,33,35,094	Sri Venkatesa Paper & Boards
3.	Mr. A. V. Agarwal* (45 years)	B.Com (22 years)	Executive Chairman	23.10.2000	0.0207	**1,24,59,070	Gulmohar Paper Ltd.
4.	Mr. S. K. Khetan*** (55 years)	ACA, ACS, (31 years)	Director (Operations) & C.F.O.	11.10.1999	NIL	1,12,36,535	Titagarh Industries Ltd.

Mr. P. S. Patwari, Mr. M. B. S. Nair, Mr. S.K.Khetan, are not relative of any other Director, Key Managerial Personnel and Manager.

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

** Includes arrear amount of ₹16,01, 600/- for the period of 08th November, 2018 to 31st March, 2019.

***Mr. S. K. Khetan was working as Senior President & CFO of the Company was elevated to the position of Director (Operations) with effect from 07th November, 2019.

Annexure to the Directors' Report *(Contd.)*

Annexure VI

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 **10 (Ten)** 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 12.08.2019	No. of outside Director-ship 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	5	Yes	3	2	6
02	Mr. Manish Goenka	00363093	**Promoter,** Non-Executive	5	Yes	2	-	1
03	Mr. P. S. Patwari	00363356	**Executive** & Chief Executive Officer (CEO)	4	Yes	1	-	-
04	Mr. J. Godbole	00056830	**Independent,** Non-Executive	5	Yes	4	2	12
05	Mr. S. Balasubramanian	02849971	**Independent,** Non-Executive	4	Yes	5	1	2
06	Mr. H. M. Marda	00855466	**Independent,** Non-Executive	5	Yes	7	1	2
07	Mr. J. K. Khetawat	00920819	**Independent** Non-Executive	3	No	4	-	-
08	Mr. Shyamalendu Chatterjee	00048249	**Independent** Non-Executive	5	Yes	2	6	9
09	Mrs. Richa Agarwal	01505726	**Promoter,** Non-Executive	4	Yes	-	-	-
10	Mr. S. K. Khetan*	00358577	**Additional Director (Executive)** & Chief Financial Officer (CFO)	2	N.A.	-	-	-

* Mr. S. K. Khetan was appointed as an Additional Director (Executive) of the Company with effect from 07th November 2019 by a Resolution passed by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 07th November 2019. Further Mr. S. K. Khetan is to continue to act as CFO (Chief Financial Officer) of the Company.

Annexure to the Directors' Report *(Contd.)*

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. Agarwal	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	3	1. J K Cement Limited	Independent Director
			2. Saurashtra Cement Limited	Independent Director
			3. Kesar Terminals & Infrastructure Limited	Independent Director
5.	Mr. S. Balasubramanian	4	1. SANGHI Industries Limited	Independent Director
			2. TTK Healthcare Limited	Independent Director
			3. UCAL Fuels Systems Limited	Independent Director
			4. GVK Power & Infrastructure Limited	Independent Director
6.	Mr. H .M. Marda	1	1. Emami Realty Limited	Independent Director
7.	Mr. J. K. Khetawat	1	1. RTL Logistics Limited	Whole Time Director
8.	Mr. Shyamalendu Chatterjee	1	1. SREI Infrastructure Finance Limited	Independent Director
9.	Mrs. Richa Agarwal	0	NA	NA
10.	Mr. S. K. Khetan	0	NA	NA

C) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

During the year 5 (Five) Board Meetings were held as on 08th May 2019, 12th August 2019, 07th November 2019, 09th January 2020 and 30th March 2020.

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, 2020.

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	2850
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

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

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

Executive Directors and Senior Management provide an overview of the operations and familiarize the new Non-Executive

Annexure to the Directors' Report *(Contd.)*

Directors on matters related to the Company's value and commitments. They also introduce to the organizational structure, constitution of various committees, board procedures, risk management strategies, etc. Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management.

Directors are also informed of the various developments in the Company.

Senior management personnel of the Company make presentations to the Board Members on a periodic basis, briefing them on the operations of the Company, plans, strategy, risk involved, new initiatives, etc, and seek their opinions and suggestions on the same.

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

The details of the Familiarization Programme is available on the website: 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 09th January 2020 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 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 22 years in marketing, Corporate Planning, Business Development, Strategy formulation, and overall management.
2.	Mr. P.S.Patwari (Executive Director)	Chartered Accountant, extensive experience of 40 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 20 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.

Annexure to the Directors' Report *(Contd.)*

Sl. No	Name of the Director	Specialization
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 the 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.
8.	Mr. Shyamalendu Chatterjee (**Independent**, Non-Executive Director)	He has over 51 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.
9.	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.
10.	Mr. S. K. Khetan (**Executive** Director- designated as Director (Operations))	A Chartered Accountant and also a Member of ICSI having over 31 years of experience in the fields of Finance, Accounting, Taxation, Costing, Long Term Business Planning, Budgetary Control etc.

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.

K) CONFIRMATION FROM THE BOARD

All the Independent Directors of the Company have given their respective declaration /disclosures under Section 149(7) of the Act, and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the Independent Criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Further, the Board after taking these declaration/disclosers on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

L) OPINION OF THE BOARD

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possess requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by Companies Act, 2013 and Listing Regulations diligently.

M) RESIGNATION OF INDEPENDENT DIRECTOR - NONE

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

Annexure to the Directors' Report *(Contd.)*

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 thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

Annexure to the Directors' Report *(Contd.)*

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 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

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, Vice President (Finance) & Secretary acts as the Secretary to the Committee.

C) MEETING AND ATTENDANCE DURING THE YEAR

The 4 (four) Audit Committee meetings were held on 08th May 2019, 12th August 2019, 07th November 2019 & 09th January 2020.

The attendance of each member director at the Audit Committee Meetings held during the Financial Year 2019-20 is furnished below:

Annexure to the Directors' Report *(Contd.)*

Sl. No.	Name of Director	Designation	Audit Committee Meeting	
			Held	Attended
01.	Mr. J. Godbole	Chairman	4	4
02.	Mr. S. Balasubramanian	Member	4	3
03.	Mr. H. M. Marda	Member	4	4
04.	Mr. J. K. Khetawat	Member	4	2
05.	Mr. Shyamalendu Chatterjee	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.

In compliance with Regulation 18(1)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. J. Godbole, Chairman of the Audit Committee was present at the 37th Annual General Meeting of the Company held on 12th August 2019.

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

Annexure to the Directors' Report *(Contd.)*

C) MEETING AND ATTENDANCE DURING THE YEAR

During the year 2 (Two) meetings of the Nomination and Remuneration Committee was held on 07th November 2019 and 30th March 2020.

The attendance of each member director on the Nomination & Remuneration Committee Meeting held during the Financial Year 2019-20 is furnished below:

Sl. No.	Name of Director	Designation	Nomination & Remuneration Committee Meeting	
			Held	Attended
01.	Mr. J. Godbole	Chairman	2	2
02.	Mr. S. Balasubramanian	Member	2	1
03.	Mr. H. M Marda	Member	2	2
04.	Mr. J. K. Khetawat	Member	2	2

In compliance with Regulation 19(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. J. Godbole, Chairman of the Nomination & Remuneration Committee was present at the 37th Annual General Meeting of the Company held on 12th August 2019.

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 above mentioned 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 as assigned to him/her by the Board and the law
III.	**Ability to function as a team:** Whether the person is able to function as an effective team- member
IV.	**Initiative:** Whether the person actively takes initiative with respect to various areas
V.	**Availability and attendance:** Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay
VI.	**Commitment:** Whether the person is adequately committed to the Board and the entity
VII.	**Contribution:** Whether the person contributed effectively to the entity and in the Board meetings
VIII.	**Integrity:** Whether the person demonstrates the highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
IX.	**Independence:** Whether the person is independent of the Company and other directors and there is no conflict of Interest
X.	**Independent views and judgment:** Whether the person exercises his/ her own judgment and voices opinion freely

The Board of Directors at their Meeting held on 29th June, 2020 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.

Annexure to the Directors' Report *(Contd.)*

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 29th June, 2020.

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 9th January, 2020 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 29th June, 2020 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 that the second in command for all Key Managerial Personnel (KMPs), should be specified in the succession plan and one meeting to be arranged with some professional bodies at off-site premises for professional development.

2) The previous year's observations and actions taken:

Observations were made regarding Board Meeting at the Plant Level and Inviting Agenda from Independent Directors. Necessary actions have already been taken and compliance made.

3) Proposed actions based on current year observations:

Necessary actions will be taken in 2020-21.

Annexure to the Directors' Report *(Contd.)*

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 Director	Total Rupees
Mr. J. Godbole	2,60,000/-
Mr. S. Balasubramanian	1,75,000/-
Mr. H. M. Marda	2,90,000/-
Mr. J. K. Khetawat	1,50,000/-
Mr. Shyamalendu Chatterjee	2,00,000/-
Mr. Manish Goenka	1,70,000/-
Mrs. Richa Agarwal	1,15,000/-
Total	**13,60,000/-**

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

There was no 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 31-03-2020:

(Amount in ₹)

Name of Director	Salary & Allowances (Fixed component)*	Benefits**	Bonus	Total	Service Contract	Notice Period
Mr. A. V. Agarwal	1,10,30,000/-	14,29,070/-	-	****1,24,59,070/-	3 Years (w.e.f. 08.11.2018)	3 Months
Mr. P. S. Patwari	2,15,96,400/-	75,99,618/-	-	2,91,96,018/-	3 Years (w.e.f. 01.04. 2020)	3 Months
Mr. S. K. Khetan***	36,62,400/-	9,00,430/-	4368/-	45,67,198/-	3 Years (w.e.f. 07.11.2019)	3 Months
Total	**3,62,88,800/-**	**99,29,118/-**	**4368/-**	**4,62,22,286/-**		

Annexure to the Directors' Report *(Contd.)*

* 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, appointed as a Whole Time Director w.e.f. 07.11.2019.

**** Includes ₹ 16,01,600/- arrear for the period from 08.11.2018 to 31.03.2019

Note: i. None of the Directors were paid performance-linked incentives.

ii. Severance Fees - There are no such fees paid to any of the directors.

iii. 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 & Disclosure Requirements) Regulations 2015 (as amended from time to time):

A) TERMS OF REFERENCE

i) 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 07th November 2019.

The attendance of each member director on the Stakeholders' Grievance Committee Meeting held during the Financial Year 2019-20 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

Annexure to the Directors' Report *(Contd.)*

In compliance with Regulation 20 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. H.M. Marda, the Chairman of the Stakeholders Grievance Committee was present at the 37th Annual General Meeting of the Company held on 12th August 2019.

There was one complaint received during the year in respect of non-receipt of dividend warrant and the same was resolved.

7) CORPORATE SOCIAL RESPONSIBILITIES COMMITTEE

As per Section 135 of the Companies Act, 2013 the Committee was constituted on 21st January 2014 to monitor and review the 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 08th May 2019 and 07th November 2019.

