

emami PAPER
MILLS LIMITED



ANNUAL REPORT
2002-2003



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of EMAMI PAPER MILLS LIMITED will be held on Monday, the 11th day of August, 2003 at 11.00 a.m. at 8 Bentinck Street, Kolkata - 700 001 to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2003 and the reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Shri M. L. Jain, Shri R. K. Agarwal, Shri A. V. Agarwal and Shri S. K. Khaitan who retire by rotation, and offer themselves for reappointment.
3. To appoint Auditors and Unit Auditors (Kolkata Unit) of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following resolutions as ordinary resolutions.

AS ORDINARY RESOLUTION

"RESOLVED THAT Shri S. K. Todi, who was appointed as an Additional Director of the Company with effect from 05.04.2003 in accordance with Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

AS ORDINARY RESOLUTION

"RESOLVED THAT, in accordance with the applicable provisions of the Companies Act, 1956, or any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration and perquisites paid or payable to Shri Radhe Shyam Goenka, Executive Chairman of the Company, with effect from 1st June, 2003, as set out in the Explanatory Statement attached to the Notice convening this meeting, a copy whereof initialed by the Chairman for identification is placed before this meeting."

6. To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

AS ORDINARY RESOLUTION

"RESOLVED THAT, in accordance with the applicable provisions of the Companies Act, 1956, or any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of



remuneration and perquisites paid or payable to Shri Manish Goenka, Wholetime Director of the Company, with effect from 1st June, 2003, as set out in the Explanatory Statement attached to the Notice convening this meeting, a copy whereof initialed by the Chairman for identification is placed before this meeting."

7. To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

AS ORDINARY RESOLUTION

"RESOLVED THAT, in accordance with the applicable provisions of the Companies Act, 1956, or any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration and perquisites paid or payable to Shri Aditya Vardhan Agarwal, Wholetime Director of the Company with effect from 1st June, 2003, as set out in the Explanatory Statement attached to the Notice convening this meeting, a copy whereof initialed by the Chairman for identification is placed before this meeting."

8. To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

AS ORDINARY RESOLUTION

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors in terms of Section 293(1) (e) and other applicable provisions if any, of the Companies Act, 1956, to contribute and/or subscribe from time to time any national, charitable, benevolent, public or general and other funds not directly relating to the business of the Company or the welfare of its employees upto an aggregate amount of Rs. 50,00,000/- (Rupees Fifty lakhs only) in any financial year as may be considered proper by the Board of Directors."

Registered Office :

8, Bentinck Street
10th Floor
Kolkata-700 001
Dated : 30th May, 2003

By Order of the Board

G. SARAF
Vice President (Finance) & Secretary

NOTES :

1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxy Form in order to be valid should reach the registered office at least 48 hours before commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 6th August, 2003 to 11th August, 2003 (both days inclusive).
3. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 4 to 8 as set out above are annexed hereto as Annexure - I
4. Details of Directors seeking appointment/re-appointment pursuant to Clause 49 of the listing agreement with the Stock Exchange(s) are annexed hereto as Annexure - II.



ANNEXURE – I TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 TO THE ITEM NOS. 4, 5, 6, 7 & 8.

ITEM NO. 4

Shri S. K. Todi was appointed as an Additional Director of the Company at the Meeting of the Board of Directors held on 5th day of April, 2003. He will hold office upto the date of the ensuing Annual General Meeting. Notice as required under Section 257 of the Companies Act, 1956 has been received from a Member proposing the appointment of Shri S. K. Todi as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

None of the Directors except Shri S. K. Todi is interested in this resolution.

Your Directors recommend the resolution for approval.

ITEM NO. 5

The Board of Directors of your Company ('the Board') at its meeting held on 30th May 2003, on the recommendation of the Remuneration Committee, approved, subject to the approval of the Members, modification with effect from 1st June, 2003, in the terms of remuneration and perquisites paid or payable to Shri Radhe Shyam Goenka, Executive Chairman of the Company in the following manner :-

EMOLUMENTS

Salary Rs. 2,50,000/- (Rupees Two lacs fifty thousand only) per month.

PERQUISITES

- i) Housing : Free furnished residential accommodation. In case no accommodation is provided by the Company, he is entitled to House Rent Allowance subject to a ceiling of Rs. 10,000/- per month.
- ii) Electricity Charges : The electricity charges actually incurred at the residence of Shri R. S. Goenka will be reimbursed by the Company.
- iii) Bonus: Bonus will be paid as per rules of the Company.
- iv) Medical Reimbursement : Reimbursement of Medical Expenses for himself and his family members subject to a ceiling of one month's salary in a year.
- v) Leave and Leave Travel Concession : Leave as per Rules of the Company including encashment of leave. Leave Travel Concession for self and his family in a year anywhere in India to the maximum of one month's basic salary.
- vi) Club Fees : Subscription fees of Clubs subject to a maximum of two Clubs.



