ORIENT PAPER & INDUSTRIES LIMITED
(CIN: L21011OR1936PLC000117)

Registered Office:
Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Orissa)
Ph: (0674) 2396930/2392947, Fax: (0674) 2396364
E-mail: cosec@orientpaperindia.com, Website: www.orientpaperindia.com

NOTICE

TO
THE SHAREHOLDERS,

NOTICE is hereby given that the Annual General Meeting of the Shareholders of ORIENT PAPER & INDUSTRIES LTD., will be held on Friday, the 22nd August, 2014 at 12.30 p.m. at UNIT-VIII, PLOT NO.7, BHOINAGAR, BHUBANESWAR-751012 (ORISSA) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2014, together with the Report of the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place Shri C. K. Birla (DIN: 00118473), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution:

   "Resolved that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (LLP Regn. No. 301003E) of 22,Camac Street, Block "C", 3rd floor, Kolkata-700016 be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

5. "RESOLVED that the payment of remuneration of Rs. 25,000/- plus applicable service tax and reimbursement of out of pocket expenses to Shri Somnath Mukherjee, Cost Accountant (Membership Number M/5343), for conducting audit of cost records in respect of chemicals for the year ending 31st March, 2015, be and is hereby ratified."

   To consider and, if thought fit, to pass with or without modification, the following resolutions as SPECIAL RESOLUTIONS:

6. "RESOLVED that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow moneys for the purpose of Company's business provided that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) do not exceed Rs.1500 crores over and above the aggregate for the time being of the paid up share capital and free reserves of the Company outstanding at any point of time."
7. "RESOLVED that pursuant to the provisions of Section 197 read together with Schedule V of the Companies Act, 2013

(hereinafter referred to as the "Act") and other applicable provisions, if any of the Act and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the Board to waive recovery of the excess remuneration of Rs. 89,78,389/- (Rupees eighty nine lac seventy eight thousand three hundred eighty nine only) paid to Shri M. L. Pachisia, Managing Director of the Company during the period from 1st April, 2013 to 22nd September, 2013 in excess of the limits prescribed under Section 198, 309 read together with Schedule XIII of the Companies Act, 1956."

8. "RESOLVED that pursuant to the provisions of Article 95 of the Articles of Association of the Company, the provisions of Section 197 read together with Schedule V of the Companies Act, 2013 (hereinafter referred to as the "Act") and other applicable provisions, if any of the Act and subject to the approval of the Central Government, the remuneration payable to Shri M.L. Pachisia, Managing Director of the Company be revised w.e.f. 1st April, 2014 till 22nd September, 2014 as under:

(i) Salary	:	Rs. 10,50,000 per month
(ii) House Rent Allowance	:	Rs. 6,30,000 per month
(iii) Other Allowance	:	Rs. 1,90,000 per month

Other terms and conditions of remuneration already approved by the shareholders at their meeting held on 18th November, 2013 and as stated in the Explanatory Statement hereunder remain unchanged."

9. "RESOLVED that Pursuant to the provisions of Article 95 of the Articles of Association of the Company and Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and subject to the approval of the Central Government and such other approvals as may be required, Shri M.L. Pachisia be and is hereby reappointed as the Managing Director (a key Managerial Personnel) of the Company for a period of 1 year with effect from 23rd September, 2014 with liberty to either party to terminate the appointment on three months' notice in writing to the other at a remuneration and on terms set out below.

I.	Salary (Basic) per month	:	Rs. 10,50,000/- per month
II.	House Rent Allowance	:	Rs. 6,30,000/- per month
III.	Other Allowances (per month)	:	Rs. 1,90,000/- per month
IV	Other reimbursements/Perquisites		
	a) Medical Reimbursement	:	Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year.
	b) Leave	:	In accordance with the rules framed by the Company.
	c) Leave Travel Assistance	:	In accordance with the rules framed by the Company, subject to a maximum of one months' salary in a year
	d) Club Fees	:	Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.
	e) Personal Accident Insurance	:	Premium not to exceed a sum of Rs. 4000/- per annum.
	f) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company.		
	g) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.		
	h) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.		
	i) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for Private purpose shall be billed by the Company to the Managing Director. If the Managing Director engages a driver, he will be reimbursed Rs.10000/- per month on account of Driving charges.		
V.	In addition to the above, the Board may at its discretion pay to the Managing Director other allowances, benefits, perquisites and ex-gratia amount not exceeding Rs.75,00,000/- per financial year.		
VI.	Minimum Remuneration: The remuneration as specified at Sl. Nos. I to V above subject to the approval of the Shareholders and such other approvals as may be required shall continue to be paid to Shri M.L. Pachisia as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the tenure of his office.		

Shri M. L. Pachisia shall, subject to superintendence, control and directions of the Board of Directors, have the management of the whole or substantially the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board."

10. "RESOVED that the Company accords its consents and approval under Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 to Shri P.K. Sonthalia, to continue as President (Finance) & CFO, which may be deemed to be holding office or place of profit on salary and other benefits, amenities and facilities and other terms as may be decided by the Board of Directors or any Committee of Board from time to time".

11. "RESOLVED that the Company accords its consent and approval under Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 to Shri R.P. Dutta to continue as Company Secretary, which may be deemed to be holding office or place of profit on salary and other benefits, amenities and facilities and other terms as may be decided by the Board of Directors or any Committee of Board from time to time".

By **Order of the Board**

For ORIENT PAPER & INDUSTRIES LTD.

P.K. Sonthalia

Kolkata, the 21st July, 2014 President (Finance) & CFO

Notes:

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

2. The Share Transfer Books and the Register of Members of the Company will remain closed from 2nd August, 2014 to 8th August, 2014 (both days inclusive) for the purpose of payment of dividend on Equity Shares.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this notice.

4. Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable on or after 22nd August, 2014 to those holders of Equity Shares whose name appear in the Register of Members/ Beneficial Owners as per details furnished by the depositories at the end of the business hour on book closure date.

5. The unclaimed Dividends for the Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 will be transferred to the Investor Education and Protection Fund established by the Central Government in accordance with Section 205C of the Companies Act, 1956 if the same is not claimed within a period of seven years by the Shareholders. Shareholders who have not received and/or claimed the Dividends for the above years are requested to claim the same from the Company at the earliest.

6. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s). For members who have not registered their email address, physical copies of the Annual Report for 2014 and Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent in the permitted mode.

7. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.orientpaperindia.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Orissa for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: cosec@orientpaperindia.com.

8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The relevant details of Shri C. K. Birla (DIN 00118473) in terms of the requirement of clause 49 of the Listing Agreement are provided in the Report on Corporate Governance forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.

9. The instruments of Share transfer complete in all respects should be sent to the Company's Registrar and Transfer Agents M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata-700029, well in advance, so as to reach them prior to the Book closure dates. Shares under any defective transfer (unless defect is removed prior to Book closure dates) and/or instruments of transfer received after the said dates will not be considered for payment of dividend.

10. Members holding physical shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant share certificates to MCS Limited, Share transfer agents of the Company for their doing the needful.

11. Members are requested to notify change in address, if any, immediately to MCS Ltd., Share Transfer Agents of the Company, quoting their folio number.

12. A Member, holding shares in physical form or in dematerialized form, may choose to cast his/her vote electronically. The Company will consider votes casted through the e-Voting system while declaring the results of the voting.

13. For those Members opting for e-Voting, the process and manner of e-Voting will be as follows:

A. For Members receiving information electronically:-

i. Please read the e-mail carefully and open the attached PDF file specifying your Client ID (incase shares held in demat form) and folio no.(in case shares held in physical mode) as default password. The attachment contains your "User Id" and "Password" for e-Voting. Please note that the password is an initial password.

ii. Launch the Internet Browser by typing http:/www.evoting.nsdl.com on the address bar. The home screen will be displayed, select the Member "login" name. Enter the login details viz. User Id and password are sent to you by email/post. On the first login, you need to change the password. In case you have earlier logged in at www.evoting.nsdl.com for exercising your vote relating to any other Company and you have already changed your password, please use the changed password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

iii. On successful login, you have to select the "EVEN" (E Voting Event Number) for casting your vote.

iv. Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted. Upon confirmation, the message "vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

v. e-Voting period commences at 10.00 a.m. on Saturday, the 16th August, 2014 and ends on Monday, the 18th August, 2014 at 6.00 p.m. During the e-Voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.

vi. In case of any query, you may refer to the frequently asked questions (FAQ) for members and e-Voting user manual for shareholders available at the "downloads" section of www.evoting.nsdl.com or contact them on their telephone 022-24994600.

vii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-Voting system in future.

B. For members who receive the notice of Annual General Meeting in physical form:

(i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice and submit the same in a sealed envelope to the Scrutinizer, Mr. Atul Kumar Labh, Practicing Company Secretary, M/s. A.K. Labh & Co., Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata-700 013, so as to reach by 6.00 p.m. on 18th August, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

(ii) Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from S. no. (i) to (vii) under heading A above to vote through e-voting platform.

In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and Ballot Form would be ignored.

14. Any query relating to the Resolutions and e-Voting proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary of the Company.

15. The voting rights of the members shall be in proportion to the paid-up value & their shares in the equity capital of the Company as on the cut off date, being Friday, 18th July, 2014.

16. Voting can be exercised only by the concerned Member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorized person. A Member need not use all his/her votes.

17. Members who do not have access to the e-voting facility will be entitled to vote at the AGM as per the extant law. The results of the voting shall be placed on the website of the Company and on the website of the NSDL within two days of passing of the Resolutions at the AGM and communicated to the Stock Exchanges where the Company's shares are listed. The results of the voting process will also be displayed on the Company's website www.orientpaperindia.com

18. The Company has appointed Shri Atul Kumar Labh, Company Secretary in Practice (ICSI CP Registration no. 3238) as a Scrutinizer for conducting the entire polling process (including e-Voting) in a fair and transparent manner.

19. The Scrutinizer shall, no later than three (3) working days from the conclusion of the e-voting period, unblock the votes and submit his Report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.