The attendance of each member director on the Corporate Social Responsibility Committee Meeting held during the Financial Year 2019-20 is furnished below:

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

8) FINANCE COMMITTEE

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

A) COMPOSITION OF THE COMMITTEE

The Committee presently consists of the following members:

Sl. No.	Name 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

Annexure to the Directors' Report *(Contd.)*

B) MEETING AND ATTENDANCE DURING THE YEAR

During the year 1(One) meeting of the Finance Committee was held on 22nd July 2019.

The attendance of each member director of the Finance Committee Meeting held during the Financial Year 2019-20 is furnished below:

Sl. No.	Name of Director	Designation	Finance Committee Meeting	
			Held	Attended
1.	Mr. H. M. Marda	Chairman	1	1
2.	Mr. J. K. Khetawat	Member	1	1
3.	Mr. Manish Goenka	Member	1	0
4.	Mr. P. S. Patwari	Member	1	1

9) 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.

A) 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 2019-20.

10) 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 to the purpose of raising funds through the issuance of Securities.

A) 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 2019-20.

Annexure to the Directors' Report *(Contd.)*

11) GENERAL BODY MEETINGS

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

Financial Year	Venue	Date	Time
2016–17	Emami Towers, 687, Anandapur, E.M. Bypass, Kolkata – 700 107	14.08.2017	11.00 a.m.
2017-18	OZORA, 20th Floor, ACROPOLIS, 1858/1 Rajdanga Main Road Kolkata-700107	10.08.2018	11.00 a.m.
2018-19	Kolkata Centre for Creativity 777, Anandapur, EM Bypass Kolkata - 700 107	12.08.2019	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) 37th Annual General Meeting held on 12th August 2019 for the year 2018-19:

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

ii) 36th Annual General Meeting held on 10th August 2018 for the year 2017-18:

1) Appointment of Mr. H . M. Marda (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 (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 (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 (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 (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 Mr. Aditya Vardhan Agarwal, (DIN. 00149717) as Whole-Time Director designated as Executive Chairman for a period of 3 (three) years (approx.)with effect from 8th November 2018 to 31st October 2021;

7) Appointment of Mr. Ashish De, (DIN. 08109683) as a Whole Time Director of the Company for a period of 3 (three) years (approx.), with effect from 13th April 2018 to 31st March 2021.

iii) 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.

C) i) WHETHER SPECIAL RESOLUTIONS PASSED LAST YEAR THROUGH POSTAL BALLOT : NONE

ii) WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:

NO.

12) MEANS OF COMMUNICATIONS

A) Quarterly results:

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

Annexure to the Directors' Report *(Contd.)*

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/Aajkal/Khabar 365 Din (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.

13) GENERAL SHAREHOLDER INFORMATION

A) **38th Annual General Meeting:**

Date: 21st September, 2020
Time: 11.00 a.m.
Venue: Over Video Conferencing/ other Visual Audio means

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 June

C) Dividend :

In view of the Covid 19 and extraordinary circumstances, the Board of Directors have not recommended any dividend for the financial year ended 31st March, 2020.

D) Listing of Equity Shares on the Stock Exchange:

The Company had applied for the listing of its existing Equity shares with the National Stock Exchange of India Limited(NSE) and the approval for the listing was granted by the Stock Exchange on 30th May 2019.

The Company's shares are also listed on Bombay Stock Exchange Limited (BSE).

The Address of Bombay Stock Exchange Limited (BSE) is as follows:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

The Address of National Stock Exchange of India Limited (NSE) is as follows:

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

The relevant Listing Fees for the year 2019-20 was paid.

Annexure to the Directors' Report *(Contd.)*

E) Stock Code:

The Bombay Stock Exchange Limited(BSE) - 533208

The National Stock Exchange of India Limited(NSE) - EMAMIPAP

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

F) Market Price Data:

Market Price Data: High/Low in each month in the Financial Year 2019-20:

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

BSE

Month	High Price (₹)	Low Price (₹)
April 2019	177.70	150.00
May 2019	171.00	145.05
June 2019	168.00	90.00
July 2019	107.00	61.55
August 2019	96.00	64.70
September 2019	102.00	70.00
October 2019	106.20	71.00
November 2019	76.85	67.05
December 2019	80.00	66.65
January 2020	157.95	66.90
February 2020	123.95	84.00
March 2020	87.00	48.50

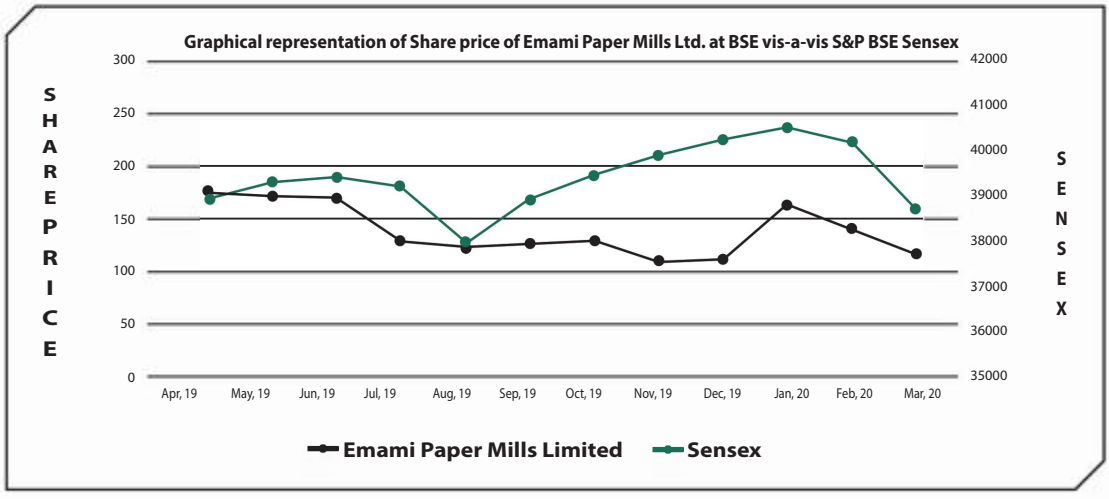
Market Price Data on the National Stock Exchange of India Limited (NSE), Mumbai is given hereunder:

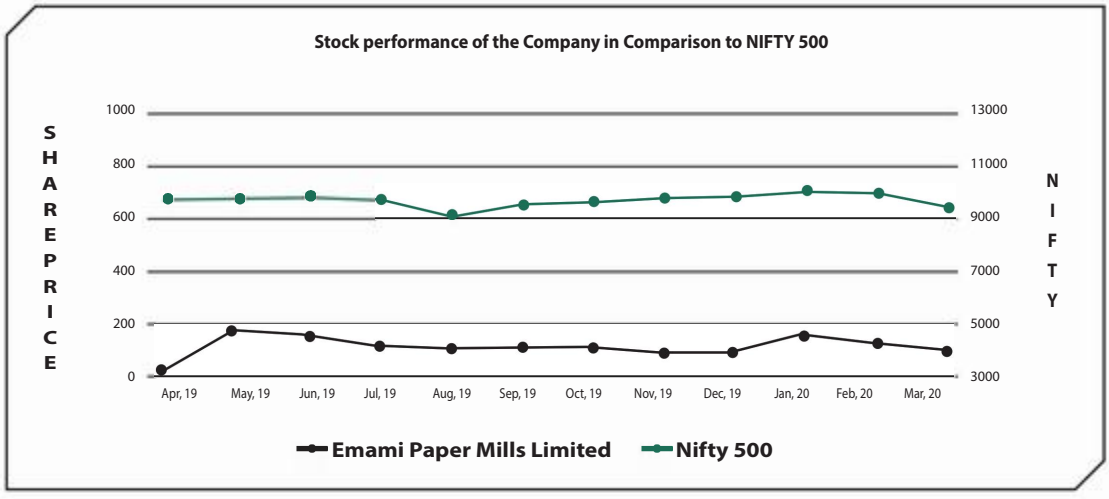
NSE

Month	High Price (₹)	Low Price (₹)
April 2019	--	--
May 2019	172.95	140.00
June 2019	157.45	86.65
July 2019	108.00	61.35
August 2019	95.00	64.65
September 2019	102.40	67.10
October 2019	100.70	73.05
November 2019	78.00	66.00
December 2019	77.55	65.20
January 2020	154.60	70.50
February 2020	123.70	83.25
March 2020	88.00	48.10

Annexure to the Directors' Report *(Contd.)*

G) Performance in Comparison to Broad-Based indices – BSE & NSE





Annexure to the Directors' Report *(Contd.)*

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

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

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

J) Share Transfer System:

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

K) Distribution of Shareholding as on 31.03.2020 (Equity):

I) Shareholding Pattern as on 31.03.2020:

Category	Number of shares held	% of Shareholding
A. Promoters' holding		
1. Promoters		
a. Indian promoters		
- Individuals	5657126	9.35
- Corporate	39576160	65.42
- Foreign Promoters	125000	0.20
Sub-total	**45358286**	**74.97**
B. Non-promoters' holding		
1. Institutional investors		
a. Mutual Funds and UTI	4104279	6.78
b. Banks, financial institutions and Insurance companies	-	-
c. Central Govt./State Govt.	-	-
d. Foreign Institutional Investors	300002	0.50
Sub-total	**4404281**	**7.28**
2. Others		
a. Private corporate bodies	7377385	12.20
b. Indian public	3256274	5.38
c. NRI / OCBs	17625	0.03
d. NBFCs registered with RBI	-	-
e. Others (Clearing Member)	12007	0.02
f. Others (Investors Education & Protection Fund)	73192	0.12
Sub-total	**10736483**	**17.75**
Grand-total	**60499050**	**100.00**

Annexure to the Directors' Report *(Contd.)*

II) Distribution of Shareholding according to Nominal Value as on 31.03.2020:

Category	No. of Shareholders	Number of Shares held	% of Shareholding
1 – 50	1799	30323	0.0501
51 – 100	640	57027	0.0943
101- 150	178	23682	0.0391
151 – 250	366	75781	0.1253
251 – 500	391	156143	0.2581
501 – 5000	421	655395	1.0833
5001 and above	138	59500699	98.3498
Total	**3933**	**60499050**	**100.0000**

L) Dematerialization of Shares

99.57 percent of the Company's Paid-up Equity Share Capital is held in dematerialized form, out of which 89.56 percent are held with National Securities Depository Limited (NSDL) and 10.01 percent are held with Central Depository Services Limited(CDSL) as on 31st March 2020.

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

Annexure to the Directors' Report *(Contd.)*

14) 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

As per requirement of Regulation 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance Report for 1st Quarter ended 30th June, 2019 was submitted well within time i.e. on 13th July, 2019 against due date of 15th July, 2019 which was acknowledged by NSE system in NSE NEAPS portal. NSE alleged for Late filing and the Company submitted its clarification with reference to the Notice vide Letter No.EPM/CS/2019-20 dated 5th August, 2019 of NSE. The penalty imposed by NSE was paid under protest.

