



On the MOVE



Emami Paper Mills Limited
Annual Report 2015-2016

CAUTIONARY STATEMENT

Statements in the Directors' Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.



Corporate
Overview

02

Between the Covers



Statutory Reports

06



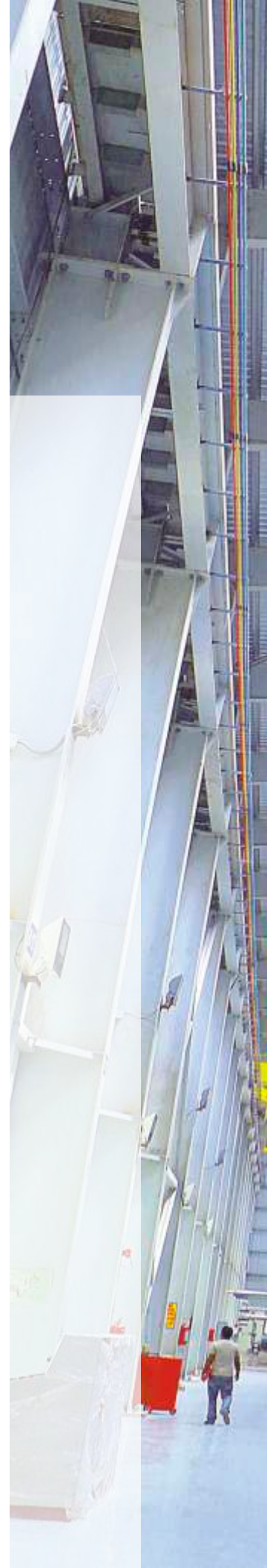
Financial
Statements

45

Board of Directors	2
Management Team	4
Touching Lives	6
Management Discussion and Analysis	8
Directors' Report	12
Annexures to the Directors' Report	19
Report on Corporate Governance	36
Independent Auditors' Report	51
Balance Sheet	56
Statement of Profit & Loss	57
Cash Flow Statement	58
Notes to Financial Statements	60



This Annual Report is available online at www.emamipaper.in



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. A. V. Agarwal, *Executive Chairman*
Mr. Manish Goenka, *Whole Time Director*
Mr. P. S. Patwari, *Executive Director*
Mr. M. B. S. Nair, *Director - Operations*
Mr. J. N. Godbole, *Independent Director*
Mr. H. M. Marda, *Independent Director*
Mr. J. K. Khetawat, *Independent Director*
Mr. S. Balasubramanian, *Independent Director*
Mr. U. G. Bhat, *Independent Director*
Mrs. Richa Agarwal, *Director*

SR. PRESIDENT

Mr. S. K. Jain

PRESIDENT (FINANCE) & CFO

Mr. S. K. Khetan

VICE PRESIDENT (FINANCE) AND SECRETARY

Mr. G. Saraf

AUDITORS

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

UNIT AUDITORS

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

BANKERS

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

WORKS

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

REGISTERED OFFICE

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

BOARD OF DIRECTORS



Mr. A. V. Agarwal

Executive Chairman

Well known Industrialist. Rich and varied experience of 18 years in Marketing, Corporate Planning, Business Development, Strategy Formulation and Overall Management.



Mr. Manish Goenka

Whole-time Director

Industrialist with extensive business experience of 18 years, expertise in Marketing, Corporate Planning, Business Development, Strategy Formulation and Overall Management.



Mr. P. S. Patwari

Executive Director and CEO

Chartered Accountant, extensive experience of 36 years in the area of Finance, Accounting, Corporate Planning, Business Development, Strategy Formulation and Overall Management.



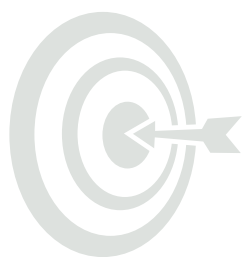
Mr. J. Godbole

Independent Director

Former Chairman of IDBI, having extensive experience in the area of Finance, in particular Bank Finance, Accounting, Corporate Planning and Strategy formulation.



Continued to be the No-1 newsprint manufacturer in the country.
To become No. 1 packaging Industry in the country.



To achieve long term values to serve the best interest of all the Customers, Stakeholders - shareholders, Vendors, Employees, the Government and the Society at large.



Mr. S. Balasubramanian
Independent 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 former member of Indian Postal Service and having senior level experience in public sector.



Mr. U. G. Bhat
Independent Director

Well known Technocrat and reputed project consultant in paper industry with rich and varied experience in setting up of project.



Mr. J. K. Khetawat
Independent Director

An Industrialist with extensive business experience in the area of Accounting, Corporate Planning, Strategy Formulation and Overall Management.



Mr. H. M. Marda
Independent Director

An Industrialist with extensive business experience over 3 decades. Rich and varied experience in the area of Accounting, Corporate Planning, Strategy Formulation and Overall Management.



Mr. M. B. S. Nair
Director (Operations)

Renowned paper technologist with rich and varied experience of 42 years in Paper Industry. He is the operational head of both the units at Kolkata and Balasore. Having varied experience in setting up of paper mill project.



Mrs. Richa Agarwal
Director

Extensive experience in the area of Corporate Planning, Business Development, Marketing and Overall Business Management.