20. The Results shall be declared at the AGM. The Results declared together with the Scrutinizer's Report shall be placed on the Company's website www.orientpaperindia.com and on the website of NSDL within two (2) days of passing of the Resolutions and communicated to the Stock Exchange.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

RESOLUTION NO. 5

As required under Section 148 of the Companies Act, 2013, the Board of Directors has approved the appointment of Shri Somnath Mukherjee, Cost Accountants (Membership Number M/5343), as Cost Auditors of the Company for conducting audit of cost records in respect of chemicals for the year ending 31st March, 2015. The said appointment was duly recommended by the Audit Committee of the Company. The Audit Committee has further recommended Rs. 25,000/-, plus applicable service tax and reimbursement of out of pocket expenses, as remuneration of Cost Auditor, Shri Somnath Mukherjee for the year ended 31st March, 2015 which is also approved by the Board of Directors of the Company. Now, as required by the Companies (Audit and Auditors) Rules, 2014 read with Section 148 of the Companies Act, 2013, such remuneration recommended by Audit Committee and approved by the Board of Directors shall have to be ratified by the Company in General Meeting. Hence, this resolution.

The Directors recommend this resolution for your approval.

RESOLUTION NO. 6

In terms of the Ordinary Resolution adopted by the Shareholders at the General Meeting held on 2nd July 2008, the Board of Directors of the Company is authorised to borrow moneys upto Rs. 1500 crores over and above the aggregate of paid-up share capital and free reserves of the Company outstanding at any point of time.

The provisions of Section 180(1)(c), interalia, requires approval of the Shareholders by way of Special Resolutions as against Ordinary Resolution under the Companies Act,1956.

The Ministry of Corporate Affairs has vide General Circular No. 04/2014 dated March 25, 2014 clarified that pursuant to the provisions of Sections 180(1)(c) of the Companies Act, 2013, companies would be required to pass a Special Resolution by September 11, 2014. As such, it is necessary to obtain fresh approval of the Members by means of Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company.

The above proposals as set out in the Resolution No. 6 of the Notice are in the interest of the Company and your Directors recommend the same for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special Resolution as set out at Item No. 6 of this Notice..

RESOLUTION NO. 7

It may be noted that pursuant to the resolution adopted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 17th June, 2011 and 27th July, 2011, Shri M. L. Pachisia was re-appointed as Managing Director of the Company for a period of two years w.e.f 23rd September, 2011 on the terms and conditions as stated in the said resolutions subject to the approval of the Shareholders of the Company.

The Shareholders at the Annual General Meeting held on 13th August, 2012 approved the re-appointment of Shri M.L Pachisia as the Managing Director of the Company and the remuneration payable to him.

However, the remuneration paid to the Managing Director has exceeded the limits specified in Part II of Schedule XIII of the

Companies Act, 1956 in view of inadequate profit earned by the Company during the year 2013 -14. The Shareholders at the Annual General Meeting held on 16th August, 2013 waived recovery of excess remuneration paid to the Managing Director during the financial year 2012-13, to the tune of Rs. 187,69,989/- which was subsequently approved by the Government of India, Ministry of Corporate Affairs vide its letter dated 6th March, 2014.

Accordingly, for waiver of excess remuneration paid to the Managing Director for the remaining period of his previous term from 1st April, 2013 to 22nd September, 2013, the Company has to seek approval of the Central Government and the shareholders by way of Special Resolution.

Taking into consideration the above, it is proposed to obtain Members approval by way of Special Resolution for waiver of the recovery of excess remuneration to the tune of Rs. 89,78,389/- paid by the Company to the Managing Director for the period from 1st April, 2013 to 22nd September, 2013.

Remuneration paid	Amount in Rupees
Salary & Perquisites (Excluding contribution to P.F.,S.F. and Gratuity Fund)	1,12,71,722
Less: Limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.	22,93,333
Excess Remuneration	89,78,389

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said Resolution except Shri M.L. Pachisia which pertains to remuneration paid to him.

The Directors recommend this resolution for your approval.

RESOLUTION NO. 8

It may be noted that pursuant to the resolution adopted by the Shareholders at the General Meeting held on 18th November, 2013, Shri M.L Pachisia was re- appointed as the Managing Director of the Company for a period of one year w.e.f. 23.09.2013 at a remuneration and on the terms and conditions set out below:

I.	Salary (Basic) per month	:	Rs. 9,50,000/- per month
II.	Other Allowances (per month)	:	Rs. 1,75,000/- per month
III.	Other reimbursements/Perquisites		
	a) Housing I	:	Expenditure by the Company on hiring furnished accommodation for the Managing Director subject to a maximum of 60% of the basic salary.
			Or
	Housing II		In case Company owned furnished accommodation is provided no allowances shall be paid.
			Or
	Housing III		In case no accommodation is provided by the Company, the Managing Director shall be entitled to 60% of the basic salary as and by way of House Rent Allowance.
	b) Medical Reimbursement	:	Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year.
	c) Leave	:	In accordance with the rules framed by the Company.
	d) Leave Travel Assistance	:	Reimbursement of expenditure incurred for the Managing Director and his family subject to a maximum of one months' salary.
	e) Club Fees	:	Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.
	f) Personal Accident Insurance	:	Premium not to exceed a sum of Rs. 4000/- per annum.
	g) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company.		
	h) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.		
	i) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.		
	j) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for Private purpose shall be billed by the Company to the Managing Director. If the Managing Director engages a driver, he will be reimbursed Rs.10000/- per month on account of Driving charges.		
IV.	In addition to the above, the Board may at its discretion pay to the Managing Director other allowances, benefits, perquisites and ex-gratia amount not exceeding Rs.75,00,000/- per financial year.		
V.	Minimum Remuneration: The remuneration as specified at Sl. Nos. I to IV above subject to the approval of the Shareholders and such other approvals as may be required shall continue to be paid to Shri M.L. Pachisia as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the tenure of his office.		

Shri M. L. Pachisia shall, subject to superintendence, control and directions of the Board of Directors, have the management of the whole or substantially the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 8th May, 2014 decided to revise the remuneration payable to Shri M.L. Pachisia, the Managing Director of the Company as stated in the resolution w.e.f 01.04.2014 to 22.09.2014 subject to the approval of the Shareholders and Central Government.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, it is proposed to obtain shareholders approval by way of Special Resolution, as stated herein above, for the revision of remuneration paid/to be paid to the Managing Director for the period from 01.04.2014 to 22.09.2014.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolution except Shri M.L. Pachisia which pertains to remuneration paid/to be paid to him.

The Directors recommend this resolution for your approval.

RESOLUTION NO. 9

It may be noted that pursuant to the resolution adopted by the Shareholders at the General Meeting held on 18th November, 2013 , Shri M.L Pachisia was re- appointed as the Managing Director of the Company for a period of one year w.e.f. 23.09.2013 at a remuneration and on the terms and conditions as stated in the said resolution.

The term of appointment of Shri M.L. Pachisia will expire on 22nd September, 2014. The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 08.05.2014 decided to re-appoint Shri M.L. Pachisia, as the Managing Director of the Company for a period of one year w.e.f 23.09.2014 on the terms and conditions as stated in the Resolution subject to the approval of the Shareholders by Special Resolution as well as of the Central Government.

Shri M. L. Pachisia, has an experience of over 50 years and is highly experienced and controls the affairs of the Company as whole. He has successfully and in a sustained way contributed significantly towards improvement in performance of the company leading to its successful turn around since his appointment as Managing Director of the Company in the year 2001. The remuneration payable to the Managing Director is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the company.

The prolonged slowdown in the economic activity, high inflation rate and weak consumer sentiments and moreover huge increase in raw material cost has been affecting all the business segment of the company i.e. paper and electric. The Company has been making necessary efforts to improve its performance and has been aggressively pursuing and implementing its strategies, including launch of new products and cost reduction initiatives. The results of these initiatives are likely to be felt in the coming years.

The company had achieved a Profit after Tax for the Financial Year ended March 31, 2014 Rs. 4.24 crores in comparison to net loss of Rs. 32.24 crores during the immediately preceding financial year.

The above proposals as set out in the Resolution No. 9 of the Notice are in the interest of the Company and your Directors recommend the same for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolution except Shri M.L. Pachisia, being an appointee.

In respect of resolution no. 7 to 9, the information required in terms of Schedule V to the Companies Act, 2013, is given below:

I. GENERAL INFORMATION:

(i) **Nature of industry**

The company is inter-alia engaged in the business of manufacture of Paper and Consumer Electrical goods. The Company has five manufacturing units located at Amlai (Madhya Pradesh), Brajrajnagar (Orissa), Kolkata (West Bengal), Faridabad (Haryana) and Noida (Uttar Pradesh). The Brajrajnagar unit is non-operational since 1999.

(ii) **Date or expected date of commencement of commercial production**

The Company was incorporated on July 25, 1936 and Commencement of Business Certificate was granted on July 30, 1936. The Company had since commenced its business.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not applicable.

(iv) Financial performance based on given indicators

(Rs. in crores)

As per Audited Financial Results for the year	*2011-12	2012-13	2013-14
Paid up Capital	20.49	20.49	20.49
Reserve & Surplus	928.01	287.54	285.18
Profit & Loss Account	170.07	130.44	127.28
Revenue from Operations	2490.64	1269.52	1576.63
Other Income	22.29	17.67	39.51
Total Revenue	2512.93	1287.19	1616.14
Total Expenses	2194.59	1332.51	1614.68
Profit before Taxation	318.34	(45.32)	1.46
Tax Expenses/(Income) including Deferred Tax	106.07	(13.08)	(2.78)
Managerial Remuneration	2.90	2.66	2.82

* The results for the year, being inclusive of the cement business before de-merger, are not comparable with the other financial years.

(v) **Foreign investments of collaborators, if any.**

Nil

II. INFORMATION ABOUT THE APPOINTEE:

(i) **Background details.**

Shri M.L. Pachisia, aged about 69 years, a Commerce Graduate, has over 50 years of experience in various industries.

(ii) **Past remuneration**

Shri M.L. Pachisia, Managing Director, received the following remuneration in the last three years.

	2011-12 (Rs.)	2012-13 (Rs.)	2013-14 (Rs.)
Salary & Allowances	1,12,33,333	1,36,20,000	1,56,48,928
Contribution to:			
Provident Fund	11,17,600	13,68,000	13,68,000
Superannuation Fund	13,97,000	17,10,000	17,10,000
Perquisites	1,52,92,169	99,49,989	95,05,283
Total	**2,90,40,102**	**2,66,47,989**	**2,82,32,211**

(iii) **Recognition or awards.**

Shri M. L. Pachisia, Managing Director, has been instrumental in getting various awards for the Company.