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

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 Directors(s) or employee(s) or any other person who avails the mechanism and also provide for direct access to the Chairperson of the Audit Committee inappropriate of exceptional cases.

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

The final decision would be taken by the Chairman of the Audit Committee in consultation with the Management. This Policy would help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organization or for those affected by its functions.

The policy is available 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 Company had adopted a Related Party Transaction Policy which was further amended by the Audit Committee and the Board of Directors at their respective meetings held on 09th January 2020 and is available on the website of the Company: http://www.emamipaper.in.

F) Commodity Price Risk and Commodity hedging activities

Regularly Monitored

Annexure to the Directors' Report *(Contd.)*

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 2020.

H) Certificate form 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 2020 :

Sl. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid (Amount in ₹)
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	84,000
4.	Reimbursement of expenses	53,422
	Total	**15,62,422**

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

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

Sl. No.	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 Complainants pending as on the end of the financial year	NA

Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Company has not received any complaints during the year.

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

16) Details of compliance with mandatory requirements and adoption of Discretionary Requirements

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

i) Board: The Company has an Executive Chairperson.

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

Annexure to the Directors' Report *(Contd.)*

17) 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	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to a subsidiary of the listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements :	
	i) Corporate Social Responsibilities Committee.	Yes
	ii) Finance Committee.	NA
	iii) Project Management Committee.	NA
	iv) Fund Raising Committee.	NA
46(2)(b) to (i)	Website	Yes

18) 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.

19) SUBSIDIARY

The Company does not have any subsidiary Company.

20) 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 & Discloser Requirements) Regulations 2015, a Compliance Certificate is also annexed to this Report signed by the CEO 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.

Weblink of Code of Conduct at the website of the Company at **http://www.emamipaper.in**

21) 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.

22) DISCLOSURE WITH RESPECT TO THE UNCLAIMED DIVIDENDS

The unclaimed dividend for the year prior to and including the financial year, 2011-12 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.

Annexure to the Directors' Report *(Contd.)*

Shareholders who have not encashed their dividend warrants to the financial year(s) up to and including 2011-12 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 under noted years, if remaining unclaimed for 7 years, will be statutorily transferred by the Company to Investor Education and Protection Fund (I.E.P.F.). 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 2012-13 is due for transfer to IEPF on 16/09/2020.

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

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

23) 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 it's 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).

73,192 shares of the Company are lying in the IEPF Account of Central Government maintained with National Securities Depository Limited (NSDL) as on 31st March,2020.

As on 31st March,2020, the total amount of Unclaimed/Unpaid Dividend transferred to the IEPF suspense Account had a balance of ₹ 6,35,183.30.

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

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

24) 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

25) 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.

Annexure to the Directors' Report *(Contd.)*

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

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

26) 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

27) 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

28) 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.

29) 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 2020 has been completed and Secretarial Audit for the year forms part of this Annual Report.

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

Mr. P.S.Patwari was re-appointed as Executive Director of the Company for a period of 3 years with effect from 1st April,2020 , subject to the approval of the Members at the ensuing General Meeting.

Mr. Manish Goenka will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Further he has been appointed as Whole Time Director of the Company for a period from 1st August, 2020 to 14th July, 2023 subject to the approval of the members at the ensuing General Meeting.

Mr. S.K.Khetan was appointed as an Additional Director and also as a Whole Time Director, designated as Director (Operations) for a period of 3 years with effect from 07th November 2019, subject to the approval of the Members at the ensuing General Meeting.

Annexure to the Directors' Report *(Contd.)*

The information pertaining to the Directors are as follows:

Name of Director	Mr. P. S. Patwari	Mr. Manish Goenka	Mr. S. K. Khetan
Age	About 65 years	About 46 years	About 55 years
Date of Appointment	28.11.1994	01.02.2000	07.11.2019
Expertise in Specific Functional areas	Extensive experience in the area of Finance, Accounting, Corporate Planning, Business Development, Strategy formulations, and overall management.	He is an Industrialist with extensive business experience, expertise in Marketing, Corporate Planning, Business Development, Strategy Formulation, and Overall Management.	A Chartered Accountant and also a Member of ICSI having over 31 years of experience in the fields of Finance, Accounting, Taxation, Costing, Long Term Business Planning, Budgetary Control, etc.
Qualification	B.Com., F.C.A.	M.B.A.	B.Com., F.C.A, ACS
Chairman/Director of other Companies.	1. Barbrik Barter Private Limited 2. Biswanath Barter Private Limited 3. Bengal Emami Housing Limited 4. Prakash Mercantile Private Limited 5. Emami Centre for Creativity Private Limited	1. Bhanu Vyapaar Private Limited 2. Emami Cement Limited 3. Prestige Vyapaar Private Limited 4. Emami Group of Companies Pvt Ltd.	1. Sunlight Biotech Private Limited 2. Kamuthi Agriculture Private Limited 3. Skyview Sales Private Limited 4. NOCCI Balasore Infrastructure Company
Membership/ Chairmanship in other Board/ Committee	NIL	Emami Cement- Whole Time Director (Executive Chairman) Member : Stakeholders Relationship Committee	NIL
Equity Shares held in the Company	NIL	87,000	NIL
Number of Meetings of the Board attended during the year	4	5	2
The relationship amongst Directors inter-se	Not Applicable	Not Applicable	Not Applicable

31) 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

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

Place: Kolkata
Date: 29th June, 2020

Annexure to the Directors' Report *(Contd.)*

Report on Corporate Governance

To
The Members of

EMAMI PAPER MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by Emami Paper Mills Limited for the year ended on 31st March, 2020 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, 2020.

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

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

Subodh Kumar Agrawal
Partner
Membership No. : 054670
UDIN : 20054670AAAAAG7077

Place: Kolkata
Date: 29th June, 2020.

Annexure to the Directors' Report *(Contd.)*

Annexure VII to the Directors' Report

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate identification number	L21019WB1981PLC034161
2	Name of the Company	EMAMI PAPER MILLS LIMITED
3	Registered address	ACROPOLIS, Unit 1, 15th Floor, 1858/1, Rajdanga Main Road, Kolkata-700107 Phone: (033) 66271301, Fax: (033) 66271338.
4	Website	www.emamipaper.in
5	Email address	emamipaper@emamipaper.com
6	Financial year reported	2019-20
7	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Manufacture of Paper and Paperboard (Industrial code – 1701)
8	Three key products/services manufatured/ provided by the Company	Multi-layer Paperboard, Writing and printing paper, Newsprint.
9	Total number of locations where business activity is undertaken by the Company	No. of International Location: Nil No. of National Location: 2 Balasore, Odisha, India Kolkata, West Bengal, India
10	Markets served by the Company	National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	INR 12.10 crores
2	Total turnover	INR 1515.32 crores
3	Total profit after tax	INR 10.45 crores (Loss)
4	Total spending on CSR as percentage of profit after tax	INR 150.06 lacs i.e. 3.68% of last 3 years average net profit.
5	List of the activities in which expenditure in 4 above has been incurred	Eradication of hunger & health care Promoting education Gender equality & Women empowerment Environment Protection of Historical importance and national heritage

SECTION C: OTHER INFORMATION

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

Annexure to the Directors' Report *(Contd.)*

SECTION D: BR INFORMATION

1. Details of Director's responsible for BR

a) Details of the Director/s responsible for implementation of BR policies

1	DIN number	00358577
2	Name	Mr. S.K.Khetan
3	Designation	Director (Operations) & CFO.

b) Details of BR head:

1	DIN number	00358577
2	Name	Mr. S.K.Khetan
3	Designation	Director (Operations) & CFO.
4	Contact number	0678-2275726
5	Email	skkhetan@emamipaper.com

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

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

These briefly are as follows:

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

Annexure to the Directors' Report *(Contd.)*

(a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	Most of the policies are aligned to various standards like: ISO 9001 (Quality management system), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health & Safety Management System).								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?	Yes, the applicable policies have been approved by the Board/ Management and signed by the concerned authorized persons.								
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Policies are reviewed by various committees of the Board/Management from time to time.								
6	Indicate the link for the policy to be viewed online?	Policies hosted on Company's website http://www.emamipaper.in/compliances.php								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are available on the company's website www.emamipaper.in								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The policies and its implementation are regularly evaluated/audited by independent internal and Statutory Auditors of the company.								

(b) If answer to S.No.2a against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Annexure to the Directors' Report *(Contd.)*

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company – Within 3 months, 3-6 months, Annually, More than 1 year.

The BR Performance of the company is assessed on a need basis and in accordance with statutory requirements.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the company's first foray into publishing the Business Responsibility Report for the year under review. Requirement of publishing BR Report arises upon issue of SEBI Notification No. SEBI/LAD-NRO/GN/2019/45 dated 26.12.2019; and accordingly the company has published its BR Report in its Annual Report for 2019-20, which can be accessed online at: http://www.emamipaper.in/downloads/epml-ar-2019-20.pdf .

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the company has policies to address ethics, bribery and corruption related matters. The company encourages its business partners to adopt and follow equivalent policies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Stakeholders	Complaints Received during F.Y.2019-20	Complaints Resolved during F.Y.2019-20	Complaints Resolved (%)
Investors' Complaints	1	1	100%

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a) Newsprint from deinked pulp
b) Writing and printing paper from FSC certified wood pulp
c) Paperboard from FSC certified wood pulp.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

i) Raw Material: The Company uses recycled fiber (waste paper) and various grades of imported virgin fiber as raw material. By optimizing mix of different types and grades of fiber and by using filler materials as substitute to fiber, the company has reduced consumption of virgin fiber in production of paper and paperboard.

ii) Water: The Company has taken multiple initiatives to reduce water consumption, including re-use of waste water after tertiary treatment. As a result, water consumption per ton of paper and paperboard production has been reduced.

Annexure to the Directors' Report *(Contd.)*

iii) **Energy:** The Company has taken several initiatives to reduce consumption of power and steam per ton of paper and paperboard produced. The company has three coal fired boilers and three turbo-generators, which are run in an inter-connected manner to ensure optimum and efficient use of coal as well as high pressure steam. All three captive power plants are co-generation based, which ensures optimum use of input fuel and provide better efficiency of conversion of heat energy into steam and electricity.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company manufactures and supplies paper and paperboard on B2B basis. Customers of the company perform further processing to paper and paperboard in the form of cutting, printing, laminating, etc. Consumption of electricity and water by those consumers largely depends on the nature of processing done by its consumers and equipment used by them. It is not feasible for the company to identify and measure the reduction of resource usage by its consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

Major source of company's raw material is waste paper, which is environment friendly. The company uses FSC certified imported wood pulp to ensure replenishment of forest and greenery depleted on account of harvesting of trees required to manufacture pulp.