MANAGEMENT TEAM



Mr. S. K. Jain
Sr. President



Mr. S. K. Khetan
President (Finance) & CFO



Mr. G. Saraf
Vice President (Finance) & Secretary



Mr. B. Choudhury
Vice President (Engineering)



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



Mr. V. K. Chandalia
Sr. G.M. (Marketing)



Mr. Soumajit Mukherjee
Sr. G.M. (Marketing & Sales)



Mr. Mukesh Agarwal
Sr. G.M. (Finance)



Mr. Anil Khemka
Sr. G.M. (Purchase)



Mr. A. K. Singh
Sr. G.M. (Board Production)



Mr. Kajol Roy Choudhury
Sr. G.M. (Works)



Mr. S. Chakraborty
Sr. G.M. (Automation)



Mr. Shyam Patwari
G.M. (Commercial)



Mr. Amardeep Mohanty
G.M. (HR & Admin)



Mr. G. Mishra
G.M. (Project & Maint)(I)



Mr. M.S Yadav
G.M. (Elect)



Mr. R. Mittal
G.M. (Civil)



Mr. V. Mohan
G.M. (Power Plant)



Mr. B V K S S Prasad
Sr. D.G.M. (Power Plant)



Mr. Sandeep Jha
Sr. D.G.M. (Marketing)



Mr. Chandan Mukherjee
Sr. D.G.M. (Import & Insurance)



Mr. Pramod Jain
Sr. D.G.M. (Board Plant)



Mr. S. K Brahma
Sr. D.G.M. (Paper)



Mr. Mukesh Agarwal
D.G.M. (IT)



Mr. D. Hota
D.G.M. (HR)



Mr. K. S.V Ravi Kumar
D.G.M. (Elect)



Mr. N. C Pattnaik
D.G.M. (Admin & Co-Ordination)



Mr. Ramesh Khuntia
D.G.M. (DIP)

TOUCHING LIVES

At Emami Paper Mills Limited we believe that businesses voluntarily share created value with the community they operate in. We deploy the combined reach of our manufacturing locations to outreach the surrounding communities with our CSR initiatives through Healthcare, Education, Plantation, Safety, Community Development programmes.



Health Check-up Camp



Distribution of Exercise Note Books



Installation of Tubewell



Plantation programme



Mass Marriage Ceremony



Distribution of Blankets



Launching of "Emami - KISS (Kalinga Institute of Social Sciences) Residential School" at Balasore, Odisha with founders of Emami Group, Mr. R. S. Agarwal & Mr. R. S. Goenka and Mr. Achyuta Samanta for the underprivileged and tribal children.



Recognition of our success

MANAGEMENT'S DISCUSSION AND ANALYSIS



GLOBAL SCENARIO

Paper industry occupies a prestigious position, among the various manufacturing enterprises globally, in view of its significant contribution to the society. Role of paper in promotion of literacy, propagation of information and knowledge, packaging of commodities and valuable commercial goods, makes it an indispensable product. Paper industry is also a significant player in the world economy. Global consumption of paper and paper board grew from 169 million tonnes in 1981 to 253 million tonnes in 1993 and to 352 million tonnes in 2005. Current consumption of paper is to the tune of 400 million tonnes per annum, roughly half of this consumption is shared by North America and Europe. However, share of North America and Europe has been declining since 2006; while that is steeply rising in China, India and other developing economies of Asia. With the growth in consumption, recycling of paper is growing gradually throughout the world; at present almost 65% of the paper produced each year is recycled.

The major driver for demand of paper in the global markets is due to increase in usage of paperboards in packaging as well as printing applications. Increasing awareness amongst consumers towards eco-friendly packaging solutions, that would be more inclusive with the eco-system and animal habitat have been one of the main reasons that is driving the packaging industry to come up with innovative packaging solutions that are convenient for the consumers. Globally, the paperboard packaging market has grown moderately in the last few years despite sluggishness in other paper sector and this growth is expected to continue.

INDIAN PAPER INDUSTRY

The Indian Paper and Paper Board market is the 15th largest market in the world. With a growth rate of 7% it is also one of the fastest growing markets with further growth potential due to large population base and low per capita paper consumption compared to world average. Substantial thrust on literacy and education, changing lifestyle, growth in organised retail and increase in disposable income will further boost up paper consumption in the country. The consumption of paper is closely linked to the economic development of a country. In

India, it is gradually improving with economic growth, industrial production, expenditure incurred on the print media, Government is spending in education, etc.

Paper and paper board industry in India is segregated in four major segments – Writing & Printing paper (W&P), Paperboard (Industrial paper), Speciality Paper and Newsprint. In 2014-15, W&P paper was estimated to form the largest share of the domestic paper market at 41% followed by paperboard at 37%, newsprint at 18% and speciality paper at 4% (Source – CRISIL Research Paper 2016).

The revenue of paper industry of India is expected to reach up to USD 11.83 billion by 2017. About 70% of the total installed capacity of paper production in India is accounted by the states of Gujarat, West Bengal, Orissa, Andhra Pradesh, Karnataka and Maharashtra. Uttar Pradesh, Tamil Nadu, Haryana, Kerala, Bihar and Assam together account for about 25% of the total paper production in India. India's paper consumption has grown at a steady rate of 6% - 8% in the last five years. The Indian paper industry has an annual turnover of about Rs. 40,000 crores. India has 17% of the world's population, but it consumes just