- vii) Personal Accident Insurance : Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 10,000/- (Rupees ten thousand).

OTHER PAYMENTS AND PROVISIONS WHICH WILL NOT BE INCLUDED IN OR TREATED AS PERQUISITE

- i) Contribution to Superannuation Fund and Provident Fund : Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity : Gratuity payable shall be equal to one half month's salary for each completed year of service subject to the limit as may be prescribed under the Gratuity Act.
- iii) Car: Provision of car for use on Company's business purposes. Use for private purpose shall be billed by the Company. The use of the Company's car for business purposes will not be considered as perquisites.
- iv) Telephone : Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- v) Entertainment Expenses : Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

MINIMUM REMUNERATION

Notwithstanding anything contained in this part where in any financial year during currency of the term of Office, the Company has no profits or its profits are inadequate, it may pay remuneration to Shri R. S. Goenka by way of salary and perquisites as Minimum remuneration subject to the limit provided under Para 1 (B) of Section – II of Part – II of Schedule XIII of the Companies Act, 1956, or any modification thereof from time to time.

Shri Radhe Shyam Goenka himself and Shri Manish Goenka as his relative are interested in this Resolution as the same relates to variation in his remuneration. None of the other Directors of your Company is interested in this Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 6

The Board of Directors of your Company ('the Board') at its meeting held on 30th May, 2003, on the recommendation of the Remuneration Committee, approved, subject to the approval of the Members, modification with effect from 1st June, 2003, in the terms of remuneration and perquisites paid or payable to Shri Manish Goenka, Wholetime Director of the Company in the following manner.



EMOLUMENTS

- a) Salary Rs. 75,000/- (Rupees Seventy five thousand only) per month.
- b) Bonus as per the rules of the Company.

PERQUISITES

Housing : Free furnished residential accommodation. In case no accommodation is provided by the Company, he is entitled to House Rent Allowance subject to a ceiling of Rs.20,000/- per month.

Reimbursement of Medical Expenses for self and his family. Leave and Leave Travel Concession as per the rules of the Company.

Use of Company's Car for official purpose and telephone at residence (including payment for local calls and long distance official calls).

Shri Manish Goenka shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration :

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) Encashment of un-availed earned leave at the end of the tenure.

MINIMUM REMUNERATION

Notwithstanding anything contained in this part where in any financial year during currency of the term of Office, the Company has no profits or its profits are inadequate, it may pay remuneration to Shri Manish Goenka by way of salary and perquisites as Minimum remuneration subject to the limit provided under Para I (B) of Section – II of Part – II of Schedule XIII of the Companies Act, 1956 or any modification thereof from time to time.

Shri Manish Goenka himself and Shri R. S. Goenka as his relative are interested in this Resolution as the same relates to variation in his remuneration. None of the other Directors of your Company is interested in this Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 7

The Board of Directors of your Company ('the Board') at its meeting held on 30th May 2003, on the recommendation of the Remuneration Committee, approved, subject to the approval of the Members, modification with effect from 1st June, 2003, in the terms of remuneration and perquisites paid or payable



to Shri Aditya Vardhan Agarwal, Wholetime Director of the Company in the following manner :-

EMOLUMENTS

Salary Rs. 75,000/- (Rupees Seventy five thousand only) per month.

PERQUISITES

- i) Housing : Free furnished residential accommodation. In case no accommodation is provided by the Company, he is entitled to House Rent Allowance subject to a ceiling of Rs.20,000/- per month.
- ii) Medical Expenses : Reimbursement of medical expenses incurred by the Wholetime Director himself and his family members.
- iii) Leave and Leave Travel Concession : Leave as per Rules of the Company including encashment of leave. Leave Travel Concession for self and his family in a year incurred in accordance with the Service Rules of the Company.
- iv) Bonus as per rules of the Company.

OTHER PAYMENTS AND PROVISIONS WHICH WILL NOT BE INCLUDED IN OR TREATED AS PERQUISITES

- i) Contribution to Superannuation Fund and Provident Fund : Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable shall be equal to one half month's salary for each completed year of service.
- iii) Car: Provision of car for use on Company's business purposes. Use of private purpose shall be billed by the Company. The use of the Company's car for business purposes will not be considered as perquisites.
- iv) Telephone : Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- v) Entertainment Expenses : Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

MINIMUM REMUNERATION

Notwithstanding anything contained in this part where in any financial year during currency of the term of Office, the Company has no profits or its Profits are inadequate, it may pay remuneration to Shri Aditya Vardhan Agarwal by way of salary and perquisites as Minimum remuneration subject to the limit provided under Para 1 (B) of Section - II of Part - II of Schedule XIII of the Companies Act, 1956 or any modification thereof from time to time.