The Company encourages local sourcing of required quality of inputs to the extent of locally available and while selecting suppliers, the company ensures that the selected partners opt for resources that are sustainable.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company always prefers to source goods and services from local suppliers with an objective of Vendor Development within the vicinity of plant. The objective also assures timely supply, besides the cost advantage in all these sourcing, improving socio-economic conditions of local area including increase in employment and better distribution of wealth.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

The Company believes that wastes created in operations are potential resources for various other activities. Hence, it has strategically shifted its focus towards harnessing this potential resource to put it to the best use within the operations by optimizing existing processes. This has furthered the commitment towards reducing environmental impact of business activities by minimization of waste generation.

Also, 100% of the fly ash generated in coal fired boiler of the company is consumed by local brick manufactures.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate the total number of employees - **1,394**

2. Please indicate the total number of employees hired on temporary/contractual/casual basis - **2,200**

3. Please indicate the number of permanent women employees - **19**

4. Please indicate the number of permanent employees with disabilities - **Nil**

5. Do you have an employee association that is recognised by management? - **Yes.**

Annexure to the Directors' Report *(Contd.)*

6. What percentage of your permanent employees is members of this recognised employee association?

Most of the permanent workers are member of one union or others.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No such complaints pertaining to child labour, forced labour, involuntary labour, sexual harassment were reported in the current financial year.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	NIL	NIL
Sexual harassment	NIL	NIL
Discriminatory Employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a)	Permanent Employees
b)	Permanent Women Employees
c)	Casual/Temporary/Contractual Employees
d)	Employees with Disabilities

Almost all the employees join the Company's Safety and Skill Upgradation programmes and are conscious about its utility and benefits.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stake-holders. The key stake-holders of the Company includes its customers, Regulatory Authorities including Government, Employees, Vendors, Contractors, Bankers and Shareholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes. Underprivileged communities around the Company's business locations are identified as disadvantaged, vulnerable and marginalized stakeholders. The needs and priorities of such stakeholders are identified by the company. The company continuously engages with all such stakeholders to serve their needs accordingly.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

The Company has initiated and implemented a number of CSR programs for improving the life of under privileged people around the company's business locations for Community living, Education, Health, Skill Development, Rural Development, Environmental Sustainability, Women Empowerment, Promotion of Sports, Art & Culture etc.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. The Company also encourages its Vendors/Contractors to follow human rights policy.

Annexure to the Directors' Report *(Contd.)*

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received by the company on human rights violations.

Principle 6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others.

The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The policy covers the company & its employees. The Company encourages its contractors, suppliers and other business partners to employ environment friendly measures in their day to day operations.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimization, effluent reduction, water conservation. These initiatives includes ground water recharging, recyling of process water, promoting fly ash brick plants ensuring 100% consumption of fly ash, use of effluent water treated through state-of-the art ETP for cultivation, green belt development in and around the company premises, etc. Most importantly, the company uses waste paper as its primary source of raw material; thus producing eco-friendly paper.

3. Does the company identify and assess potential environment risks? Y/N

Yes, the Company identifies and assesses potential environmental risks and takes all necessary steps to eliminate the same.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company is self-reliant in electrical energy and steam requirement through its high efficiency co-generation captive power plants. Cogeneration is a generation mechanism, which simultaneously produces two or more forms of useful energy such as electric power and steam. Cogeneration, due to its ability to utilize the available energy in more than one form, uses significantly lesser fuel input than what would be needed to produce them separately. By achieving higher efficiency, cogeneration makes a significant contribution in energy conservation and in reduction of greenhouse gas emissions.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

In the reporting period, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the reporting period, there were zero non-compliances with environmental laws and/or regulations and the company did not receive any show cause / legal notices from SPCB / CPCB.

Annexure to the Directors' Report *(Contd.)*

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:**

   The Company is member of the following associations:

   - IPMA – Indian Paper Manufacturers Association
   - INMA – Indian Newsprint Manufacturers Association
   - FIEO – Federation of Indian Export Organisations
   - CII – Confederation of Indian Industry
   - NOCCI – North Orissa Chamber of Commerce & Industry
   - BCIC – Balasore Chamber of Industries & Commerce
   - UCCI – The Utkal Chamber of Commerce & Industry Ltd.

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   As a member of various associations, the company has made continuously effort to make a difference in the areas of Economic Reforms, Inclusive Development policies, Energy security, Water management & Sustainability issues and Environmental policy.

Principle 8: Business should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?**

   Yes, the Company undertakes the initiatives through CSR committee of the Board as per the CSR policy of the company. The details of CSR Report is attached to the Directors' Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?**

   The programmes are mainly carried out by the company directly through its in-house team. (The details can be found in Annexure III of the Directors' Report).

3. **Have you done any impact assessment of your initiative?**

   Yes, the CSR Committee, periodically performs an important assessment of its initiatives to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

Annexure to the Directors' Report *(Contd.)*

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Sl No	CSR Project	Expenditure (₹Lacs)
1.	Eradication of hunger & health care	49.49
2.	Promotion of Education & Vocational Skills	19.07
3.	Promoting Gender equality & women empowerment	23.32
4.	For ensuring Environmental sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources	26.77
5.	Protection of Historical importance and national heritage	9.79
6.	Contribution to Prime Ministers National Relief Fund or any other fund setup by the Central Government for socio economic development and relief	8.22
7.	Rural Development	13.25
8.	Building CSR capacities as per Rule 4(6)	0.15
	Total	**150.06**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Our Management regularly interacts with the local communities to assess the impact of community development projects undertaken to ensure that the objectives and benefits of these projects are being met.

Principle 9 : Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No consumer complaints are pending as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company has an uncompromising commitment to provide best in-class products and customer satisfaction. The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

No case has been filed by any stake-holders against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior during the last five years and pending as on end of the financial year.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, Consumer Satisfaction survey is an integral part of the company. The company regularly carried out Consumer Satisfaction Survey. This provides valuable feedback to the company to manufacture the best possible product and provide service to the customers. It also helps in continuous product development by engaging with the customer and meeting his changing needs.

Annexure to the Directors' Report *(Contd.)*

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, 2020.

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 directors of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority during the year ended 31st March, 2020.

For **Sushil Tiwari & Associates**
Company Secretaries

(Sushil Tiwari)
Proprietor
ACS - 6199
C.P. - 1903

Dated : 04.05.2020
UDIN A006199B000200052

Annexure to the Directors' Report *(Contd.)*

ANNEXURE

LIST OF DIRECTORS OF EMAMI PAPER MILLS LIMITED

Sl. No.	Name of the Director	Designation	DIN
1.	Mr. Aditya Vardhan Agarwal	Executive Chairman	00149717
2.	Mr. Manish Goenka	Non-Executive, Non-Independent Director	00363093
3.	Mr. Pitamber Sharan Patwari	Whole Time Director	00363356
4.	Mr. Jayant Narayan Godbole	Non-Executive, Independent Director	00056830
5.	Mr. Sundaram Balasubramanian	Non-Executive, Independent Director	02849971
6.	Mr. Hari Mohan Marda	Non-Executive, Independent Director	00855466
7.	Mr. Jugal Kishore Khetawat	Non-Executive, Independent Director	00920819
8.	Mr. Shyamalendu Chatterjee	Non-Executive, Independent Director	00048249
9.	Mrs. Richa Agarwal	Non-Executive, Non-Independent Director	01505726
10.	Mr. Sushil Kumar Khetan	Whole Time Director	00358577

For **Sushil Tiwari & Associates**
Company Secretaries

(Sushil Tiwari)
Proprietor
ACS - 6199
C.P. - 1903

Dated : 04.05.2020
UDIN A006199B000200052

Annexure to the Directors' Report *(Contd.)*

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 & CEO and S. K. Khetan, Director (Operations) & CFO certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2020 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 during the year 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
Director (Operations) & CFO

For **Emami Paper Mills Limited**

P. S. Patwari
Executive Director & CEO

Date: 29th June, 2020
Place: Kolkata

Annexure to the Directors' Report *(Contd.)*

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) 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 (CEO) of Emami Paper Mills Limited hereby declare that:

All members of the 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 2019-20.

For **Emami Paper Mills Limited**

P. S. Patwari
Executive Director & CEO

Place: Kolkata
Date: 29th June, 2020

Independent Auditors' 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, 2020, 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, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. We are independent of the Company 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.

Emphasis of Matter

We draw your attention to note 2.53 to the Financial Statements for the year ended March 31, 2020, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

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-Accounting for Leases –Ind AS 116

Key Audit Matters	Response To KAM
Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. The Company has adopted Ind AS 116 from April 1, 2019 under the modified retrospective approach, and accordingly the comparative figures will not be restated. For contracts in place at this date, the Company will continue to apply its existing definition of leases under current accounting standards instead of reassessing whether existing contracts are or contain a lease at the date of application of the new standard.	Our audit procedures on adoption of Ind AS 116 include: ❖ Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. ❖ Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities. ❖ Upon transition as at 1.4.2019: ❖ Evaluated the transition and related adjustments ❖ Tested completeness of the lease data by reconciling the company's operating lease commitments to data used in computing ROU asset and the lease liabilities.

Independent Auditors' Report *(Contd.)*

Key Audit Matters	Response To KAM
Refer Note 2(q) and Note 2.51 of financial statements.	On a statistical sample, we performed the following procedures: ❖ Assessed the key terms and conditions of each lease with underlying lease contracts, and ❖ Evaluated computation of lease liabilities and verified the key estimates such as discount rates and the lease term. ❖ Assessed and tested the presentation and disclosures relating to IND AS 116 including disclosures relating to the transition.

2. Interest Rate Risk Mitigation

Key Audit Matter	Response to KAM
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. 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 1.39 Crores and interest rate swap liability of INR 7.96 Cr as at 31.03.2020; the change in fair value amounting to INR 3.11 Cr loss is recognized in Other Comprehensive Income and that amounting to INR 5.63 Cr loss is recognized in Profit and Loss Statement. Refer Note No - 2.6, 2.14, 2.20 and 2.28 of Financial Statement	Principal Audit Procedures 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. 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. Conclusion We agree with management's evaluation.

3. Pending Tax litigation

Key Audit Matter	Response to KAM
Pending legal and tax related claims of the company have been disclosed / provided for in the financial statements based on the facts and circumstances of each case.	Our audit procedures included the following:- Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls.

Independent Auditors' Report *(Contd.)*

Key Audit Matter	Response to KAM
Taxation and litigation exposures have been identified as a key audit matter due to complexities involved in these matters, timescales involved for resolution. Refer Note 2.41 (A) of financial statements.	Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. Inspected external legal opinions, wherever considered necessary and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. Engaged tax specialists to technically appraise the tax position taken by the management with respect to local tax issues. Assessed the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards. Based on the above we find that the management's assessment of the claims and its disclosure in the financial statements are reasonable.