(iv) **Job profile and his suitability.**

Shri M.L. Pachisia was appointed as a whole time Director of the Company designated as Executive Director for a period of 5 years w.e.f 23.09.1997. Subsequently, he was re-designated as the Managing Director of the Company and from time to time re-appointed upon expiry of his term.

Shri M.L. Pachisia is highly experienced and controls the affairs of the Company as a whole. He has successfully and in a sustained way contributed significantly towards improvement in performance of the Company leading to its successful turn around.

(v) **Remuneration proposed.**

As stated in the resolution no. 9.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.**

The remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.

(vii) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Shri M.L. Pachisia holds 36640 equity shares of the Company. He does not have any other pecuniary relationship directly or indirectly with Company. He does not have any relationship with the managerial personnel of the Company.

OTHER INFORMATION:

(i) **Reasons for loss or inadequate profits.**

Orient Paper and Industries Limited ("OPIL") is engaged inter-alia in the key business of manufacture and sale of paper and consumer electrical products.

The Company has made a profit of Rs. 4.24 crores only during the year 2013-14, against a loss of Rs. 32.24 crores in the previous year. The Paper business of the Company has been facing stiff challenges, since Indian Paper Industry has been passing through a very difficult phase due to huge cost increases, depressed market conditions and also due to general sluggishness in our economy. Still the Company has been able to achieve a turn around from losses incurred last year to net profit this year.

(ii) **Steps taken or proposed to be taken for improvement.**

The Company has already taken several initiatives and drawn up strategies for Electricals and Paper businesses to improve the performance further.

Some of the initiatives the company has taken, includes:

a) In its Electrical business, the Company has launched a wide range of Electrical/Household Electrical Appliances and proposes to enter into manufacture and sale of switch gear. An extensive branding exercise coupled with a sustained campaign has been launched to achieve top of mind recall of the customer.

b) In the Paper business, the company has been able to improve efficiencies and increase volume of the higher added value Tissue papers. New and improved variants of writing and printing paper have also been developed and introduced in the market.

(iii) **Expected increase in productivity and profits in measurable terms.**

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario of the economy to predict profits in measurable terms.

Accordingly, your Directors recommend the Special resolution stated in the notice for approval of the Members.

Shri M.L. Pachisia is deemed to be concerned or interested in the resolution, which pertains to the excess remuneration paid to him. No other Director is in any way concerned or interested in the resolution.

RESOLUTION NO. 10

Shri P.K. Sonthalia is Chief Financial Officer designated as President (Finance) & CFO and is a Key Managerial Personnel. During the year ended 31st March, 2014, remuneration paid in relation to him amounted to Rs.1,19,21,201/-. During the current year and from time to time increments and changes in other terms as approved by the Board of Directors or any Committee thereof may be granted to him. Shri P.K. Sonthalia being a Key Managerial Personnel, arrangement for availing his services requires approval of Shareholders by Special Resolution. Shri P.K. Sonthalia is a Fellow Member of The Institute of Chartered Accountants of India, The Institute of Cost Accountants of India and is a Commerce Graduate with Honours and is working with the Company since last 34 years.

None of the Directors of this Company or any of Key Managerial Personnel, except Shri P.K. Sonthalia, are interested in the aforesaid resolution.

The Directors recommend this resolution for your approval.

RESOLUTION NO. 11

Shri R.P. Dutta, Secretary of the Company, is a Key Managerial Personnel. During the year ended 31st March, 2014, remuneration paid in relation to him amounted to Rs.12,72,526/-. During the current year and from time to time increments and changes in other terms as approved by the Board of Directors or any Committee thereof may be granted to him. Shri R.P. Dutta being a Key Managerial Personnel, arrangement for availing his services requires approval of the Shareholders by Special Resolution. Shri R.P. Dutta is an Associate Member of the Institute of Company Secretaries of India and an MBA (Insurance) from the Institute of Chartered and Financial Analysts of India University, having working experience of 14 years and is working with the Company since last 2 years.

None of the Directors of this Company or any of Key Managerial Personnel, except Shri R.P. Dutta, are interested in the aforesaid resolution.

The Directors recommend this resolution for your approval.

CK BIRLA GROUP

evolve

Orient Paper & Industries Limited

Annual Report 2013-14

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Orient Paper and Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Orient Paper and Industries Limited Annual Report 2013-14.

CHAIRMAN'S MESSAGE

For us, '**EVOLVE**' is not just a word; it is a thought that continuously inspires us to take that next leap forward. It encourages us to think differently and to regularly ask 'why not?' It also motivates us to continuously explore opportunities for growth in order to create enduring value for all our stakeholders.

As you will see in this report, our focus on these guiding principles has resulted in substantially improved performance of both our Electric and Paper businesses during the year under review, inspite of a challenging business environment.

As a further step in this direction, we have recently launched a new brand identity for Orient Electric, backed by an extensive media campaign to achieve top-of-the-mind recall. Simultaneously, we also introduced a whole new range of fans, home appliances and lighting products with 'smart' innovative features, leading to an immediate consumer connect. We are encouraged by the market response to this initiative and look forward to accelerated growth in this business.

Our Paper division has also performed substantially better, inspite of the challenges faced by the Indian paper industry, on account of huge escalation in the cost of major inputs. This performance has been possible due to an increase in our volumes, richer product mix and improvements across important efficiency and productivity parameters. I expect this trend to be sustained.

I am sure that as India regains its growth momentum, Orient Paper will continue to EVOLVE with new ideas and utilise all available growth opportunities in its journey towards an even brighter future.

Sincerely,

C.K. Birla
Chairman

CORPORATE OVERVIEW

OUR TURNAROUND STORY - FROM A NET LOSS OF ₹32.23 CR IN FY13 TO A NET PROFIT OF ₹4.24 CR IN FY14.

KEY FINANCIALS

2013-14	Growth over 2012-13
₹1,576.63 crore Total income	**24.19%** Growth over FY13
₹155.25 crore Exports	**43.25%** Increase over FY 13
₹85.40 crore EBIDTA	**707.08%** Increase over FY13
₹50.53 crore Cash profit	**436.99%** Increase over FY13
₹4.24 crore Net profit	Turnaround from negative to positive net profit

Our calling card

- Part of the C.K. Birla Group
- Two business divisions:

1. Orient Electric – producing electric consumer durables (fans, lighting products and household appliances)
2. Orient paper – producing tissue and writing & printing papers

- Headquartered in Kolkata with manufacturing facilities for Orient Electric located in Faridabad, Kolkata and Noida and Paper plant located in Amlai (Madhya Pradesh)
- Equity shares listed on the BSE and NSE
- Extensive pan-India distribution network for both Electric and Paper products
- One of the leading exporters of fans and tissue papers from India

Managing Director's
REPORT

Dear shareholders,

The Indian economy grew at a sub-5% rate for the second successive year with deceleration in industrial growth, sluggish demand and declining investments.

Despite these challenges, we have been able to achieve substantial growth in both our business segments and have also swung-back to profits – from a loss of ₹32.23 cr in 2012-13 to a net profit of ₹4.24 cr in 2013-14.

This transformation was catalysed by a robust 24.59% increase in our Electric division's turnover to ₹1,146.58 cr and a healthy 23.15% growth in the Paper division's turnover to ₹430.05 cr, coupled with several initiatives to improve efficiencies, productivity and costs.

At Orient Electric, not only did we outperform the overall Indian electrical sector, we also embraced several business-strengthening initiatives like focusing on retail sales, increasing capacity utilisation, containing costs, optimising resource utilisation and enhancing productivity. We continued

"We are confident that we will continue to **EVOLVE** towards a brighter future for the benefit of all our stakeholders".

to sustain our leadership position in export of fans from India with 11.48% of our fan sales being generated from export markets. We could also achieve appreciable growth in our relatively newer product lines of lighting and home appliances.

As part of our long-term growth strategy, we have recently rebranded our Electric business and introduced innovative convenience-enhancing 'smart' products and features. This has been backed by an intensive new campaign, which has received encouraging consumer response.

At Orient's paper division, we achieved the highest paper volume in the last five years despite a maintenance-related shutdown during the first half of the year. The proportion of tissue paper increased to 30.31% of our total paper volumes, up from 26.38% in the previous year. It is also a matter of satisfaction that 53.58% of our tissue paper volume was exported to different parts of the world.

We were also able to reduce our energy costs substantially by meeting our total power and steam requirements from the new captive power plant. The extensive plant maintenance undertaken during the first half of the year resulted in improved efficiencies and productivity during the second half, which helped us to partly counter the huge inflationary pressure on costs due to escalating prices of pulpwood, coal and other major inputs. As a result of these initiatives and improvements, our paper division also recorded a positive EBIDTA as against substantial loss at this level in the last few years.

Going forward, we intend to harness the full potential of our Orient Electric brand of smart, consumer-focused products with an emphasis on higher value-added products. At our Paper division also, we expect to maximise paper output and further enhance the improvements in productivity and efficiencies achieved recently.

Based on these developments and further initiatives in the pipeline, we are confident that we will continue to EVOLVE towards a brighter future for the benefit of all our stakeholders.

The team at Orient looks forward to your continued understanding and good wishes.

