

June 26, 2020

The Secretary  
BSE Limited  
Corporate Relationship Department, 1<sup>st</sup> floor  
New Trading Ring, Rotunda Building,  
P.J. Tower, Dalal Street, Fort  
Mumbai-400001  
**BSE Scrip Code: 502420**

The Manager  
Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G, 5<sup>th</sup> Floor  
Bandra-Kurla Complex  
Bandra (E) Mumbai-400051  
**NSE Symbol: ORIENTPPR**

Dear Sirs,

Sub: Outcome of the Board Meeting

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a statement showing Audited Financial Results of the Company for the quarter / year ended 31<sup>st</sup> March, 2020 in the prescribed format along with report of M/s. Price Waterhouse & Co Chartered Accountants LLP, the Auditors of the Company. We also enclose a declaration with respect to Audit Report with unmodified opinion on the said financial reports. The results were approved and taken on record by the Board of Directors of the Company at its meeting held on today, commenced at 3.30 P.M. and concluded at ...~~7:00~~... P.M.

Further please note that the Board has recommended final Dividend of Re.0.50/- per Equity share (50%), subject to approval of the shareholders of the Company.

The above information is also available on the website of the Company: [www.orientpaperindia.com](http://www.orientpaperindia.com)

Thanking you,

Yours faithfully,  
For ORIENT PAPER & INDUSTRIES LTD.

  
(P. K. Sonthalia)  
President (Finance) & CFO

Encl: as above

**ORIENT PAPER & INDUSTRIES LTD.**

[Regd. Office : Unit VIII, Plot 7, Bhoinagar, Bhubaneswar - 751012 (Odisha)]

Tel:(0674)2396930 Fax(0674) 2396364,E-mail:paper@opillbbsr.com

CIN: L21011OR1936PLC000117

**Statement of Audited Financial Results for the Quarter / Year ended 31st March,2020**

(Rs. In lacs)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		(Refer note no. 6) (Unaudited)	(Unaudited)	(Refer note no. 6) (Unaudited)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	(a) Revenue from Operations	13,447.81	16,364.40	19,812.66	60,656.36	71,004.48
	(b) Other Income	347.99	301.08	355.96	1,178.11	3,370.87
	<b>Total Income (a+b)</b>	<b>13,795.80</b>	<b>16,665.48</b>	<b>20,168.62</b>	<b>61,834.47</b>	<b>74,375.35</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of Materials Consumed	3,829.91	5,309.37	5,651.20	19,840.70	19,668.10
	(b) Changes in Inventories of Finished Goods and Work-in-progress	683.41	(14.50)	399.75	(638.67)	337.95
	(c) Employee Benefits Expense	2,005.99	2,146.81	1,977.11	8,428.73	8,427.14
	(d) Finance Costs	147.21	127.56	244.89	523.41	997.18
	(e) Depreciation and Amortisation Expense	851.68	839.24	800.78	3,316.02	3,161.38
	(f) Other Expenses	6,876.71	7,860.94	8,090.32	28,270.73	28,777.88
	<b>Total Expenses</b>	<b>14,394.91</b>	<b>16,269.42</b>	<b>17,164.05</b>	<b>59,740.92</b>	<b>61,369.63</b>
<b>3</b>	<b>Profit before Tax (1-2)</b>	<b>(599.11)</b>	<b>396.06</b>	<b>3,004.57</b>	<b>2,093.55</b>	<b>13,005.72</b>
<b>4</b>	<b>Tax expenses</b>	<b>(301.09)</b>	<b>63.22</b>	<b>(237.58)</b>	<b>100.76</b>	<b>2,840.75</b>
<b>5</b>	<b>Net Profit for the period (3-4)</b>	<b>(298.02)</b>	<b>332.84</b>	<b>3,242.15</b>	<b>1,992.79</b>	<b>10,164.97</b>
<b>6</b>	<b>Other comprehensive Income not to be reclassified to Profit and Loss in subsequent periods (net of tax)</b>	<b>(8,153.65)</b>	<b>353.07</b>	<b>(1,868.13)</b>	<b>(12,701.06)</b>	<b>(607.33)</b>
<b>7</b>	<b>Total comprehensive income for the period (5+6)</b>	<b>(8,451.67)</b>	<b>685.91</b>	<b>1,374.02</b>	<b>(10,708.27)</b>	<b>9,557.64</b>
<b>8</b>	<b>Paid-up equity share capital (Face value per share : Re.1/-)</b>	<b>2,121.96</b>	<b>2,121.96</b>	<b>2,121.96</b>	<b>2,121.96</b>	<b>2,121.96</b>
<b>9</b>	<b>Other Equity</b>				<b>1,24,147.59</b>	<b>1,36,390.66</b>
<b>10</b>	<b>Earnings per Equity Share of face value of Re.1/- each (Not Annualised)</b>					
	Basic and Diluted	<b>(0.14)</b>	<b>0.16</b>	<b>1.53</b>	<b>0.94</b>	<b>4.79</b>