4. Physical Verification of Inventories

Key Audit Matter	Response to KAM
The company has the system and process, which includes computerized inventory management system to record inventory movements and conduct physical verification by internal team by every month. Apart from monthly physical verification of inventories by the internal team, the management also engaged an independent third party for verification of inventories. Due to COVID-19 outbreak and nation-wide lockdown restriction enforced by the Government, internal team of the company conducted physical inventory verification for the year ended 31.03.2020 at cut-off date in April 2020. The management has performed a detailed roll back procedure by taking the cut-off date and by taking into account all the receipts, issues to arrive at the March 31, 2020 inventory position and noted no material differences as per books. We considered this as a key audit matter based on above facts focusing on the appropriate measurement of inventories.	We performed the following procedures in this regard:- Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls. Remotely observed and participated through video calling and photography in physical inventory verification conducted by the management in April 2020. Carried out roll back procedures to arrive at inventory from date of physical verification to 31.03.2020. Assessed the inventory valuation processes and practices. We tested the effectiveness of the key controls at the locations. Evaluated the analysis and assessment made by the management with respect to slow moving and obsolete stock. We assessed the adequacy of the company's disclosures related to inventories. Based on the above procedures performed, management's measurement and valuation of inventory as carried in books of accounts seems reasonable.

Independent Auditors' Report *(Contd.)*

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 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 standalone 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

Independent Auditors' Report *(Contd.)*

- 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 audit report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss 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, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 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:

Independent Auditors' Report *(Contd.)*

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
UDIN : 20054670AAAAAF8309

Place: Kolkata
Date: 29th June, 2020.

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, 2020 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;

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

Annexure "A" to the Independent Auditors' Report *(Contd.)*

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 2020, 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
UDIN : 20054670AAAAAF8309

Place: Kolkata
Date: 29th June, 2020.

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.

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 prejudicial to the interest of the Company

b) Borrowers have been regular in payments of Interest and Principal

c) No amount is overdue for more than 90 days from the due date of each such loans and the same has been repaid during the financial year.

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 no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax,

Annexure "B" to the Independent Auditors' Report *(Contd.)*

Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues in arrears as at 31st March, 2020 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, 2020 on account of disputes are given below:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount (₹ in Lacs)	Amount Unpaid (₹ In Lacs)
The Central Excise Act, 1994 & Service Tax (Finance Act, 1994)		Case to be filed before		
	1994-95	Additional Commissioner of Central Excise	0.87	0.87
	2006-07	Tribunal	110.64	74.81
	2008-09	CESTAT	0.21	0.07
	2011-12 & 2012-13	CESTAT, Kolkata	9.09	8.18
	2012-13 to 14-15	Commissioner (Appeal 1)	2.89	2.67
	2010-11 to 2012-13	Commissioner (A) BBSR	19.03	18.32
	2011-12	CESTAT, Kolkata	4.46	3.67
	2014-15	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
	2012-13 & 14–15	JCCT	1.49	0
	2015-16	Tribunal (Cuttack)	2.17	1.15
	2016-17	DCCT	2.75	0
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

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.

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.

Annexure "B" to the Independent Auditors' Report *(Contd.)*

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
UDIN : 20054670AAAAAF8309

Place: Kolkata
Date: 29th June, 2020.

Balance Sheet as at 31st March 2020

₹ in Crores

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	1,297.91	1,296.95
Capital work-in-progress	2.2	0.98	102.90
Intangible assets	2.3	0.15	0.18
Financial assets			
Investments	2.4	24.04	43.82
Loans	2.5	3.68	6.42
Derivative assets	2.6	1.15	4.81
Others	2.7	0.12	0.45
Other non-current assets	2.8	8.05	7.02
		1,336.08	**1,462.55**
Current assets			
Inventories	2.9	278.40	332.06
Financial assets			
Trade receivables	2.10	209.38	208.91
Cash and cash equivalents	2.11	19.15	9.38
Bank balance other than cash and cash equivalents	2.12	1.34	0.98
Loans	2.13	3.41	1.18
Derivative assets	2.14	0.23	1.37
Others	2.15	13.39	3.14
Current tax asset (net)	2.16	1.49	1.22
Other current assets	2.17	54.95	89.82
		581.74	**648.06**
Total assets		**1,917.82**	**2,110.61**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.18	12.10	12.10
Other equity		206.82	245.91
		218.92	**258.01**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	2.19	780.33	894.45
Derivative liability	2.20	6.45	3.91
Other financial liabilities	2.21	8.29	6.94
Provisions	2.22	16.03	11.52
Deferred tax liabilities (net)	2.23	21.01	21.23
Deferred revenue	2.24	22.79	40.79
		854.90	**978.84**
Current liabilities			
Financial liabilities			
Borrowings	2.25	464.82	480.75
Trade payables for goods	2.26	154.55	163.54
Trade payables for services	2.27	35.53	24.79
Derivative liability	2.28	2.18	4.58
Other financial liabilities	2.29	176.74	189.35
Other current liabilities	2.30	10.18	10.75
		844.00	**873.76**
Total equity and liabilities		**1,917.82**	**2,110.61**
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: 29th June, 2020

S. K. Khetan
Director (Operations) and 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 2020

₹ in Crores

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
REVENUES			
Revenue from operation	2.31	1,515.32	1,538.38
Other income	2.32	3.82	3.65
Total income		**1,519.14**	**1,542.03**
EXPENSES			
Cost of material consumed	2.33	883.07	1,011.97
Changes in inventories of finished goods and work-in-progress	2.34	56.13	(76.03)
Power and fuel	2.35	130.11	152.74
Employee benefits expense	2.36	70.18	66.76
Finance costs	2.37	117.36	106.68
Depreciation and amortization expense		72.53	69.40
Other expenses	2.38	167.28	144.27
Total expenses		**1,496.66**	**1,475.79**
Profit before exceptional items and tax		**22.48**	**66.24**
Exceptional items			
Expansion project abandonment expenditures		27.00	-
Profit/(loss) before tax		**(4.52)**	**66.24**
Tax expenses			
Current tax	2.39	0.27	(0.87)
Deferred tax		5.66	23.12
Total tax expenses		**5.93**	**22.25**
Profit/(loss) for the year		**(10.45)**	**43.99**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of gains/(losses) on employees defined benefit plans		(2.52)	(0.74)
Less: Income tax effect on above		0.88	0.26
Fair value changes of investment in equity shares		(19.79)	(12.51)
Less: Income tax effect on above		3.79	(4.28)
Items that will be reclassified to profit and loss			
Net fair value changes of cash flow hedges		(3.11)	(4.68)
Less: Income tax effect on above		1.09	1.62
Total other comprehensive income		**(19.66)**	**(20.33)**
Total comprehensive income for the year		**(30.11)**	**23.66**
Earning per equity share (Face value ₹ 2/- each)	2.49		
(1) Basic (in ₹)		(1.73)	7.27
(2) Diluted (in ₹)		(1.73)	7.27
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: 29th June, 2020

S. K. Khetan
Director (Operations) and CFO

G. Saraf
V.P. (Finance) & Secretary

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Directors

Statement of Changes in Equity

₹ 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 31.03.2019	12.10	-	12.10
For the year ended 31.03.2020	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 01.04.2018	**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 dividend distribution tax				(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**
Effect of adopting Ind AS 116				(0.23)				(0.23)
Profit for the year 2019-20				(10.45)				(10.45)
Other comprehensive income for the year				-	(16.00)	(1.64)	(2.02)	(19.66)
Total comprehensive income	-	-	-	(10.68)	(16.00)	(1.64)	(2.02)	(30.34)
Dividend and dividend distribution tax				(8.75)				(8.75)
Balance on 31.03.2020	**1.33**	**17.93**	**140.00**	**33.90**	**21.48**	**(3.76)**	**(4.06)**	**206.82**

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date
For **Agrawal Subodh & Co**
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Partner
Membership No. - 054670
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Directors

Cash Flow Statement for the year ended 31st March 2020

₹ in Crores

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash Flow From Operating Activities :		
Profit before tax	(4.52)	66.24
Adjustment for :		
Depreciation and amortization expenses	72.53	69.40
Project abandonment expenses	27.00	-
Fair value Loss / (Gain) on derivatives	1.83	(0.26)
Provision for Earned Leave & Gratuity (Net)	1.99	1.50
Provision for expected credit loss	0.30	0.05
EPCG benefit attributable to export obligation met during the year	(19.25)	(9.90)
Interest and financial charges	117.36	106.68
Foreign exchange loss / (gain)	39.35	(2.10)
Dividend income	(0.75)	(0.33)
Income from current investment measured at fair value through profit and loss	-	(0.20)
(Profit) / loss on disposal of property, plant and equipment	0.03	0.08
Operating profit before working capital changes :	**235.87**	**231.16**
Add: Decrease / Increase in Working Capital		
Trade receivables, loans and advances	34.46	15.20
Bank Balances (except cash / cash equivalent)	(0.37)	1.33
Inventories	53.66	(71.00)
Trade and other payables	(8.10)	111.84
Cash generated from operations	**315.52**	**288.53**
Taxes paid	(2.21)	(13.48)
Net Cash from / (used in) Operating Activities	**313.31**	**275.05**
Cash Flow From Investing Activities :		
Payments for property, plant and equipment	(39.06)	(157.51)
Proceeds from sale of property, plant and equipment	0.09	0.40
Refund from Gujarat Industrial Development Corporation	69.42	-
Dividend income	0.75	0.33
Income from current investment	-	0.20
Net Cash from / (used in) investing activities	**31.20**	**(156.58)**
Cash Flow From Financing Activities :		
Repayment of non-current borrowings	(209.15)	(86.10)
Increase/(decrease) in current borrowings	(36.18)	62.64
Repayment of lease liability	(0.53)	-
Interest and other finance cost paid	(80.13)	(90.72)
Dividend and dividend distribution tax paid	(8.75)	(8.74)
Net Cash used in Financing Activities	**(334.74)**	**(122.92)**
Net increase/(decrease) in Cash & Cash Equivalents	**9.77**	**(4.45)**
Cash & Cash Equivalents (Opening Balance)	9.38	13.83
Cash & Cash Equivalents (Closing Balance)	19.15	9.38

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: 29th June, 2020

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Director (Operations) and CFO

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Directors

Notes to the Financial Statements for the year ended 31st March 2020

1. THE COMPANY INFORMATION

Emami Paper Mills Limited (the 'Company'), is a public limited Company incorporated and domiciled in India with its registered office in Kolkata, West Bengal. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is India's one of the largest producer of Newsprint, Writing & Printing Paper and Multilayer Coated High-end Packaging Boards. The Company has 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, 2020 were approved by the Board of Directors and authorised for issue on 29th June, 2020.