Warm regards,

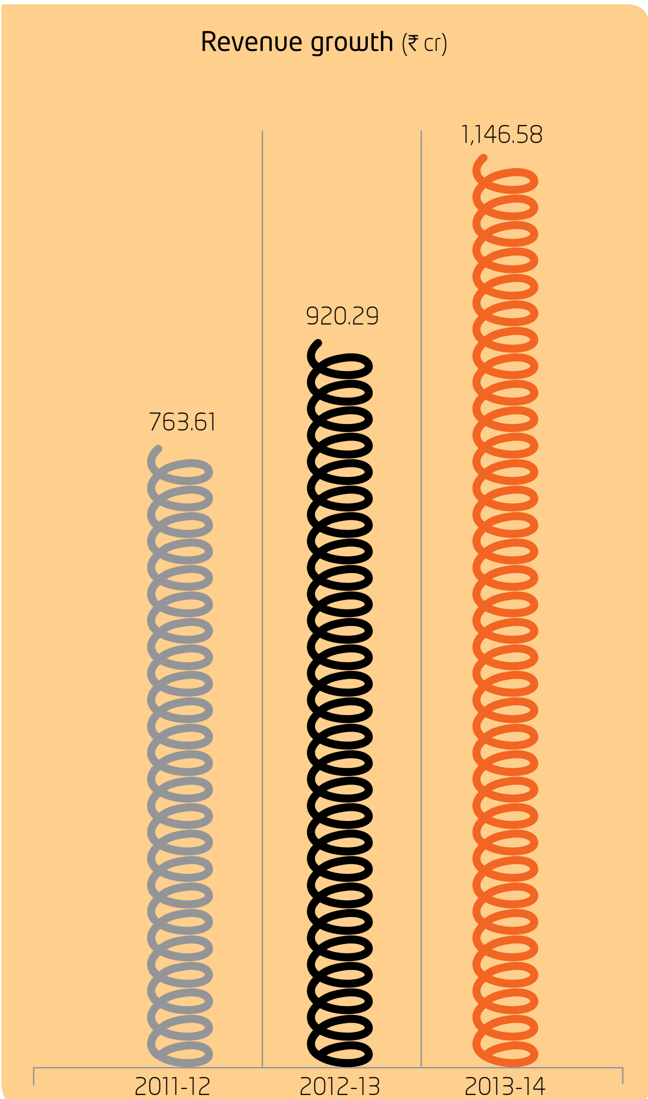
M.L. Pachisia
Managing Director

BUSINESS SEGMENT REVIEW 1

orient electric

- Product range – **fans, lighting products and home appliances**
- Net sales turnover increased by **24.59% over the last year**
- Significantly outperformed industry growth
- Increased share of business from high-value products in all three segments of fans, lighting products and appliances
- Launched a new brand identity in April 2014 (post-Balance Sheet development) around the 'switch to smart' message
- Commenced preparations for the launch of another product category of switch gears like MCBs etc

BUSINESS SEGMENT REVIEW 1 CONTD.



Profitability

Even after absorbing substantial costs incurred during the introductory phase of home appliances, Orient Electric could achieve higher PBIDT on the back of increased turnover, value-added product launches, cost control programmes, network optimisation initiatives and productivity enhancement measures.

Fans

- Strengthened fan sales (volume) by over 8% against the industry growth of 6%
- Grew average realisations per fan despite competitive pressures
- Launched several new models of ceiling, table, pedestal and wall fans
- Share of premium fans with higher realisations and contribution increased to over 19% of the total domestic fan sales
- Sustained leadership position in export of fans from India

Lighting products

- Undertook extensive cost-containment, resulting in optimised resource utilisation and higher productivity
- Expanded range by adding a number of LED and higher value-added light source products
- Achieved 100% in-house production of PCBs for models manufactured by us, resulting in greater customer satisfaction and reduced warranty costs of PCBs for models manufactured by us, resulting in greater customer satisfaction and reduced warranty costs

"Our April 2014 re-branding will strengthen our marketplace visibility. Our distinctive 'switch to smart' positioning backed by nationwide promotion will strengthen consumer pull and revenues."
Mr. Manoj Verma. *CEO, Orient Electric*

Home appliances

- Rebranded appliance products under the Orient umbrella brand
- Concentrated on 45 key cities in the country with intensive distribution
- Introduced a number of new models of water heaters, air coolers, OTGs, irons and mixers

Branding

- The entire range of products endorsed by our brand ambassador M.S. Dhoni in prime time national television advertising
- Continued sponsorship of the Chennai Super Kings IPL team, capitalising on visible branding (team hats, caps and helmets)

Segment outlook

The division is poised for significant growth on the back of:

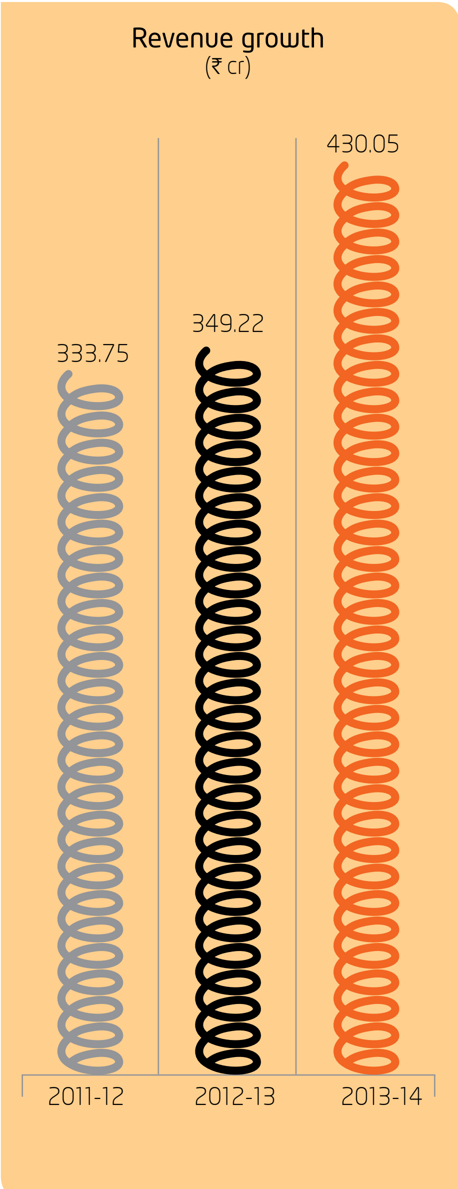
- Launch of the new brand and sustained promotion for top-of-the-mind brand recall
- Introduction of a new series of ceiling, table and portable fans
- Sustained cost-containment
- Widening of the distribution network across rural India
- Strengthening exposure across home automation solutions (such as access controls and door phones, among others)
- Launch of switch gears as a new business segment

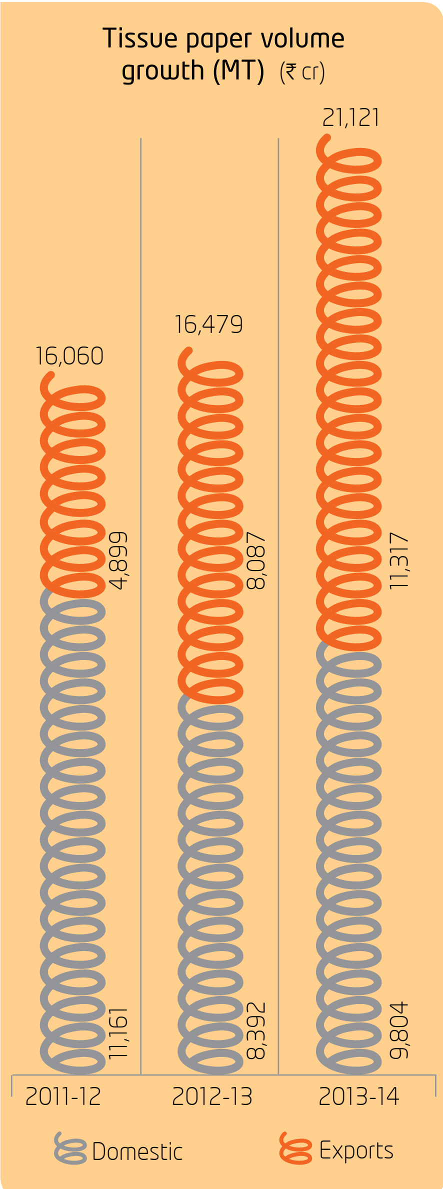
BUSINESS SEGMENT REVIEW 2

orient paper

- Product range – tissue papers and writing and printing papers
- Net sales turnover increased by 23.15% over the last year
- Increased share of tissue papers from 26.38% in 2012-13 to 30.31% in 2013-14
- Exported 53.58% of tissue paper volumes
- Achieved positive EBIDTA

BUSINESS SEGMENT REVIEW 2 CONTD.





Profitability

As a result of higher volumes, increased share of tissue papers, higher exports of tissue papers and increased efficiencies and productivity, Orient paper achieved positive PBIDT despite huge escalation in cost of pulp wood, coal and other inputs.

Writing and printing papers

- Main paper machine operation stabilised after replacing the worn out gear train
- Better smoothness and formation achieved by use of dandy roll on even lower GSM papers
- Higher brightness in paper developed and introduced in April 2014 (post-Balance Sheet development)

Tissue papers

- Share of tissue paper volumes increased from 26.38% in 2012-13 to 30.31% in 2013-14
- 53.58% of tissue papers produced were exported
- Tissue paper exports increased by 39.94% over the last year
- Softer and light-weight facial grade tissues developed and launched
- Higher strength towelling grades developed

"At Orient Paper, we made significant progress towards higher volumes, richer product mix and better efficiencies during the year under review. We expect this trend to gain further momentum during the coming year, resulting in appreciable further improvement in our performance. Besides, our commitment towards Corporate Social Responsibility has also remained steadfast."

Mr. N.K. Saha, *CEO, Paper division*

New membrane plant

Clonal propagation nursery

Caustic soda unit

- Membrane cell technology made fully operational to make the process more energy-efficient and environment-friendly
- Old mercury plant stopped and disposed off

New 55 MW captive power plant

- Met the full requirements of power and steam for both paper and caustic soda units
- Permanent power from grid surrendered and only emergency stand-by facility retained

Overall efficiencies and productivity

- Achieved improved raw material yield and lower coal consumption per ton of paper produced
- Increased procurement of pulpwood from nearby areas by 63.65% over the last year

Segment outlook

The division is well on its way of improving profitability through:

- Launch of higher brightness writing and printing papers for notebooks as well as for the printing segment
- New varieties of tissue papers developed recently
- Expected further increase in paper output
- Sustained improvements in efficiencies and productivity

Corporate Social Responsibility

Orient Paper's commitment to corporate responsibility is an important driver of long-term shareholder value. By acting in a responsible and transparent manner, and by maintaining good relationships with stakeholders, the Company can better manage social and environmental risks, mitigate the impact of its operations on society, meet local expectations and foster local economic development.

All round development of villages

The Company has taken up implementation of the Rajiv Gandhi Integrated Watershed Management Program across 10 villages in association with the Madhya Pradesh Government, aimed at conservation and sustainable use of natural resources, enhancement of agricultural productivity and local livelihood. Initial activities completed include the construction of boundary walls in five schools, two children play areas, two ponds and three water storage tanks. Other projects to ensure overall uplift of these villages are ongoing.