**Notes :-**

- 1 The Board recommends a dividend of Rs. 0.50 (5%) per share on equity shares of the Company.
- 2 The above financial results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at their respective meetings held on June 26th, 2020. The financial results for the year ended 31st March, 2020 have been duly audited by the Company's Statutory Auditors.
- 3 Results for the 4th quarter have been affected due to loss of production at paper plant due to break down in the recovery boiler for 10 days during January & February 2020 and planned maintenance shut of the same in March for 11 days.
- 4 The operation of the Company were further impacted in the month of March 2020 due to shutdown of plants following nationwide lockdown announced by the Government of India because of COVID-19 outbreak. While this has impacted production/sales performance of the company, the management expects normalcy to return gradually and is monitoring the situation closely.  
  
While the demand for the Company's products could be lower in the short term but the management does not expect it to have continuing impact on the business of the Company. The management does not anticipate any challenge in the Company's ability to continue as a going concern or in meeting its financial obligations and expects no significant impact on carrying amount value of inventories, tangible assets, intangible assets, trade receivables, investments and other financial assets and continues to monitor changes in future economic conditions.  
  
The eventual outcome of the global pandemic may be different than those estimated as on the date of approval of these results.
- 5 Due to the uncertainty arising out of Covid 19, the management has estimated the recoverable amount of the Paper unit as a CGU which has been determined using the value-in-use method. The recoverable amount of the Paper unit was determined to be higher than the carrying amount and therefore no provision for impairment was required to be recognised as at March 31, 2020. Key assumptions used in the determination of the recoverable amount includes the discount rate and the long-term revenue growth rate. Any future reduction in the long-term revenue growth rates or increase in the discount rates in future could result in the recoverable amount being lower than its carrying amount
- 6 The figures of last quarter for the current year and the previous year are the balancing figures in respect of the full financial year ended 31st March and the unaudited published year to date figures upto third quarter ended 31st December, which were subject to limited review.
- 7 Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019 [Promulgated as the Taxation Laws (Amendment) Ordinance, 2019 on September 20, 2019] amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The ordinance/act 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 Ordinance/Act in making provision of its tax liability for the financial year.
- 8 Tax expenses include deferred tax and is after adjusting MAT credit entitlement.
- 9 Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognized at an amount equal to the adjusted lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been adjusted.
- 10 The Company is primarily engaged in single reportable operating segment viz. Paper and hence no segment disclosure is required.
- 11 Previous period figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.