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 2020 *(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 off, 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 2020 *(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. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

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.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

c) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are measured at fair value. The company in respect of equity investments, which are not held for trading made an irrevocable election based on its judgment to present in other comprehensive income subsequent changes in the fair value (FVOCI) of such equity instrument.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 months 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 2020 *(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

Sales represents amounts received and receivable from the goods supplied to the customers. Sales are recognized when control of the goods has been transferred to the customer. Controls are transferred by satisfying the performance obligation of the contract. Revenue is measured at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government.

Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis. Incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Incentives are recorded at fair value where applicable. Duties and taxes waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on a time proportionate method using underlying interest rates.

Insurance claims are recognised when there exists no significant uncertainty with regard to the amounts to be realised and the ultimate collection thereof.

l) Government grants:

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful life 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 2020 *(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 terms which are defined below:

a. Short-term Employee Benefit

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

b. Long-term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

o) Impairment of Non-Financial Assets:

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Notes to the Financial Statements for the year ended 31st March 2020 *(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:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

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 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, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

a. Fair value hedges –

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

b. Cash flow hedges –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

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.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

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.

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.

(All amounts in ₹ Crores, unless otherwise stated)

2.1 PROPERTY, PLANT AND EQUIPMENTS (PPE)

Particulars	Gross Block as at 01.04.19	Addition	Disposal/ Adjustment	Gross Block as at 31.03.20	Accumulated Depreciation as at 01.04.19	Depreciation for the year	Disposal/ Adjustment	Accumulated Depreciation as at 31.03.20	Closing WDV as at 31.03.20	Opening WDV as at 01.04.19
Tangible Assets										
Free-hold land	7.28	-	-	7.28	-	-	-	-	7.28	7.28
Leasehold land	12.23	-	-	12.23	0.60	0.20	-	0.80	11.43	11.63
Factory building	167.21	6.69	-	173.90	16.86	5.88	-	22.74	151.16	150.35
Non factory building	128.69	3.84	-	132.53	9.67	3.77	-	13.44	119.09	119.02
Right to use in non factory building	-	2.08	-	2.08	-	0.56	-	0.56	1.52	-
Plant & Equipment	1,153.45	60.44	-	1,213.89	155.58	59.82	-	215.40	998.49	997.87
Office equipment	0.90	0.03	0.02	0.91	0.60	0.13	0.01	0.72	0.19	0.30
Computers	1.79	0.20	0.01	1.98	1.49	0.19	0.01	1.67	0.31	0.30
Furniture & Fittings	10.35	0.24	0.09	10.50	2.63	1.17	0.03	3.77	6.73	7.72
Vehicles	3.83	0.02	0.11	3.74	1.35	0.75	0.07	2.03	1.71	2.48
Total	**1,485.73**	**73.54**	**0.23**	**1,559.04**	**188.78**	**72.47**	**0.12**	**261.13**	**1,297.91**	**1,296.95**

2.2 CAPITAL WORK-IN-PROGRESS

Particulars	Gross Block as at 01.04.19	Addition	Disposal/ Adjustment	Gross Block as at 31.03.20	Accumulated Depreciation as at 01.04.19	Depreciation for the year	Disposal/ Adjustment	Accumulated Depreciation as at 31.03.20	Closing WDV as at 31.03.20	Opening WDV as at 01.04.19
Capital Work In Progress	102.90	3.97	105.89	0.98	-	-	-	-	0.98	102.90
Total	**102.90**	**3.97**	**105.89**	**0.98**	**-**	**-**	**-**	**-**	**0.98**	**102.90**

2.3 OTHER INTANGIBLE ASSETS

Particulars	Gross Block as at 01.04.19	Addition	Disposal/ Adjustment	Gross Block as at 31.03.20	Accumulated Depreciation as at 01.04.19	Depreciation for the year	Disposal/ Adjustment	Accumulated Depreciation as at 31.03.20	Closing WDV as at 31.03.20	Opening WDV as at 01.04.19
Computer Software	0.46	0.03	-	0.49	0.28	0.06	-	0.34	0.15	0.18
Total	**0.46**	**0.03**	**-**	**0.49**	**0.28**	**0.06**	**-**	**0.34**	**0.15**	**0.18**

CIN: L21019WB1981PLC034161

(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	149.65
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	992.78
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 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.4 NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment measured at fair value through other comprehensive income		
Quoted equity shares fully paid up		
Emami Ltd: Face value ₹1/- each	15.86	37.32
	(9,33,000 nos)	(9,33,000 nos)
Emami Realty Ltd: Face value ₹ 2/- each	-	0.01
(Earlier Emami Infrastructure Ltd)	(833 nos)	(833 nos)
Aggregate amount and market value of quoted investment	**15.86**	**37.33**
Unquoted equity shares fully paid up		
Pan Emami Cosmed Ltd: Face value ₹10/- each	8.17	6.48
	(3,07,300 nos)	(3,07,300 nos)
Aggregate amount of unquoted investment	**8.17**	**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	**24.04**	**43.82**

2.5 NON-CURRENT LOANS

Unsecured, considered good		
Security deposit	3.40	6.05
Loans and advances to employees	0.28	0.37
Total	**3.68**	**6.42**

2.6 NON-CURRENT DERIVATIVE ASSETS

Unsecured, considered good		
Interest rate swaps	1.15	4.81
Total	**1.15**	**4.81**

2.7 OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured, considered good		
Fixed deposit with banks with original maturity more than 12 months	0.12	0.45
Total	**0.12**	**0.45**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.8 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
Capital advances	1.73	0.33
Prepaid expenses	0.16	0.24
Indirect tax deposits under litigation	5.64	5.93
Deposits	0.52	0.52
Total	**8.05**	**7.02**

2.9 INVENTORIES

Raw materials and chemicals	163.90	162.11
Work in progress	35.75	58.38
Finished goods	32.08	65.58
Stores and spares	42.98	42.88
Packing materials	3.69	3.11
Total	**278.40**	**332.06**
Includes following inventories in transit		
Raw materials and chemicals - in transit	25.34	5.54
Stores and spares - in transit	0.03	1.32
Total	**25.37**	**6.86**

2.10 TRADE RECEIVABLES

Unsecured, considered good		
Due from related parties	-	-
Due from others	209.83	209.06
	209.83	209.06
Less: Provision for expected credit loss	0.45	0.15
Total	**209.38**	**208.91**

2.11 CASH AND CASH EQUIVALENTS

Balance with bank on current accounts	14.21	9.32
Fixed deposit with original maturity of less than 3 months	4.87	-
Cash in hand	0.07	0.06
Total	**19.15**	**9.38**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unclaimed dividend account	0.08	0.08
Fixed deposit with scheduled banks	1.26	0.90
Total	**1.34**	**0.98**

2.13 CURRENT LOANS

Unsecured, considered good		
Security deposits	3.04	0.56
Loans and advances to employees	0.37	0.62
Total	**3.41**	**1.18**

2.14 CURRENT DERIVATIVE ASSETS

Unsecured, considered good		
Interest rate swap	0.23	1.37
Total	**0.23**	**1.37**

2.15 OTHER CURRENT FINANCIAL ASSETS

Interest receivable	0.50	0.22
Insurance claim receivable	6.43	2.89
Others	6.46	0.03
Total	**13.39**	**3.14**

2.16 CURRENT TAX ASSET (NET)

Advance income tax (net of provision)	1.49	1.22
Total	**1.49**	**1.22**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.17 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
Indirect tax credit	28.07	53.00
Export incentive receivable	2.56	0.88
IGST/Cess refundable	5.06	0.97
Advance to suppliers	13.96	30.32
Prepaid Expenses	2.49	3.47
Deposits	0.26	0.27
Income tax refundable	2.09	0.42
Advance to Others	0.46	0.49
Total	**54.95**	**89.82**

2.18 EQUITY SHARE CAPITAL

Authorised		
Equity Shares of ₹ 2/- each	16.00	16.00
Number of equity shares	(8,00,00,000)	(8,00,00,000)
Preference Shares of ₹ 100/- each	61.25	61.25
Number of preference shares	(61,25,000)	(61,25,000)
Total	**77.25**	**77.25**
Issued, Subscribed & Paid up		
Equity Shares of ₹ 2/- each fully paid up	12.10	12.10
Number of equity shares	(6,04,99,050)	(6,04,99,050)
Total	**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	4104279 (6.78%)	4199615 (6.94%)

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.19 NON-CURRENT BORROWINGS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured loans		
Term loans from banks	626.45	768.21
Unsecured loans		
8% Cumulative Redeemable Non-Convertible Preference Shares	309.60	298.72
	936.05	**1,066.93**
Less: Current maturities of non-current borrowings	155.72	172.48
Total	**780.33**	**894.45**

Current maturites of non-current borrowings are determined considering moratorium as per RBI guidelines.

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
RTL repayable in 8 quarterly installment commencing from 30.09.2019	22.53	-
Exim Bank		
ECB repayable in 28 quarterly installment commencing from 03.04.2017	60.47	68.99
IDBI Bank		
ECB repayable in 24 quarterly installment commencing from 31.03.2017	49.10	55.97
Axis Bank		
ECB repayable in 20 quarterly installment commencing from 01.02.2017	64.77	82.28
ECB repayable in 20 quarterly installment commencing from 16.04.2018	58.81	63.22
FCNR(B) repayable in 21 quarterly installment commencing from 30.06.2017	40.54	50.79
State Bank of India		
FCNR(B) repayable in 20 quarterly installment commencing from 30.06.2015	7.49	25.05
FCNR(B) repayable in 24 quarterly installment commencing from 30.06.2016	21.83	28.58
FCNR(B) repayable in 16 quarterly installment commencing from 31.03.2018	28.02	37.51
YES Bank		
FCNR(B) repayable in 17 quarterly installment commencing from 30.11.2018	25.76	32.82
DCB Bank		
FCNR(B) repayable in 24 quarterly installment commencing from 30.04.2019	42.88	47.36
IDFC Bank		
FCNR(B) repayable in 20 quarterly installment commencing from 06.03.2019	44.34	51.23
RBL Bank		
FCNR(B) repayable in 24 quarterly installment commencing from 03.01.2017	34.35	42.34

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31st March, 2020	As at 31st March, 2019
ICICI Bank		
FCNR(B) repayable in 20 quarterly installment commencing from 30.06.2019	69.81	74.87
RTL Repayable in 14 quarterly instalments commencing from 24.12.2014	-	6.00
RTL Repayable in 17 quarterly instalments commencing from 03.09.2015	2.00	9.98
Indusind Bank		
FCNR(B) repayable in 16 quarterly installment commencing from 30.06.2019	53.75	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	6.45	3.44
Currency swap	-	0.47
Total	**6.45**	**3.91**

2.21 OTHER NON-CURRENT FINANCIAL LIABILITIES

Retention money	0.07	0.07
Trade deposits	5.92	5.51
Lease liability	0.94	-
Other payables	1.36	1.36
Total	**8.29**	**6.94**

2.22 NON-CURRENT PROVISIONS

Provision for employee benefits		
Gratuity	12.27	8.10
Earned leave	1.16	0.82
Others	2.60	2.60
Total	**16.03**	**11.52**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.23 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liabilities		
Difference in tax base of property, plant and equipment	152.60	138.65
Fair valuation of investment	1.98	5.77
Deferred tax assets		
Unabsorbed tax depreciation	(78.84)	(70.63)
Deferred allowances under Income Tax Act	(5.57)	(3.40)
	70.17	70.39
MAT Credit entitlement	(49.16)	(49.16)
Net deferred tax liabilities	**21.01**	**21.23**

2.24 DEFERRED REVENUE

Import duty savings (EPCG) attributable to pending export obligation	22.79	40.79
Total	**22.79**	**40.79**

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 ₹19.25 crore (₹9.9 crore) released to statement of profit and loss on fulfillment of export obligations.