Education

The OPM Shikshan Kendra in Amlai (Madhya Pradesh), built and assisted by Orient Paper, has an enrollment of close to 1,000 students, more than 40% of who are children of non-employees from the neighbouring community. The OPM Shikshan Kendra celebrated its golden jubilee in 2013. Apart from providing the school with a grant of Rs. 20.64 lacs during the year, the company also provides free housing, electricity and water to teachers and employees of the school.

The Company also assists other schools in the neighbouring villages of Batura and Khamrodh, among others, by providing exercise books, medical check-ups and medicines, free-of-cost. We also provide transportation services to the students for going to their respective schools and colleges.

Healthcare services

The Company maintains a 12-bed hospital and a primary healthcare centre which caters to employees as well as the neighbouring population. During the year, the facility reached out to as many as 10,046 non-employee patients from the community.

Medical camps

Last year, a number of medical camps were organised in the neighbouring villages of Batura and Khamrodh for conducting health check-ups with free distribution of medicines as well. Several camps were organised towards rehabilitating drug addicts in which blankets, clothes and food were also provided. Blood donation camps were also organised.

Drinking water facility

Orient Paper continued to provide piped drinking water. The Company also supplied potable water through tankers to neighbouring villages and dug wells in villages across its vicinity.

Community cultural and recreational programmes

In line with the Company's rich tradition of promoting cultural harmony and recreation among the local community, various religious and cultural events were organised which saw active participation from the community at large. During Navratri and Dussehra festivals, members of several religious communities participated in various cultural programmes held as a part of the festivities.

Farm forestry to ensure environmental sustainability

Orient Paper maintains a nursery for the annual production of 50 lac clonal saplings. An area of 1,578 hectares has been planted with two clonal varieties by providing 39.46 lac saplings at subsidised rates to farmers. Free technical know-how has also been provided to farmers regarding silvicultural practices (branch of forestry dealing with the development and care of forests). As many as 840 farmers have benefitted this year as a result of this exercise.

OPM Shikshan Kendra, Amlai

CORPORATE SOCIAL RESPONSIBILITY CONTD.

OPM school children in a parade

Blood donation camp

Family planning camp

Children's play structure in a village school

Boundary wall for a village school

Water recharge pits at Chhotakitola village

Jal Kund at Raikova village

New pond at Bhumkar village

Profile of Board of Directors

Particulars	Age	Date of joining	Other directorship
Shri Chandra Kant Birla 8/9, Alipore Road, Kolkata - 700 027 Chairman Industrialist, Indian	59	29-09-1978	National Engineering Industries Ltd. AVTEC Ltd. HIL Ltd. Birla Brothers Pvt. Ltd. Birlasoft (India) Ltd. Neosym Industry Ltd. Orient Cement Ltd. Birla Associates Pvt. Ltd. (Singapore) Birlasoft Inc., USA Birlasoft (U.K.) Ltd., London ASS AG, Switzerland
Shri Basant Kumar Jhawar 51/F, Gariahat Road, Kolkata - 700 019 Director Industrialist, Indian	79	21-07-1983	Usha Martin Ltd. KGVK Agro Ltd. KGVK Social Enterprises Ltd.
Shri Amitabha Ghosh Flat No. 32, Mehernaz, 91, Cuffe Parade, Mumbai - 400 005 Director Consultant, Indian	83	23-10-2001	Centenary Advisory Services Pvt. Ltd. Palit Consultancy Pvt. Ltd. (Later converted into LLP) Peninsula Land Ltd. Shreyas Shipping & Logistics Ltd. Shreyas Relay Systems Ltd. Zenith Fibers Ltd. Kesoram Industries Ltd.
Shri Michael Bastian Cecilia, 1186, 22nd Cross, 14th Main ,H.S.R. Layout, Sector - III, Bangalore - 560 034 Consultant, Indian	69	27.10.2009	Elder Pharmaceuticals Ltd. Artson Engineering Ltd. Bangalore Stock Exchange Ltd.

Particulars	Age	Date of joining	Other directorship
Shri Narendra Singh Sisodia B-30, Bapu Nagar Jaipur - 302015 Director IAS (Retired), Indian	69	31.10.2012	Nil
Shri Manohar Lal Pachisia 4, Alipore Park Place, 3rd floor Kolkata - 700 027 Managing Director Service, Indian	69	23/9/1997	Birla Buildings Ltd. GMMCO Ltd. National Engg. Industries Ltd. National Bearing Co. (Jaipur) Ltd Soorya Vanijya & Investment Ltd. Birlasoft (India) Ltd. Birlasoft Enterprises Ltd. Gwalior Finance Corporation Ltd. Orient Electricals Ltd. Special Engineering Services Ltd. Nigeria Engineering Works Ltd. (Nigeria) Rivers Vegetable Oil Co. Ltd. (Nigeria)

Directors' report

Dear Shareholders,

We are pleased to present the annual report along with the audited accounts of your company for the year ended 31st March, 2014.

Financial results

The financial performance of the Company for the year ended 31st March 2014 is summarised below:

₹ In crores

	2013-14	2012-13
Gross sales	1691.51	1386.05
Total income (net of excise)	1616.15	1287.19
Earnings before interest, depreciation, amortisation & taxation	**85.39**	**10.58**
Interest/Finance costs	37.12	19.19
Profit/(Loss) before depreciation and taxation	**48.27**	**(8.61)**
Depreciation	46.81	36.71
Net profit/(Loss) before taxation	**1.46**	**(45.32)**
Taxation	(2.78)	(13.08)
Net profit/(Loss)	**4.24**	**(32.24)**
Profit brought forward from last year	130.43	170.07
Profit available for appropriations	**134.67**	**137.83**
Appropriations		
Transfer to General Reserve	5.00	5.00
Dividend on Equity shares	2.05	2.05
Corporate dividend tax	0.35	0.35
Balance carried to Balance Sheet	127.27	130.43
Total	**134.67**	**137.83**
EPS (Rs.)	**0.21**	**(1.57)**

Dividend

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of dividend of Re. 0.10 per equity share of Re. 1 each (10%) for the year ended 31 March 2014.

Economic climate and our performance

As is well known, the slowdown in the Indian economy continued during the year under review with GDP growth rate coming down to less than 5%. Growth in the manufacturing sector has been even much lower. On the other hand cost of most major inputs has continued to rise putting pressure on margins.

We are however happy to report that in spite of these challenges, your company has been able to achieve substantial growth in both our businesses of Electric products and Paper.

We have also steadfastly pursued improvements in our efficiencies and costs, while continuing new product developments. These efforts have been backed up by increased marketing efforts and aggressive promotion.

In this context, you must have noticed the launch of the new brand identity for our Electric products and the campaign to support it. We are happy to report that this has received enthusiastic response from the markets.

Our Paper division has also shown appreciable improvement through increased volumes and sustained cost containment efforts. This momentum is expected to be sustained.

As result of these initiatives, your company has recorded a growth of 24% in its net sales turnover, which is considered more than satisfactory under the circumstances.

Further details on these aspects are covered by the Management discussion and analysis, which forms a part of this report.

In addition to the product range already introduced in our Electric business, we are now in the process of introducing a range of switch gears which we hope to launch by the last quarter of this financial year.

Overall we are highly encouraged by the progress we have made during the year under review and are even more excited about the future growth potential once the economy regains momentum of growth, which in our opinion is inevitable.

Corporate Governance

Your Company is in full compliance with the Corporate Governance requirements in terms of Clause 49 of the Listing Agreement(s). A report on Corporate Governance and a certificate from our auditors confirming compliance with the Corporate Governance requirements are attached and form part of this report.

Sustainable development and environment

We consider sustainable development and environment protection as integral parts of our management culture and philosophy. Significant work continues to be done in these areas on a consistent and sustainable basis. Details of our efforts and activities in this direction are provided in subsequent chapters in this report.

Cash flow analysis

In conformity with the provisions of Clause 32 of the Listing Agreement(s), the cash flow statement for the year ended 31 March 2014 is included in the annual accounts.

Statutory matters

Directors

In compliance of the provisions of Section 152 of the Companies

Act, 2013, Shri C K Birla, promoter director of the company, retires by rotation and is eligible for re-election.

Auditors
M/s. S. R. Batliboi & Co. LLP, Chartered Accountants and Auditors of the Company, retire and offer themselves for reappointment.

Cost auditors
As required under the provisions of Section 233B of the Companies Act, 1956, qualified cost auditors were appointed to conduct cost audits.

Conservation of energy, technology absorption, foreign exchange earnings and outgo
Details regarding conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo are furnished in Annexure "A" to this report, pursuant to the provisions of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Directors' responsibility statement
Directors' responsibility statement pursuant to section 217(2AA) of the Companies Act, 1956 are given in Annexure "B" to the annual report.

Note No. 35 appearing in Notes to Financial Statements referred to in the Auditors' Report is self-explanatory.

Particulars of employees
Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 are given in Annexure "C" to the annual report.

Acknowledgements
Your Directors place on record their sincere gratitude to the shareholders, customers, bankers, financial institutions, government agencies, supply chain partners and the employees for their valuable contribution, cooperation and support in the Company's endeavours to achieve continuous growth and progress.

By Order of the Board

New Delhi, 8th May, 2014 **C.K. Birla**

Chairman

Annexure - A

(A) Conservation of Energy

Paper Division:

Sr. No.	Description of Proposal Implemented	Qty.	Annual Energy Saving Kwh/Annum	Annual Energy Saving ₹ in Lacs
1	VFD installed in Power House for uni-clarifier sump pump 7.5 KW, 1500 RPM in place of 11KW/1500 RPM	1 Nos.	27300 KWH	1.23
2	Slacker sump pump 7.5 KW/1500 RPM motor in place of 15KW/1500 RPM.	2 Nos.	58500 KWH	2.63
3	RLK plant vacuum pump motor side pulley size reduced	1 Nos.	327600 KWH	14.74
4	Saw dust (GCV-3000) mixed with coal for AFBC boiler to reduce coal consumption.	30T/day	1800 Ton coal	54.00
5	Installed various energy efficient equipment to reduce energy consumption	Various	Energy Save	15.17
			TOTAL	87.77

In addition to that our Paper division had surrendered 14 MW grid connection from 1-4-2013 and using captive power for our total Paper & Caustic Soda production with 7MW standby Grid Power connection resulting into considerable saving in Power & fuel Cost.