## 12 Balance Sheet:

Particulars	(Rs. In lacs)	
	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>1. Non-current Assets</b>		
(a) Property, Plant and Equipment	1,30,932.22	1,32,314.79
(b) Right-of-Use Assets	647.36	-
(c) Capital Work-in-progress	5,338.65	1,770.93
(d) Investment Property	624.73	629.10
(e) Intangible assets (other than goodwill)	62.98	106.72
(f) Biological assets other than bearer plants	39.52	33.02
(g) Financial Assets		
(i) Investments	14,778.36	28,943.44
(ii) Loans	263.66	261.52
(iii) Other Financial Assets	32.94	2.30
(h) Non-current Tax Assets (Net)	315.92	509.13
(i) Other Non-current Assets	1,936.06	1,283.75
<b>Total-Non-current Assets</b>	<b>1,54,972.40</b>	<b>1,65,854.70</b>
<b>2. Current Assets</b>		
(a) Inventories	7,669.06	7,549.22
(b) Biological assets	285.52	186.62
(c) Financial Assets		
(i) Trade Receivables	2,733.16	3,012.82
(ii) Cash and Cash Equivalents	330.26	296.04
(iii) Other Bank Balances	197.23	154.20
(iv) Loans	119.30	133.20
(v) Other Financial Assets	54.49	16.20
(d) Current Tax Assets	515.53	-
(e) Other Current Assets	2,627.20	3,320.94
<b>Total-Current Assets</b>	<b>14,531.75</b>	<b>14,669.24</b>
<b>TOTAL - ASSETS</b>	<b>1,69,504.15</b>	<b>1,80,523.94</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	2,121.96	2,121.96
(b) Other Equity	1,24,147.59	1,36,390.66
<b>Total-Equity</b>	<b>1,26,269.55</b>	<b>1,38,512.62</b>
<b>LIABILITIES</b>		
<b>1. Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	1,014.88
(ii) Lease Liabilities	603.86	-
(b) Employee benefit obligations	1,210.08	959.65
(c) Deferred Tax Liabilities (Net)	23,199.43	25,120.30
<b>Total-Non-current Liabilities</b>	<b>25,013.37</b>	<b>27,094.83</b>
<b>2. Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	2,517.49	1,089.77
(ii) Lease Liabilities	118.12	-
(iii) Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	46.71	16.88
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,758.67	8,378.61
(iv) Other Financial Liabilities	2,815.48	2,683.81
(b) Employee benefit obligations	1,069.86	1,049.72
(c) Current tax liabilities (net)	67.69	232.30
(d) Other Current Liabilities	1,827.21	1,465.40
<b>Total-Current Liabilities</b>	<b>18,221.23</b>	<b>14,916.49</b>
<b>Total Liabilities</b>	<b>43,234.60</b>	<b>42,011.32</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,69,504.15</b>	<b>1,80,523.94</b>



13 Statement of Cash Flows:		(Rs. In lacs)	
Particulars		As at March 31, 2020	As at March 31, 2019
		(Audited)	(Audited)
<b>(A) Cash flows from operating activities:</b>			
Profit before income tax		2,093.55	13,005.72
<b>Adjustments for:</b>			
Depreciation and amortisation expense		3,316.02	3,161.38
Interest and finance charges		296.50	743.35
Interest on lease liabilities		122.73	-
Interest expense on income tax		3.15	113.50
Other borrowing costs		101.03	140.33
Net (gain) / loss on disposal of property, plant and equipment		11.18	(1,590.80)
Net gain on disposal of investment property		-	(602.09)
Bad debts written off		-	4.69
Provision for doubtful debts and advances		-	153.13
Rental income from investment properties		(182.93)	(251.82)
Gain on sale / redemption of units of mutual funds		(2.50)	(21.44)
Unspent liabilities, provisions no longer required and unclaimed balances written back		(127.56)	(300.92)
Unrealised foreign exchange loss/(gain) (net)		(13.04)	(53.40)
Interest income		(16.87)	(33.60)
Dividend income		(304.06)	(313.33)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>5,297.20</b>	<b>14,154.70</b>
Increase in trade payables, other liabilities and provisions		1,779.22	1,246.21
(Increase) in inventories		(119.84)	(1,476.96)
(Increase) in biological assets		(105.39)	(42.99)
(Increase) /decrease in trade receivables, loans and advances and other assets		711.44	(791.11)
<b>Cash generated from operations</b>		<b>7,562.63</b>	<b>13,089.85</b>
Income taxes paid (net)		(714.15)	(3,207.86)
<b>Net cash inflow from operating activities</b>		<b>6,848.48</b>	<b>9,881.99</b>
<b>(B) Cash flows from investing activities:</b>			
Proceeds from disposal of property, plant and equipment		7.61	208.06
Proceeds from disposal of investment property		-	1,628.00
Payments for acquisition of property, plant and equipment/intangible assets		(5,088.19)	(2,733.04)
Proceeds on disposal of investments in equity shares		-	356.42
Rental income from investment properties received		182.93	251.82
Purchases of Units of MF		(1,365.00)	(5,170.00)
Proceeds from sale of Units of MF		1,367.50	5,191.44
Interest received		-	29.19
Dividend received		304.06	313.33
Fixed deposits made/ (withdrawn)		(78.52)	(7.45)
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(4,669.61)</b>	<b>67.77</b>
<b>(C) Cash flows from financing activities:</b>			
Repayment of long-term borrowings		(1,402.70)	(4,211.72)
(Repayment) / Proceeds of short-term borrowings		1,427.72	(1,985.07)
Principal element of Lease payments		(100.25)	-
Interest elements of Lease payments		(122.73)	-
Interest paid		(302.86)	(745.41)
Interest expense on income tax		(3.15)	(113.50)
Other borrowing costs paid		(101.03)	(140.33)
Dividend paid		(1,277.96)	(2,355.49)
Dividend distribution tax paid		(261.69)	(479.77)
<b>Net cash (outflow) from financing activities</b>		<b>(2,144.65)</b>	<b>(10,031.29)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>34.22</b>	<b>(81.53)</b>
Cash and cash equivalents at the beginning of the financial year		296.04	377.57
<b>Cash and cash equivalents at the end of the period</b>		<b>330.26</b>	<b>296.04</b>

KOLKATA  
June 26, 2020

By Order of the Board  
for ORIENT PAPER & INDUSTRIES LTD.