2.25 CURRENT BORROWINGS

Secured		
Loan repayable on demand from banks	242.70	244.42
Buyer's/suppliers' credit facilities from banks	80.44	84.04
Unsecured		
From banks	21.18	152.29
Loans from bodies corporates	120.50	-
Total	**464.82**	**480.75**

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 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.26 TRADE PAYABLES FOR GOODS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Payable to micro, small and medium enterprises	9.72	2.12
Payable to related parties	-	-
Payable to others	144.83	161.42
Total	**154.55**	**163.54**

2.27 TRADE PAYABLES FOR SERVICES

Payable to micro, small and medium enterprises	3.48	1.52
Payable to related parties	-	-
Payable to others	32.05	23.27
Total	**35.53**	**24.79**

2.28 CURRENT DERIVATIVE LIABILITY

Interest rate swap	1.51	0.57
Currency swap	0.67	4.01
Total	**2.18**	**4.58**

2.29 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of non current borrowings	155.72	172.48
Interest accrued but not due	7.43	5.85
Accrued employee benefits	1.39	0.20
Unclaimed dividend	0.08	0.08
Lease liability	0.65	-
Other payables	11.47	10.74
Total	**176.74**	**189.35**

2.30 OTHER CURRENT LIABILITIES

Advance from customers	5.36	6.45
Statutory dues	4.82	4.30
Total	**10.18**	**10.75**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.31 REVENUE FROM OPERATION

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of paper and paperboard	1,484.02	1,519.99
Other operating revenues		
Scrap sales	3.67	3.78
Export incentives	6.97	3.58
EPCG benefit attributable to export obligation satisfied	19.25	9.90
Others	1.41	1.13
Total	**1,515.32**	**1,538.38**

2.32 OTHER INCOME

Dividend income	0.75	0.33
Insurance claim	0.79	1.30
Profit on Sale of current investments	-	0.20
Others	2.28	1.82
Total	**3.82**	**3.65**

2.33 COST OF MATERIAL CONSUMED

Pulp and waste paper	728.92	862.33
Chemicals	129.63	125.54
Packing materials	24.52	24.10
Total	**883.07**	**1,011.97**

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

Inventories at the beginning of the year		
Finished goods	65.58	21.41
Work-in-progress	58.38	26.52
Total (A)	**123.96**	**47.93**
Inventories at the end of the year		
Finished goods	32.08	65.58
Work-in-progress	35.75	58.38
Total (B)	**67.83**	**123.96**
(Increase) / Decrease [A - B]	**56.13**	**(76.03)**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.35 POWER AND FUEL

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of coal	107.22	129.77
Grid power	22.89	22.97
Total	**130.11**	**152.74**

2.36 EMPLOYEE BENEFIT EXPENSES

Salaries and wages	60.20	56.66
Contribution to provident and other funds	4.38	4.31
Staff welfare expenses	5.60	5.79
Total	**70.18**	**66.76**

2.37 FINANCE COSTS

Interest expenses on borrowings	85.21	79.81
Effective interest on redeemable, non-convertible preference shares	16.79	16.21
Other interest expenses	0.97	1.26
Bank charges and other borrowing costs	3.82	3.62
Exchange difference regarded as adjustment to borrowing cost	17.71	13.50
Less: Interest earned	(7.14)	(7.72)
Total	**117.36**	**106.68**

2.38 OTHER EXPENSES

Consumption of stores and spares	26.25	29.85
Rent	0.74	1.80
Repairs to buildings	0.71	0.83
Repairs to plant and machinery	6.80	6.70
Repair and maintenance (others)	2.50	2.61
Insurance	2.85	2.13
Manufacturing expenses	27.95	25.72
Freight outward (net)	16.98	6.36
Selling expenses	19.56	16.22
Donation	0.70	2.35
Directors' sitting fee	0.14	0.15
Rates and taxes	13.96	14.35
Foreign exchange fluctuation	35.55	21.11
Loss on disposal of property, plant and equipment	0.03	0.08
CSR expenditures	1.50	1.78
Miscellaneous expenses	11.06	12.23
Total	**167.28**	**144.27**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.39 CURRENT TAX

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current income tax for the year	-	13.38
Less: MAT credit available	-	(13.38)
Current income tax for the previous year(s)	0.27	(0.87)
Total	**0.27**	**(0.87)**
Reconciliation of estimated income tax to income tax expense is as below:		
Profit/(loss) before tax	**22.48**	**66.24**
Enacted tax rate	34.944%	34.944%
Expected income tax expense at statutory income tax rate	(1.58)	23.15
a) Income exempt from tax	(8.33)	(0.11)
b) Non-deductible expenses	15.57	1.36
c) Effect of tax holiday period on deferred tax	-	(1.70)
d) Effect of change in tax rate	-	0.42
e) Reversal of earlier years' tax provision	0.27	(0.87)
Tax expenses reported	**5.93**	**22.25**
Current tax net of MAT credit	0.27	(0.87)
Deferred tax	5.66	23.12
Total tax expenses as per profit and loss statement	**5.93**	**22.25**

2.40 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	2019-20		2018-19	
		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	14.17	3.81	12.87	3.30
	Included in profit and loss:				
	- Current Service Cost	1.41	0.57	1.33	0.85
	- Interest Cost	1.05	0.28	0.93	0.24
	- Past Service Cost	-	-	-	-
	- Actuarial Gain/(Loss)	-	(0.29)	-	(0.35)
	Included in OCI:				
	Actuarial losses/(gains) arising from:				
	- Experience adjustments	2.95	-	0.38	-
	- Financial assumption	(0.45)	-	0.08	-
	Others				
	Benefits Paid	(1.09)	(0.25)	(1.42)	(0.23)
	Present Value of obligation as at year end	**18.04**	**4.12**	**14.17**	**3.81**
	Current Liabilities	2.87	1.25	2.03	1.17
	Non-Current Liabilities	15.17	2.87	12.14	2.64
	Total Liability	**18.04**	**4.12**	**14.17**	**3.81**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

Sl. No.	Particulars	2019-20		2018-19	
		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	6.07	2.99	6.58	2.92
	Included in profit and loss:				
	Interest Income	0.44	0.22	0.51	0.22
	Expected return on plan assets		(0.01)	-	0.01
	Included in OCI:				
	- Actuarial Gain/(Loss)on plan assets	(0.02)	-	(0.29)	-
	Others:				
	Employer's contribution	0.37	-	0.69	0.07
	Benefits Paid	(1.09)	(0.25)	(1.42)	(0.23)
	Plan assets at the end of the year	**5.77**	**2.95**	**6.07**	**2.99**
	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	18.04	4.12	14.17	3.81
	2. Fair Value of plan assets at year end	5.77	2.95	6.07	2.99
	3. Funded status Surplus/(Deficit)	(12.27)	(1.17)	(8.10)	(0.82)
	Net Asset/(Liability)	**(12.27)**	**(1.17)**	**(8.10)**	**(0.82)**
IV.	**Expenses recognised in the Statement of Profit and Loss**				
	Current Service Cost	1.41	0.57	1.33	0.85
	Interest Cost	1.05	0.28	0.93	0.24
	Past Service Cost	-	-	-	-
	Actuarial Gain/(Loss)	-	(0.29)	-	(0.35)
	Expected return on plan assets	(0.44)	(0.21)	(0.51)	(0.23)
	Total Expense	**2.02**	**0.35**	**1.75**	**0.51**
V.	**Expenses recognised in the Statement of Other Comprehensive Income**				
	Net Actuarial (Gain)/Loss	2.50	-	0.46	-
	Expected return on plan assets excluding interest income	0.02	-	0.29	-
	Total Expense	**2.52**	**-**	**0.75**	**-**
VI.	**Actuarial Assumptions**				
	Discount Rate	6.70%	6.70%	7.70%	7.70%
	Salary Escalation - First Year	0.00%	0.00%	6.00%	6.00%
	Salary Escalation - After First Year	6.00%	6.00%	6.00%	6.00%
	Expected Rate of Return on Plan Assets	6.50%	6.50%	7.70%	7.70%
	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 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

VII. The best estimate contribution for the next year would be ₹ 1.39 Crores for Gratuity and ₹ 0.54 Crores for Leave Encashment.

VIII. Experience Adjustments

Particulars	Year ended 31.03.20		Year ended 31.03.19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(Gain) / Loss on Plan Liabilities	2.95	-	0.38	-
% of Opening Plan Liabilities	20.82%	0.00%	2.95%	0.00%
Gain / (Loss) on Plan Assets	(0.02)	-	(0.29)	-
% of Opening Plan Assets	-0.33%	0.00%	-4.41%	0.00%

IX. Sensitivity Analysis

Gratuity	Year ended 31.03.20		Year ended 31.03.19	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.33)	1.54	(0.92)	1.03
Future salary growth (1% movement)	1.31	(0.90)	1.05	(0.95)
Withdrawal Rates (1% movement)	0.08	(0.08)	0.08	(0.11)

Leave Encashment	Year ended 31.03.20		Year ended 31.03.19	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.23)	0.26	(0.08)	0.41
Future salary growth (1% movement)	0.27	(0.18)	0.41	(0.09)
Withdrawal Rates (1% movement)	0.01	(0.01)	0.17	0.11

X. Maturity Profile of Defined Benefit Obligations

Year	Year ended 31.03.20		Year ended 31.03.19	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Funded	Funded	Funded
1st Following Year	2.87	1.25	2.03	1.17
2nd Following Year	1.98	0.36	1.20	0.16
3rd Following Year	1.71	0.31	1.02	0.13
4th Following Year	1.76	0.49	1.20	0.12
5th Following Year	2.06	0.39	1.34	0.35
6th Following Year	1.76	0.35	1.40	0.23
7th Following Year	2.18	0.32	1.15	0.11
8th Following Year	2.27	0.45	1.93	0.30
9th Following Year	2.24	0.31	1.77	0.29
10th Following Year	2.52	0.39	1.74	0.21