Electricals Division:

1	Increased output of Powder Coating plant for increasing conveyor speed,
2	Converted Liquid painting to Powder coating in Brown color.
3	Conveyorised oven for metallic color painting on covers in place of static oven. Enhanced peak capacity of the Plant by increasing the capacity of paint shop which were bottle neck.
4	In lighting division for lamp assembly automatic feeding of plastic housing, Lamp tool on chain, feeding & crimping of plastic housing and aluminium cap and increase in DP line speed to increase capacity.

B. Additional investment & proposal, if any being implemented for reducing consumption of energy with estimated investment in next 3 years

Paper Division:

Sr. No.	Particulars	Estimated Investment ₹ in Lacs
1	Recovery Boiler Up-gradation.	170.00
2	Roll grinding in paper machine up-gradation.	20.00
3	Innertine transformer to be replaced by oil cooled transformer (Two Nos.).	40.00
4	Revamping of CFBC with ESP controller to be replaced by digital controller.	1500.00
5	Energy Management system.	10.00
6	High efficiency compressed air system.	120.00
7	Replacement of old motors with energy efficient motors.	22.00
8	Installation of various energy efficient equipments	25.50
9	Installation of Solar based heating and lighting systems	55.00
	TOTAL	**1962.50**

Electricals Division:

1	In fan division sound proofing of inspection chambers for better detection of noise defects, Automation in inspection line, improving OEE, wastage control, better quality product by & lean implementation and up gradation of Audit lab and on line testing chambers.
2	In DT production line of lighting division, identified new design process burner for tube bending machine to reduce Propane consumption.

C. Impact of measures (a) above for reduction of energy and consequent impact on cost of product

A. Paper Division:

These measures have reduced energy consumption and cost of production of Paper & chemicals. This will further improve considerably the energy consumption in following years.

B. Electricals Division:

These measures have reduced energy consumption, enhanced production and productivity.

D. Technology absorption

Form – B Attached.

E. Foreign Exchange Earning and Outgo:

(i) The Company exported fans, lighting & Appliances for an aggregate FOB value of ₹ 9403.42 lacs (excluding ₹ 508.24 lacs to Nepal) during the year under review as against ₹ 7299.58 Lacs (excluding ₹ 275.69 lacs to Nepal) during the previous year. The company also exported Paper & Board and caustic soda lye for an aggregate amount of ₹ 6121.84. Lacs (excluding ₹ 224.97. lacs to Nepal) during the year under review as against ₹ 3538.19 Lacs (excluding ₹ 137.28 Lacs to Nepal) during the previous year.

(ii) Foreign Exchange used and earned:

Used : ₹ 94.67. Lacs (2012-13 ₹ 83.67 lacs).
Earned (FOB Value of Export) : ₹ 15525.26 Lacs (2012-13 ₹ 10837.77 Lacs)

Form - 'A'

A. Power & Fuel consumption (excluding consumption in Colony)

	Details	Paper & Chemical		Fan		CFL	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	**Electricity**						
	(a) Purchased						
	Unit (KWH lacs)	4.59	609.85	55.70	49.81	40.88	20.57
	Total amount (₹ in lacs)	333.33	3526.18	431.87	355.50	284.39	134.49
	Rate/Unit (₹)	72.62	5.78	7.75	7.14	6.96	6.54
	(b) Own Generation						
	i) Through diesel generator						
	Unit (KWH lacs)	-	-	1.85	8.73	1.25	5.96
	Unit / Liter of Diesel Furnace Oil	-	-	0.58	2.73	0.39	1.86
	Cost / Unit (₹)	-	-	15.85	13.11	15.69	12.85
	ii) Through Steam Turbine generator						
	Unit (KWH lacs)	2066.18	1372.54	-	-	-	-
	Unit / per MT of steam	239.00	246.00	-	-	-	-
	Cost / Unit (₹)	3.86	4.43	-	-	-	-
2	**(a)Coal (B C D & E Grade)**						
	Quantity (MT lacs)	**2.65	**2.22	-	-	-	-
	Total cost (₹in lacs)	8088.77	6184.00	-	-	-	-
	Average Rate (₹)	3052.37	2791.39	-	-	-	-
	(b) Low grade coal for Power Plant						
	Quantity (MT lacs)	-	-	-	-	-	-
	Total cost (₹in lacs)	-	-	-	-	-	-
	Average Rate (₹)	-	-	-	-	-	-
3	**Furnace Oil**						
	Quantity (K.Litres)	571	**738	-	-	-	-
	Total amount (₹in lacs)	271.95	340.27	-	-	-	-
	Average Rate (₹)	47,602.37	46,107.37	-	-	-	-
4	**Other / Internal generation**						
	Quantity (KWH Lacs)	*7.28	*6.73	-	-	-	-
	Total cost (₹in lacs)	*5.02	*4.88	-	-	-	-
	Rate / Unit (₹)	0.69	0.73	-	-	-	-

* Represents electricity duty paid

B. Consumption

	Per MT of Production		Per MT of Production Caustic Lye		Per piece of Production		Per piece of Production	
	Paper		Chemical		Fan		CFL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Electricity (KWH)	1856	1950	2257	2433	0.95	0.96	0.29	0.23
Furnace Oil (K. Litres)	0.08	0.12		-	-	-		-
Coal (C D E & F MT)	2.56	3.17	0.01	0.01	-	-		-
Others* (KWH)	10	11	-	-	-	-	-	-

* Internal generation by back pressure turbine of Paper Machine Drive

** Exclude Coal & Furnace oil consumption in Lime re-burning Plant

Form - 'B'

RESEARCH & DEVELOPMENT (R&D)

1. Specific Areas in which R & D was carried out by the company :

A. Paper Division:

a. Pulping studies on raw material used or proposed to be used- studies were carried out on various raw materials used and also potential raw materials for their suitability and yield analysis.

b. Continuous monitoring of unbleached pulp properties like viscosity and Baur Mcnell fiber.

c. Analysis of Effluent of all grades to monitor AOX level and other effluent levels in effluent.

d. Lime Sludge samples Analysis to find alternate uses.

e. Kraft cooking of raw materials and silo in chips to evaluate yield.

f. Mill Water analysis for effective demineralization and Drinking Water analysis of nearby Village Wells as CSR Activity.

g. Bio Audit of Tissue Machine no 2.

h. Sanitation of tissue wet end process using Bromination Programme

i. Elimination of Hypo Stage & bleaching with C/Ep/Eip/D with variation in H2O2 dosage in second alkali extraction stage.

B. Electricals Division:

a. Introduction of Ceiling Fan Model-1200mm Breeze, 1200mm Spectra with LED lights and remote, 1300 mm Subaris Solo with single light glass shade and 4 new light premium fans namely Andrea, Adalia, Valeria Cecila with wooden blades & remote.

b. Introduction of Decorative Ceiling fan models Wendy, Orina, Oprah, Avaon, Cyril, Joan (Energy Start Fan)

c. New colour finish development in Gratia Model, 1200mm Orient Spectra (Brushed Brass)

d. In Lighting Division started in-house manufacturing Electronics Ballast, one type of Patti, and 10 types models of CFL Pcb.

2. Benefit derived because of above Research & Developments

A. Paper Division:

a. Use of optimum varieties of raw materials to achieve better yields

b. The Bio audit of Tissue machine 2 showed that broke chest was highly infected with Bio count of 1.00

E+9 and biocide programme was initiated on Tissue Machine 2 and count was reduced to a level of E+5 to E+6.

c. Better process sanitation programme was envisages with Bromination Technology and Bio count drastically reduced to E+3 to E+4 levels at all wet end locations. This programme continuously monitored with parameters like active bromine in the deed, residual bromine at the end of dosing & ORP values along with scheduled bio count.

d. The brightness was achieved at 85.6% with an increased peroxide consumption with variation in H2O2 dosage in second alkali extraction stage.

e. Control of Effluent as per PCB guide lines.

f. Confirm HRTS activity in accordance with PCB Guidance

B. Electricals Division:

a. Better penetration in Premium Fan segment & energy saving Fan segments

b. Implemented Cost saving projects worth ₹ 5.93 Crs (DTV, mfg, Purchase) in 2013-14

c. Enabled to expand domestic and export Market.

d. In lighting division better performance was achieved.

3. Future Plan of Action

A. Paper Division:

To continue research in the above areas and to work out to implement other new emerging technologies to the benefit of pulp and paper Industry.

B. Electricals Division:

a. Introduction of new models in new segments.

b. 1200 mm co New super energy efficient BLDC fan, HI end with BLDC motor & digital display and three decorative High speed fans with metallic colors'.

c. In lighting segment Electronic Development Competency group set for electronic Product design and designed all Electronics ballasts used in Lamp assemble for better Performance.

d. In Noida unit Introduction of new models in existing segment and New model for US/Puerto Rico Market.

4. Expenditure on R & D

S No.	Details	2013-14 ₹ in lacs
a	Capital	0.28
b	Recurring	78.76
c	Total R & D	79.04

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. A. Paper Division:

a. Fiber recovery system installed at digester sampling point

b. Regular use of Bromination in the white water clarifiers.

c. Elimination Hypo stage & bleaching C/Ep/Eip/D with variation in H2O2 Dosages.

d. Continues feeding of treated effluent in HRTS and monitoring of ground Water pollution.

e. Desktop audit of environmental Lab by NABL for water & waster water Parameter making all necessary changes in Management System quality Manual and management system.

f. Continued surveillance Audit for FSC was conducted. Report Awaited.

B. Electricals division:

a. Automation of inspection at assemble lines to eliminate human errors.

b. Set up of Auto Desk Mechanical 2014 for design Optimization and Faster designing and fully automatic Powder costing plant for ceiling fans blade.

c. Bar coding implementation in export models.

d. Designing and development of LED bulb assembly, LED down lighter & troffer (2x2) assembly with own design.

e. Development lab up gradation and R & D lab shift to Noida to explore opportunities and development of various luminaries, LED.

2. Benefit derived as a result of above effort

A. Paper Division:

a. Suitable Raw material choice as per yield and cost.

b. The environmental lab is in continuation of the accreditation after surveillance Audit.

c. Continuation of uses of effluent treated water for HRTS.

d. Curling tendency was maintained of copier paper at a level of Max 5% as IS 11091-1984.

e. The regular use of Bromination in white water clarifies has helped in containing the micro bio growth as no major aberration is observed in continual uses of clarified water.

f. Effective deminerlised water for Captive Power Plant and Well water suitability for use as drinking Water.

g. Continuous monitoring of the HRTS Activity by Mills.