*M L Pachisia*  
(M L PACHISIA)  
Managing Director  
(DIN: 00065431)



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Orient Paper & Industries Limited Report on the audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Orient Paper & Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at March 31, 2020, its total comprehensive income (comprising profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 53 to the financial statements which explains the uncertainties and management's assessment of the financial impact due to the lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.

#### Key audit matters

5. 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 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.

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Price Waterhouse & Co. (a Partnership Firm) Converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

## Price Waterhouse & Co Chartered Accountants LLP

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Existence of inventory of raw materials</b></p> <p>Refer Note 52 to the financial statements</p> <p>The Company maintains significant stock of bulk raw material in form of bamboo and wood at its paper unit.</p> <p>The Company has systems and processes which includes inventory management system to record inventory movements and conducts physical verification procedures by internal team every month. Apart from monthly stock count by internal team, the management also engage an independent third party to conduct physical verification of inventories on quarterly basis. In addition to physical verification, there are judgements applied in assessing the level of moisture contents based on lab testing as well as past trend and accordingly requires necessary adjustments to be carried out from time to time.</p> <p>Following an abnormal shortage of 12,578 tons noticed during physical verification of wood inventory during the quarter ended June 30, 2019, the Management appointed a forensic expert to ascertain the reasons thereof. Forensic expert findings identified manipulation of stock records and recording of incorrect material consumption by an employee of the Company to be the underlying factors. In this regard Management had taken remedial action such as independent physical verification and strengthening internal controls and also terminated the services of the employee.</p> <p>The inventory count for the year ended March 31, 2020 was performed post the year end i.e. in May 2020 owing to lockdown due to outbreak of the COVID – 19 pandemic. The management has performed a detailed roll back procedure by taking the cut-off date of May 31, 2020 and by taking into account all the receipts, issues to arrive at the March 31, 2020 inventory position and noted no material differences.</p> <p>We considered this as a key audit matter basis above facts focusing on the appropriate measurement of raw material inventory at paper unit.</p>	<p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> <li>• Obtained the understanding and evaluated the design and tested the operating effectiveness of control around physical verification of inventory, new consumption strategy adopted by the management and around production.</li> <li>• Discussed with forensic experts to understand the findings in their report. We also independently validated the forensic findings and assessed that the impact of same is not considered to be material in respect of prior years.</li> <li>• Obtained and tested evidence of management's process remediation in response to the inventory shortfall such as independent physical verification and strengthening internal controls.</li> <li>• Observed Management's physical verification of inventory post year end due to restriction of movement on account of COVID-19.</li> <li>• Carried out roll back procedures to arrive at inventory from date of physical verification till year end.</li> <li>• We have tested the adjustment of the inventory shortfall and related disclosure in the annual financial statements.</li> </ul> <p>Based on the above procedures performed, management's assertion on existence of physical verification of inventory carried in books of accounts seems reasonable.</p>
<p><b>Assessment in relation to impairment of Property, plant and equipment, Right –of-use assets, intangible assets (other than goodwill) and Capital work –in- progress</b></p>	<p>Our procedures in relation to management's impairment assessment of property, plant and equipment, right of use and capital work included:</p>

