



Emami Paper Mills Limited

CHAIRMAN'S SPEECH FOR

37TH ANNUAL GENERAL MEETING

**HELD AT EMAMI ART, KOLKATA CENTRE FOR CREATIVITY,
777, ANANDAPUR EM BYPASS, KOLKATA – 700 107
ON MONDAY, 12TH AUGUST, 2019, AT 11.00 A.M.**

CHAIRMAN'S SPEECH

Dear Shareholders, Good Morning.

It gives me immense pleasure to welcome you all at the Annual General Meeting of your Company.

I feel delighted to share with you the performance of your Company for the financial year 2018-19. The year has been encouraging as your Company registered another commendable performance with impressive top-line growth despite a challenging economy. Your Company recorded its highest turnover of Rs.1528.48 crores as compared to Rs.1366.37 crores in 2017-18 registering a growth of 11.9%. EBIDTA (Earnings before Interest, Depreciation and Tax) increased by 41% to Rs. 242.32 crores as against Rs.171.87 crores in 2017-18. During the year under review, the combined production from Packaging Board, Newsprint and

Writing & Printing paper stood at 3,22,359 MT and the capacity utilization stood at around 100%. The Company achieved outstanding performance in Exports which is increased over 44% to Rs. 72.32 crores compared with Rs. 50.20 crores achieved in the last year. Your Company is continuously focusing on improving operating efficiencies and reducing manufacturing cost for better financial performance.

Your Company has achieved remarkable performance with all-round growth in Multi-layer Coated Board Plant and recorded 1,78,534 MT of Board production for the year as against 1,62,877 MT achieved in the year 2017-18. This was clocked through a focus on product quality, process innovation, improved manufacturing efficiencies and enhanced service level with better logistic arrangements. The Packaging Board Plant capacity further increased from 1,80,000 TPA to 2,00,000 TPA during the year by adding balancing equipment.

Newsprint industry scenario has improved in the first half of 2018-19 with an increase in prices of newsprint by about 30% and an increase in demand for quality newsprint. However, the newsprint industry witnessed a depressed market scenario in the second half of the year due to a higher volume of imports at cheap rates. Considering the altered and challenging scenario, your Company has decided for manufacturing value-added premium quality products like maplitho paper, specialty Kraft Paper and base paper for decorative laminates known as absorbent kraft by converting 60,000 MT per year Newsprint capacity fungible. Production of high end maplitho paper and premium grade absorbent kraft has already started. The year 2018-19 was a market with volatility and disruptions. Your

Company, however, continued to perform consistently well even under these challenging times and delivered significantly better results.

Strong economic growth has been accompanied by an 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.

Government of India has removed End-use based 10% Customs Duty exemption on Newsprint import recently in the Union Budget, 2019, providing level playing field to Indigenous Newsprint Industry.

Moreover, the results of the various initiatives taken by the Company by changing product mix are expected to be very very encouraging in the years to come.

Your Directors are pleased to recommend a dividend of 60% (Rs.1.20 per share) on Equity shares of Rs. 2.00 each and 8% p.a. dividend on Preference shares of Rs.100.00 each for the financial year ended 31st March 2019 in view of the remarkable performance of the Company.

Emami Paper Mills Limited through its CSR activities takes up programs that benefit the communities in and around its place of work and ensure over a period of time, enhancement in the quality of life and economic well-being of the local people and thereby establishing its presence as a good corporate citizen.

Our focus area in CSR- safe drinking water in nearby villages, toilets and sanitation facilities for girl students in nearby Government schools, mass marriages of poor girls, plantation activities, rainwater harvesting and rural infrastructural developments.

Your Company's philosophy is to achieve long term value to serve the best interest of all stakeholders - shareholders, customers, employees, Government and the society at large.

I appreciate the confidence and faith reposed by the shareholders in the Board and the Management team which has, in my view, geared up to take on more challenges. I can say with confidence the Company will improve its performance further in the coming years. This is however only possible through tireless efforts; dedication and commitment of our team who have helped us reach where we are now and look forward to their continued commitment in the journey forward.

Thank you,

A.V. AGARWAL
EXECUTIVE CHAIRMAN