B. Electricals Division::

a. Optimized designs and improved reliability of ceiling fan.

b. Reduction in wastages in process and reduced inventory levels.

c. Improved quality assessment system enabling to offer reliable product.

3. Since the company has not imported technology during last 5 years, the requisite information is not required to be given.

C. K. BIRLA
Chairman

Annexure - "B"
To the Directors' Report

Directors' responsibility statement

On the basis of compliance certificates received from various executives of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the statutory auditors of the Company from time to time, the Board of Directors state:

(A) That in the preparation of the annual accounts, for the year ended 31 March 2014 all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India were followed.

(B) That the Directors adopted such accounting policies and have applied them consistently and have made judgements and estimates in a reasonable and prudent manner, so as to give a true and fair view of the state of affairs of the Company as at end of the financial year and of the profit of the company for the year.

(C) That the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(D) That the Directors have prepared the annual accounts on a 'going concern' basis.

C. K. BIRLA
Chairman

Annexure - "C"

To the Directors' Report

Particulars of Employees as required u/S 217(2A) of the Companies Act, 1956 and forming a part of the Directors' Report for the year ended 31 March 2014.

(a) Qualification (b) Designation / Nature of Duties (c) Age (years) (d) Remuneration (₹) (e) Experience (years) (f) Date of Joining (g) Particulars of last employment.

A. Employed throughout the financial year

1	Chaudhary J.K.	(a) MA , LLB, PGDBM (b) Sr. Vice President (Corporate HR) (c) 52 (d) 6622768 (e) 27 (f) 28 November 2011 (g) Self employed
2	Mullick G.	(a) B. Sc.(H), MBA (b) Sr. Vice President (Paper Marketing) (c) 57 (d) 6097591 (e) 34 (f) 7 October 1998 (g) The Andhra Pradesh Paper Mills Ltd., General Manager (Marketing)
3	Pachisia M.L.	(a) B.Com. (b) Managing Director (c) 69 (d) 28232211 (e) 53 (f) 1 April 1991 (g) Hindustan Motors Ltd., President (Corporate Projects)
4	Saha N.K.	(a) B.E.(Chem.), MS (Pulp & Paper) (USA), M.I.E. (India) (b) Chief Executive Officer - Paper (c) 63 (d) 6142098 (e) 41 (f) 11 March 1982 (g) The Titagarh Paper Mills Co. Ltd., Sr. Engineer (Projects)
5	Sonthalia P.K.	(a) B.Com (H) , FCA, FCMA (b) President (Finance) & CFO (c) 56 (d) 11921201 (e) 34 (f) 15 April 1980 (g) None
6	Verma M.	(a) B.E. (Electronics & Telecommunication) (b) Chief Executive Officer – Electricals (c) 54 (d) 18753846 (e) 32 (f) 17 December 2012 (g) Crompton Greaves Ltd., Executive Vice President & President – Consumer Business Unit.

B. Employed for part of the financial year

1	Bhaiya S.B.	(a) B.Com(H), FCA (b) President (General Administration - Fan) - Electricals (c) 57 (d) 2157961 (e) 36 (f) 1 April 1996 (g) Nigeria Engineering Works, Nigeria, Managing Director
2	Dhawan P.	(a) MBA – Sales & Marketing (b) SBU Head (Lighting) – Electricals (c) 46 (d) 3823015 (e) 23 (f) 9 September 2013 (g) Crompton Greaves Ltd., GM Sales (Consumer Business Unit)
3	Khedkar S.B.	(a) B.Sc. (Physics) (b) Vice President (Appliances) – Electricals (c) 54 (d) 6052492 (e) 33 (f) 11 October 2010 (g) Videocon International Ltd., Business Head
4	Singh G.	(a) B.Sc. (Physics), PGDBM (b) Vice President (Sales & Marketing – Fan) - Electricals (c) 48 (d) 6577513 (e) 25 (f) 12 March 2012 (g) Hitachi Home & Life Solutions Ltd., VP (Head – Sales & Business Planning)

Notes

- Remuneration includes actual payments and/or taxable value of perquisites and the Company's contribution to provident and other funds but excludes gratuity.
- Nature of appointment : Appointment of Shri M.L. Pachisia, Managing Director, is contractual.
- Other terms and conditions : As per rules of the Company.
- The Managing Director is not a relative of any Director of the company.

C. K. BIRLA
Chairman

Management discussion and analysis

1. Overall economy

As is well known, the Indian economy has been passing through a period of sustained decline in the recent past and this continued during the year under review as well.

GDP growth rate for the year is estimated to have come down below 5%. Manufacturing sector has been affected even more and has registered only a negligible growth. Progress on infrastructure development has also been far below expectations. As a result, demand for most product segments has been virtually stagnant. On the other hand cost of most inputs has continued to rise putting pressure on margins.

However, we still believe in the inherent strength of the Indian economy and are convinced that we shall soon return to a period of good growth and achieve our potential.

We have utilised this period of slowdown to improve our efficiencies and cost competitiveness which has enabled us to achieve a good growth and improved bottom line.

These efforts are being intensified even further with a view to continuosly EVOLVE towards a more sustainable and profitable future.

2. Segment-wise business analysis

2.1 Business segment - Electric

2.1.1. Industry structure and development

Fans

The Fan industry in India is estimated to be approx. 52 million fans valued at approximately ₹ 4750 Crores. Out of this, the organized sector accounts for about 37 million fans worth approx. ₹ 3800 Crores.

Ceiling Fans accounted for approx. 72% of the total demand for fans. Orient is a leading player in this segment with 80% of its fan sales coming from ceiling fans.

The Industry registered a low growth of around 4%, against a growth of 7% in the previous year and remains fiercely competitive. Reasons for low growth are attributed to a general slowdown in the economy, particularly in the real estate Sector and the low IIP performance during the year

Recent trends show a clear shift towards the premium fans segment, with a few leading players making a serious foray into this segment..

Lighting

Lighting Industry in India has grown by 10% & now stands close to ₹ 9500 Crores. Major growth is coming from sectors like LEDs, Compact Fluorescent Lamps (CFLs) and Integrated Lighting System Solutions. GLS lamps and normal FTLs are increasingly being replaced either by slim tubes, CFLs or LED lighting. Industrial applications have also witnessed increased usage of High wattage CFL Lamps and LED Lighting Systems.

Presently, CFLs constitute approximately 74% of the total Revenues from lighting business. However LEDs are expected to grow significantly over the next 5 years and is expected to gain > 40% share in the total lighting market. .

We have been growing in this business steadily and were able to increase our business from lighting products by 45%

during the year under review.

Appliances

Appliances Industry saw a growth of 8% against the previous CAGR of approx 10%. This is mainly due to lower growth in Mixer Grinder category. Water Heaters and Coolers are two categories with highest growth.

2.1.2. Opportunities and threats

Fans

The industry is likely to continue to register a steady growth of around 5% in the near term. With changing consumer preference and high spending in the Urban Rural category, proportion of premium category of fans is expected to increase further. With our recent launches, we are quite well placed in the premium segment.

A few more players in the organized sector are planning to enter the Fan Industry, which will increase competition further.

Exports also provide a significant opportunity for growth and grew by 13% during the year under review. We have always been among the leading exporters of fans from India and are strengthening our position further.

Lighting

The growth in Lighting Industry in India is linked to the factors like growth in electricity generation, growth in number of households, change in consumption pattern in lighting and infrastructure development etc. Growing awareness about the need to conserve energy and increasing cost of power have been accelerating use of energy efficient light sources and systems. Customers are also demanding a higher value proposition and better quality products. As a result, sales of branded CFLs and Lighting Systems are rapidly increasing. At the same time, there is stiff competition for market share amongst brands. Consequently margins for CFL category in particular are under pressure.

We have been registering significant growth in the lighting business and have further enriched our product range by introducing LEDs and Lighting systems. We therefore see a significant opportunity for growth in this business.

Appliances

The appliances industry which is already fragmented has seen entry of new MNC brands like Russell Hobb, Westinghouse, Braun, Faber Spa and Black & Decker. Besides this, Modern Retail Stores also launched their own brands like Koryo, Re-Connect, Croma etc.

To be able to get volumes in such a competitive environment, it is critical to enhance Marcom spends, which we have started already.

2.1.3. Segmental review and analysis

Net Sales turnover of the division increased to ₹ 1139 crores from ₹ 912 crores in the previous year.

Fans

We achieved an overall growth of 8% in volumes with highest ever sales in the domestic market.

We also launched a large number of new models including premium Fans, which have received wide appreciation from the markets.

Lighting

Sale of Orient lighting in 2013-14 has grown by about 44% with improvement of market shares of CFLs and Consumer Luminaires.

The products are now available in over 75000 retail outlets and we plan to increase this further continuously with extra focus on sales of Consumer Luminaires, LED Light Sources and Systems.

We will work towards gaining further market share by pursuing strategies on strengthening distribution, opening new channels, new product introduction and brand promotion.

Appliances

Appliances division achieved a turnover of ₹ 143 crores during the year under review. We have so far concentrated on 45 cities and have already created 89 authorised service stations across the Country.

2.1.4. Risks and concerns

There is stiff competition in all categories of the Electric business and this will likely to keep margins under pressure.

2.1.5. Outlook

Fans

Fan division has further strengthened its position as one of the market leaders in the Domestic market and continues to be the leader in the export arena. Continuous improvement in distribution network resulting in deeper penetration, introduction of new models for emerging segments and continued special focus on weaker geographical areas are expected to overcome the risks and concerns. In the international markets also we expect to consolidate our performance further in the already developed markets and entering potential new markets.

A well laid out marketing plan, including the recently launched new identity of the brand shall help to further consolidate its position in India. Continued association with the Celebrity Cricketer, Shri Mahendra Singh Dhoni, has helped in the brand getting readily recalled at the retail level. Planned investments in terms of market promotion in relatively weak markets will continue to be made so as to improve our share in these markets.

Overall the Fan division is well placed to manage the competition and economic uncertainties while capitalizing on emerging opportunities.