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<p>Refer to Note 49 to the financial statements Property, plant and equipment. Right- of- use assets, intangible assets (other than goodwill) and capital work in progress represents 81 % of total assets on the balance sheet.</p> <p>Management has identified paper unit as single Cash Generating Unit (CGU) and has calculated the recoverable amount of the CGU as the higher of value in use and fair value less costs of disposal.</p> <p>Value in use is based on discounted future cash flow forecasts, requiring management to make judgements on certain key inputs including, for example, discount rates and long-term growth rates.</p> <p>The impairment assessment performed by Management based on value in use method involved significant estimates towards future results of the business, in particular, the key assumptions on growth rate and discount rates used in the future cash flow forecasts.</p> <p>Impairment assessment was considered to be a key audit matter in view of high uncertainty associated with Covid-19 which resulted into temporary interruption in the operations of the Company.</p>	<ul style="list-style-type: none"> <li>• Understanding and evaluating the controls and testing the operating effectiveness of the controls related to estimating the fair value of the assets.</li> <li>• Understanding the methodologies used by the management to estimate values in use.</li> <li>• Assessing the growth rate used by management by comparing to current industry trends.</li> <li>• Verified the discount rates used by Management by comparing the same as being used in comparable industry.</li> <li>• Along with auditor's expert performed sensitivity analysis of possible changes to the key assumptions including assessment of impact of Covid-19 on cash flow projections, discount and growth rates etc.</li> <li>• Assessing the appropriateness of the presentation and disclosures in the financial statements.</li> </ul> <p>Based on the above procedures Management's assessment in relation to impairment of Property, plant and equipment, Right -of- use assets, intangible assets (other than goodwill) and capital work in progress is considered to be reasonable.</p>
<p><b>Management's assessment relating to litigation in respect of levy of tax on excess usage of water and in respect of demand towards unauthorised use of Power and impact on the financial statements</b></p> <p>Refer Note 51(c) and Note 51(d) to the financial statements in respect of Water Tax and Unauthorised use of Power litigation matters respectively</p> <p>Amount of Rs. 112,522 lacs (including interest and penalty of Rs 111,095 lacs) and Rs 2,407 lacs has been disclosed as 'contingent liability' in the financial statements which represents excess water consumption charges and demand towards unauthorised use of Power levied by regulatory authorities (period up to April 2009) and (period from April 2012 to June 2012) respectively against the Company. The Company is contesting the said demand and had filed writ petition in the High Court of Madhya Pradesh and obtained interim stay.</p> <p>The Company has obtained external legal opinions to support their assessment around the outcome of the above litigations which have led to</p>	<p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the design and tested the operating effectiveness of controls around the assessment of the matters.</li> <li>• Discussed the status and likelihood of the outcome of the litigation with the external legal counsel engaged by the management.</li> <li>• We also evaluated the independence and competency of the management's legal expert.</li> <li>• Obtained and tested evidence to support the management assessment with regard to non-provisioning against the demand.</li> <li>• Assessed the appropriateness of disclosures made under the head 'contingent liabilities' in the financial statements.</li> </ul> <p>Based on the above procedures, management's assessment with regard to litigation in respect of levy of tax on excess usage of water and demand towards unauthorised use of power under contingent liabilities is considered reasonable.</p>

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# Price Waterhouse & Co Chartered Accountants LLP

the management's conclusion that no provision is required to be made against the demand.	
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We considered above to be a key audit matter as the final outcomes of these litigations, in case decided against the Company, are likely to have significant financial impact.	
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## Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Director's Report 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 in the 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 management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

9. 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 financial statements.





## Price Waterhouse & Co Chartered Accountants LLP

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

14. 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 the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report 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.

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## Price Waterhouse & Co Chartered Accountants LLP

- (b) In our opinion, proper books of account 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 (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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, if any, of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note 51 to the financial statements;
    - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contract as at March 31, 2020.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants



Avijit Mukerji  
Partner  
Membership Number 056155  
UDIN: 20056155AAAABG1292

Gurugram  
June 26, 2020

June 26 , 2020

The Secretary  
BSE Limited  
Corporate Relationship Department, 1<sup>st</sup> floor  
New Trading Ring, Rotunda Building,  
P.J. Tower, Dalal Street, Fort  
Mumbai-400001  
**BSE Scrip Code: 502420**

The Manager  
Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G, 5<sup>th</sup> Floor  
Bandra-Kurla Complex  
Bandra (E) Mumbai-400051  
**NSE Scrip Code: ORIENTPPR**

Dear Sirs,

Sub: Declaration with respect to Audit report with unmodified opinion to the audited financial results for the financial year ended 31st March, 2020.

Pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we do hereby confirm that the Statutory auditors of the Company M/s. Price Waterhouse & Co Chartered Accountants LLP, have not expressed any modified opinion(s) in its audit report pertaining to the audited financial results for the year ended 31<sup>st</sup> March, 2020 as approved by the Board at its meeting held today.

Thanking you,

Yours faithfully,  
For ORIENT PAPER & INDUSTRIES LTD.

  
(P. K. Sonthalia)  
President (Finance) & CFO