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

2.41 CONTINGENT LIABILITIES AND COMMITMENTS

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
A.	**CONTINGENT LIABILITIES**		
	Claims against the Company not acknowledged as debts (Net of Advances) :		
	Sales tax matters	0.37	0.83
	Entry tax matters	2.96	2.96
	Excise duty, service tax and customs duty matters	1.17	1.17
	Renewable Energy Purchase Obligation (RPO)	3.91	1.89
	Withdrawal of incentive tariff of electricity by NESCO	0.42	0.42
	Total	**8.83**	**7.27**

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		41.39	55.54
B.	**COMMITMENTS**		
	Capital commitments		
	Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	2.08	10.14
	Total	**2.08**	**10.14**

2.42 Related party disclosures

Related Parties with whom transactions have taken place during the year

a. Key Managerial Personnel

Shri A.V. Agarwal, Executive Chairman

Shri P.S. Patwari, Executive Director

Shri S.K. Khetan, CFO & Director (operations) (w.e.f. 07.11.2019)

Shri G.Saraf, VP (Finance) & Secretary

Other Directors

Shri Manish Goenka, Non Executive Director

Shri J.N. Godbole, Independent Director

Shri S. Balasubramanian, Independent Director

Shri H.M. Marda, Independent Director

Shri J.K. Khetawat, Independent Director

Smt Richa Agarwal, Non Executive Director

Shri Shyamalendu Chatterjee, Independent Director

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

b. Relatives of Key Managerial Personnel

Shri R.S. Agarwal

Smt. Usha Agarwal

Shri Harsh Vardhan Agarwal

Smt. Preeti Sureka

Shri Shyam Patwari

Shri Sunit Khetawat

Smt Preeti Khetawat

c. Enterprise where Key Managerial 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

Emami Estates Private Limited

Bhanu Vyapaar Private Limited

Auto Hi-Tech Private Limited

Diwakar Viniyog Private Limited

Pan Emami Cosmed Ltd

TMT Viniyogan Limited

Premio Packaging Papers Pvt. Ltd.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

Disclosure of transactions between the Company and related parties

Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprise described in (c) above		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Remuneration to Key Managerial Personnel*								
- Short Term Employment benefits	5.94	6.54		-		-	5.94	6.54
- Other Remunerations		-		-		-	-	-
Purchases of Goods & Services (Emami Cement Ltd)		-		-	0.21	0.46	0.21	0.46
Reimbursement for Expenses (Emami Cement Ltd.)					0.03		0.03	
Rent Maintainance & Other Charges Payable (Emami Limited)		-			0.24	0.62	0.24	0.62
Salary Paid		-	0.51	0.47		-	0.51	0.47
Reimbursement for SAP maintenance (Emami Limited)		-		-	0.46	0.47	0.46	0.47
Interest received		-		-	6.24	6.54	6.24	6.54
Interest Paid					1.25		1.25	-
Dividend Paid (Emami Limited)					0.95		0.95	
Dividend Received (Emami Limited)		-		-	0.75	0.33	0.75	0.33
Rent Received (Emami Limited)					0.16	0.09	0.16	
Sale proceeds Received (Emami Limited)					1.13		1.13	
Balance as on 31st March								
- Investment - Emami Ltd		-		-	0.55	0.55	0.55	0.55
- Security Deposit Given - Emami Ltd		-		-	0.03	-	0.03	-
- Creditors		-		-	0.50	-	0.50	-
Inter Corporate Deposit Payable		-		-	120.50	-	120.50	-
ICD Interest Payable		-		-	0.69	-	0.69	-

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

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.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

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, 2020 and 31st March, 2019.

As at 31st March, 2020 (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	20.49	-	-	-	-	20.49	20.49
Trade receivables	209.38	-	-	-	-	209.38	209.38
Investments	-	24.04	-	-	-	24.04	24.04
Derivatives	-	-	0.28	1.10	-	1.38	1.38
Loans	7.09	-	-	-	-	7.09	7.09
Other financial assets	13.51	-	-	-	-	13.51	13.51
	250.47	**24.04**	**0.28**	**1.10**	**-**	**275.89**	**275.89**
Financial liabilities:							
Trade and other payables	191.44	-	-	-	-	191.44	191.44
Borrowings	1,400.87	-	-	-	-	1,400.87	1,400.87
Derivatives	-	-	6.51	2.12	-	8.63	8.63
Other financial liabilities	27.95	-	-	-	-	27.95	27.95
	1,620.26	**-**	**6.51**	**2.12**	**-**	**1,628.89**	**1,628.89**

As at 31st March, 2019

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	7.60	-	-	-	-	7.60	7.60
Other financial assets	3.59	-	-	-	-	3.59	3.59
	230.46	**43.82**	**0.90**	**5.28**	**-**	**280.46**	**280.46**

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Amortised cost	Fair Value through other comprehensive income	Derivative instruments designated as hedging	Derivative instruments not designated as hedging	Fair Value through statement of profit and loss	Total carrying value	Total fair value
Financial liabilities:							
Trade and other payables	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**

(b)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net gain/(loss) on financial assets and liabilities measured at fair value through profit and loss	(1.82)	0.26

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, 2020 and 31st March, 2019. 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.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ in crores)

Particulars	Carrying amount	Undiscounted Amount		
		Payable within 1 year	More than 1 years	Total
As at 31st March, 2020				
Non-derivative liabilities				
Trade payables	191.44	190.08	1.36	191.44
Borrowings	1,016.49	236.16	780.33	1,016.49
Borrowings - Repayable on demand	384.38	384.38		384.38
Security deposits	5.92		5.92	5.92
Others	22.03	21.02	1.01	22.03
Derivative liabilities				
Swaps	8.63	2.18	6.45	8.63
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

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 2020 *(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 imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%.

The following table sets forth information relating to foreign currency exposure as at March 31, 2020:

(₹ in crores)

	U.S. Dollar	Euro	GBP	Total
a) Financial assets	14.47	0.69	0.03	15.19
b) Financial liabilities	854.20	9.08	-	863.28

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 ₹0.15 crores and ₹ 8.63 crores for financial assets and financial liabilities respectively for the year ended March 31, 2020.

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.

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 2020 *(Contd.)*

Interest Rate Risk Exposure

Particulars	As at 31.03.2020		As at 31.03.2019	
	(₹ in Crores)	% of Total	(₹ in Crores)	% of Total
Fixed Rate Borrowings	510.62	47%	432.97	35%
Variable Rate Borrowings	580.65	53%	815.99	65%
Total Borrowings	**1,091.27**	**100%**	**1,248.96**	**100%**

Sensitivity on variable rate borrowings

₹ in Crores

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31.03.20	31.03.19	31.03.20	31.03.19
Interest rate increase by 0.25%	(1.45)	(2.04)	(1.45)	(2.04)
Interest rate decrease by 0.25%	**1.45**	**2.04**	**1.45**	**2.04**

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, 2020 and March 31, 2019 was ₹15.86 crores, and ₹37.33 crores, respectively. A 10% change in equity price as at March 31, 2020 and March 31, 2019 would result in an impact of ₹1.59 crores and ₹3.73 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, 2020 and 31st March, 2019 is the carrying value of each class of financial assets.

Notes to the Financial Statements for the year ended 31st March 2020 *(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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Financial Assets :				
Investments in equity instruments	24.03	43.81	24.03	43.81
Loans	7.09	7.60	7.09	7.60
Trade Receivables	209.38	208.91	209.38	208.91
Cash and Cash Equivalents	19.15	9.38	19.15	9.38
Other Financial Assets	16.24	10.76	16.24	10.76
Total	**275.89**	**280.46**	**275.89**	**280.46**
Financial Liabilities :				
Borrowings	1,400.87	1,547.68	1,400.87	1,547.68
Trade & Other Payables	191.44	189.69	191.44	189.69
Other Financial Liabilities	36.58	30.94	36.58	30.94
Total	**1,628.89**	**1,768.31**	**1,628.89**	**1,768.31**

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 31.03.2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets :				
Investments in equity instruments	24.03	15.86	-	8.17
Derivative financial instruments	1.38	-	1.38	-
Liabilities :				
Derivative financial instruments	8.63	-	8.63	-

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	-

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

2.47 Expenditure incurred on Corporate Social Responsibility activities, included in different heads of expenses in the Statement of Profit and Loss is ₹ 1.50 Crores (₹ 1.78 Crores).

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2020 is ₹ 0.81 Crores (₹ 0.45 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, 2020	Year ended 31st March, 2019
Net Profits after tax (₹ in crore)	(10.45)	43.99
Number of equity shares (Nos. in crore)	6.05	6.05
Basic and diluted earnings per share (in ₹)	(1.73)	7.27
Nominal Value per share (₹)	2.00	2.00

2.50 PAYMENT TO AUDITORS

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
As auditors		
Audit fee	0.12	0.12
Tax audit fees	0.02	0.02
In other capacity		
For certification & Consultancy		
To statutory auditors	0.04	0.04
Out of pocket expenses	0.01	0.01
Total	0.19	0.19

2.51 LEASE LIABILITIES

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current	0.65	-
Non-Current	0.94	-
Total	1.59	-

Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

2.52 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.

Notes to the Financial Statements for the year ended 31st March 2020 *(Contd.)*

2.53 IMPACT OF COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the company, by way of interruption in production, supply chain disruption, unavailability of personnel, shutdown of production facilities etc. The spread of COVID 19 impacted the business from March, which culminated into scaling down of operations post the national lockdown.

Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institutions till August 2020. This will largely mitigate the stress cash flows of the Company during the period of COVID-19. In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Trade receivable, Inventories etc. the Company has considered internal and external information upto the date of approval of these financial results and expects to recover the carrying amount of the assets.

On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. The management has estimated its future cash flows which indicates no major change in the financial performance as estimated prior to COVID-19.

2.54 Considering present market conditions and indicators of future economic scenario, the management doesn't see much prospect to proceed further with its proposed green field multi-layer paperboard expansion project in Bharuch, Gujarat. In September 2019, the company has surrendered the leasehold plot at Saykha Industrial Estate, District Bharuch, Gujarat allotted by GIDC (Gujarat Industrial Development Corporation) for its proposed project.

The company received a refund from GIDC amounting to ₹69.42 crore upon surrender of the land. Further the company has charged to profit and loss statement as exceptional item a sum of ₹27.00 crore, being incurred towards pre-operative expenses.

2.55 Taxation Laws (Amendment) Act, 2019 provides domestic companies an option for lower tax rates, provided they do not claim certain deductions. The Company have not opted for the lower tax rate and applied the rate existing prior to the Act in making provision of its tax liability for the financial year.

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: 29th June, 2020

S. K. Khetan
Director (Operations) and CFO

G. Saraf
V.P. (Finance) & Secretary

A. V. Agarwal
Manish Goenka
P. S. Patwari
Directors

A glimpse of our Balasore Operations



Glimpse of the Shree Shree Jagannath Mandir
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