Shri Aditya Vardhan Agarwal himself and Shri R. S. Agarwal as his relative are interested in this Resolution as the same relates to variation in his remuneration. None of the other Directors of your Company is interested in this Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 8

Section 293(1)(e) of the Companies Act, 1956, puts restriction on the powers of the Board of Directors of a public Company and its subsidiaries to contribute to Charitable and other funds not directly relating to the business of the Company or the welfare of its employees in excess of Rs. 50,000/- or five percent of its average net profits during the three financial years immediately preceeding, whichever is greater. Any donation in excess of the above ceiling shall not be made except with the consent of the shareholders in General Meeting of the Company.

Your Company is authorised by its Articles of Association to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, national, social, scientific, literary, educational, medical or other institutions the object of which shall have moral or other claim for support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise subject to a monetary ceiling of Rs. 50,00,000/- (Rupees Fifty lakhs only) in any financial year.

None of the Directors of your Company is interested either directly or indirectly in the said resolution.

The Board recommends this Resolution for your approval.



ANNEXURE – II TO THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri M. L. Jain	Shri R. K. Agarwal	Shri A.V. Agarwal	Shri S. K. Khaitan
Date of Birth	14.07.1931	28.08.1952	06.01.1975	15.12.1939
Date of Appointment	30.04.2001	24.01.2001	23.10.2000	24.01.2001
Experience in special functional areas	Rich experience in the area of Business Development, Strategy formulations, Accounting, Corporate Planning and varied experience in setting up of project.	A reputed Chartered Accountant, having experience in Auditing, Accounts and Taxation.	Rich experience in Marketing, Corporate Planning, Business Development, Strategy formulations and overall management.	Industrialist with rich business experience.
Qualifications	B. Com, FCA	FCA (Gold Medalist) CFE (USA)	B. Com	B. Com
Chairman/Director of other Companies	<ul style="list-style-type: none"> – Emami Limited – Vanbandhu Prakashan (P) Ltd – EFL Foods Ltd. – Medicare Projects & Consultancy Pvt. Ltd. – DPS India Pvt. Ltd. – Pan Emami Cosmed Ltd. – South City Projects (Kolkata) Ltd. 	<ul style="list-style-type: none"> – Ernst & Young Pvt. Ltd. – Usha Beltron Ltd. – Woodlands Hospital & Medical Research Centre Ltd. 	<ul style="list-style-type: none"> – Premier Ferro Alloys & Securities Ltd. – Emami Group of Companies Pvt. Ltd. – CRI Ltd. – Sarvottam Vanijya Ltd. – Suntrack Commerce Pvt. Ltd. 	<ul style="list-style-type: none"> – Khaitan (India) Ltd. – Khaitan Electricals Ltd. – Khaitan Lefin Ltd. – Khaitan Hotels (P) Ltd. – Murlidhar Ratanlal Exports Ltd. – Shrachi Securities Ltd. – Rupa & Co. Ltd.



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BOARD OF
DIRECTORS

- Shri R. S. Goenka (Executive Chairman)
- Shri R. S. Agarwal
- Shri S. K. Khaitan
- Shri R. K. Agarwal
- Shri A. C. Gupta (Managing Director)
- Shri A. V. Agarwal (Whole Time Director)
- Shri Manish Goenka (Whole Time Director)
- Shri P. S. Patwari (Executive Director)
- Shri S. K. Todi
- Shri M. L. Jain
- Shri P. Sitaram (IDBI Nominee)
- Shri A. K. Chakraborty

VICE-PRESIDENT
(FINANCE) &
SECRETARY

- Shri G. Saraf

AUDITORS

- Messrs Saxena & Co.
- Chartered Accountants
- 4A, Council House Street, Kolkata-700 001

UNIT AUDITORS

- Messrs Salarpuria Jajodia & Co.
- Chartered Accountants
- 7, C. R. Avenue, Kolkata-700 072

BANKERS

- State Bank of India
- State Bank of Bikaner & Jaipur
- Indian Overseas Bank

WORKS

- Balgopalpur
- Balasore-756 020
- (Orissa)
- R. N. Tagore Road
- Alambazar, Dakhineswar
- Kolkata-700 035 (West Bengal)

REGISTERED OFFICE

- 8, Bentinck Street, 10th Floor
- Kolkata-700 001