Lighting

The company has further augmented its production capacity at Faridabad for CFLs. We had also started our own manufacturing unit for PCBs for CFLs at Noida during 2012-13. This facility is now working at its full capacity. We intend to produce most of the PCBs in-house during 2014-15 under own design for all major categories of CFLs sold by us. This will help us to further improve the quality with stringent QC norms. We have also commenced design and manufacture of ballasts for linear fluorescent lamps and drivers for LEDs in the same plant in view to run the plant to its optimum potential.

As a result of these initiatives, our market returns are much lower as compared to the Industry average and this has led to greater consumer acceptance for our CFLs.

Our major focus now will be on the emerging growth categories of LED light sources and systems, which also provide better margins.

Appliances

We plan to introduce several new SKUs and continue our focus on 45 key cities in which we have launched these products already. These key cities contribute about 62% of the potential. All the resources in terms of marcom, manpower etc. will be channelized in these focused cities to achieve critical mass.

2.2. Business segment - Paper

2.2.1. Industry structure and development

Paper industry in India has been facing a huge challenge due to steep escalation in cost of all major inputs in general and pulpwood in particular.

Simultaneously, demand for Writing & Printing Papers is estimated to have grown by only around 5% and margins from this segment have been under severe pressure, particularly considering the capital intensive nature of this industry.

Domestic demand for Tissue Paper has been reasonable but competition has been increasing due to entry of some smaller mills in this segment. However, there is a growing demand from the export markets for Tissue Paper of good quality.

Tremendous cost push forced the industry to increase prices to some extent but these increases were inadequate to absorb the cost increases fully.

2.2.2 Opportunities and threats

Tissue paper market in India is still relatively small but its demand is expected to grow with the life style changes taking shape. We already have a significant share of this market and have been consolidating it further. We have been able to make significant inroads in several export markets. We see a distinct opportunity for growth in this segment.

Writing & Printing segment is likely to remain under pressure for some more until the recent capacity additions are absorbed by demand growth. The fact that no major capacity additions are expected for some time, should assist in faster recovery of this segment also.

However, the biggest threat for the integrated Paper industry is the shortage of pulp wood from local sources, which has forced some mills to even resort to importation of logs or chips at high costs. To counter this threat, most Mills, including us, have been aggressively promoting social and farm forestry and at the same time continuing to press the Government agencies to permit plantations on revenue waste land which is available in abundance.

2.2.3 Segmental review and analysis

In spite of these challenges, we could increase our total Paper sales by 9.5% to 68488 MT from 62585 MT last year.

We were also able to increase the proportion of Tissue paper in our total Paper sales from 26.7% last year to 30.8% this year. It is noteworthy that we exported over 53% of our total sales of Tissue Paper.

Our Caustic volume also increased from 26347 MT to 30507 MT with corresponding increase in sales of Chlorine & HCL also.

Besides increase in volumes, we have also been able to make significant improvements in our internal efficiencies particularly in raw material yield, energy conservation and coal consumption.

Overall our Paper division achieved an increase of 21% in net sales turnover to ₹ 415.78 cr from ₹ 342.18 cr. last year.

We could also achieve a positive PBIDT of ₹ 20.53 cr. as against a loss of ₹ 50.10 cr at PBIDT level last year.

Loss before Interest & tax was also reduced to ₹ 10.65 cr. from ₹ 73.58 cr last year.

Considering the challenges faced, we believe that our Paper division has performed significantly better than the past few years and is poised for further improvements continuously.

Risks and concerns – Amlai plant

Having taken effective steps to overcome the problem of water shortage and aging power plant, rising cost of pulp wood and coal remain our major areas of concern.

Outlook – Amlai plant

We do believe that the initiatives taken so far will continuously improve the performance of our Paper business and that we are well on our way to its full turnaround.

(b) Brajrajnagar plant

As reported earlier operations at this plant continue to remain suspended. Our application for coal linkage for a power plant is still awaiting approval..

3. Company's overall performance and analysis

Sales and profit

Our gross sales increased to ₹ 1691.51 crores this year from ₹ 1386.05 crores last year, while net sales increased to ₹ 1576.63 crores from ₹ 1269.52 crores.

We also achieved an improvement of over 800% in PBIDT to ₹ 85.40 crores compared to ₹ 10.58 crores for the previous year.

We have recorded a net profit after tax of ₹ 4.24 crores this year against a loss of ₹ 32.23 crores last year.

We invested ₹ 28.96 crores on capital projects during the year.

Financial position of the Company continues to be fairly strong with our debt equity ratio at 0.09 and the DSCR of 2.30.

We believe that your Company has made significant progress in spite of challenging circumstances and has initiated a number of further steps to ensure a bright future.

4. Internal control systems and their adequacy

The Company has established adequate internal control systems, which provide reasonable assurances with regard to safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. The internal audit department regularly reviews internal control systems in business processes and verifies compliance with the laid down policies and procedures. Reports of the internal audit department are reviewed by the senior management and are also placed before and comprehensively discussed at the meetings of the Audit committee. The Audit Committee reviews the adequacy of internal control systems, audit findings and suggestions. The internal audit department also keeps a track of and monitors the progress on implementation of suggestions for improvements.

The Company's statutory auditors regularly interact with the Audit Committee to share their findings and the status of further improvement actions under implementation.

5. Human resource development / Industrial relations

The Company has adopted a progressive policy of development of its human resources through continuous training and motivation to achieve greater efficiencies and competencies. Progress made by the company was possible in no small measure by efforts of the entire team. The total number of permanent employees as on 31 March 2014 was 2739.

Industrial relations were harmonious at all our units. Safety, welfare and training at all levels of our employees continue to be areas of major focus for the Company.

6. Cautionary statement

Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events.

The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.

C. K. BIRLA
Chairman

Corporate governance report

(As required under Clause 49 of the Listing Agreement entered into with the stock exchanges)

I. Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholders' value. The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way so as to create value that can be sustained on a long-term basis for all its stake¬holders, including shareholders, employees, customers, government and the lenders. In addition to compliance with the regulatory requirements, the Company endeavours to ensure the highest standards of ethical conduct throughout the organization.

II. Board of Directors

(a) Composition of the Board

The Board of Directors comprises six members, consisting of five Non-Executive Directors who account for about 80% of the Board's strength as against the minimum requirement of 50% as per the Listing Agreement. The Non-Executive Directors are eminent professionals with rich experience in business and industry, finance, law and public enterprises. The composition of the Board is as under:

Name of the Director	Category of the Director	Number of other Directorship(s) held *	Number of Board Committee(s) of which he is a member **	Number of Board Committee(s) of which he is a Chairman *
Shri C. K. Birla	Chairman Non-Executive	6	-	-
Shri B. K. Jhawar	Independent Non-Executive	3	1	-
Shri A. Ghosh	Independent Non-Executive	5	4	3
Mr. Michael Bastian	Independent Non-Executive	3	5	2
Shri Narendra Singh Sisodia#	Independent Non-Executive	-	1	-
Shri M. L. Pachisia	Managing Director-Executive	10	3	1

* Excluding Directorships in private limited companies and foreign companies.

** Includes the membership/chairmanship only of Audit Committee(s) and Shareholders'/ Investors Grievances Committee(s).

(b) Details of sitting fee, remuneration, among others, paid to Directors

Name of the Director	Sitting fee paid during 2013-14 for attending meetings of the Board and/or Committees thereof (all figures in ₹)
Shri C. K. Birla	1,00,000
Shri B. K. Jhawar	1,40,000
Shri A. Ghosh	1,60,000
Mr. Michael Bastian	2,60,000
Shri Narendra Singh Sisodia	1,60,000

Shri M. L. Pachisia	Remuneration (₹) *
Salary and perquisites	2,51,54,211**
Contributions to P.F./Superannuation Fund	30,78,000
Total	**2,82,32,211**

* The above remuneration does not include contribution to Gratuity Fund.

** Includes ex-gratia Rs. 65,00,000/-.

The appointment of Managing Director is contractual in nature for a period of one year with effect from 23 September 2013, as approved by the Directors and is terminable by either side on three months' notice. No severance fee is payable to the Managing Director upon termination of his employment.

Details of shares held by Directors

Name of the Director	Number of shares held
Shri C. K. Birla	28,97,570
Shri B. K. Jhawar	Nil
Shri A. Ghosh	7,000
Mr. Michael Bastian	24,000
Shri Narendra Singh Sisodia	Nil
Shri M. L. Pachisia	36,640

(c) Number of Board Meetings held and attended by Directors

(i) Five meetings of the Board of Directors were held during the year ended 31 March 2014 on the following dates 8th May, 2013, 13th August, 2013, 3rd September, 2013, 30th October, 2013, and 30th January, 2014.

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31 March 2014 and of the last Annual General Meeting is as under

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31 March 2014 and of the last Annual General Meeting is as under

Directors	Number of Board Meeting attended	Attendance at the last AGM
Shri C. K. Birla	5	No
Shri B. K. Jhawar	3	No
Shri A. Ghosh	4	Yes
Mr. Michael Bastian	5	No
Shri Narendra Singh Sisodia	4	No
Shri M. L. Pachisia	5	No

III. Audit Committee

(i) The Audit Committee comprises of four Independent Member - Directors namely

(1) Shri A. Ghosh (2) Shri B. K. Jhawar (3) Mr. Michael Bastian (4) Shri Narendra Singh Sisodia.

All the members of the Audit Committee are Non-Executive Directors. Shri A. Ghosh is the Chairman.

(ii) Four Audit Committee meetings were held on 8nd May, 2013, 13th August, 2013, 30th October, 2013, and 30th January, 2014. The attendance of each Audit Committee member was as under:

Name of the Audit Committee member	Number of meetings attended
Shri A. Ghosh	3
Shri B. K. Jhawar	3
Mr. Michael Bastian	4
Shri Narendra Singh Sisodia	4

(iii) At the invitation of the Company, Statutory Auditors, Internal Auditors, Managing Director, President (Finance) and CFO and the Head of internal audit also attended the Audit Committee Meetings to brief the Committee and to answer and clarify queries raised at the Committee meetings. The Company Secretary acts as the Committee's Secretary. The concerned officers from the Company's different plants are also invited to the Audit Committee meetings to brief the Committee and clarify any queries raised by the Committee, as and when required.

(iv) The role and terms of reference of the Audit Committee cover the matters specified for audit committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

(v) Mr. Somnath Mukherjee, Cost Accountant is the Cost Auditor of the Company for the financial year 2013-14. The Company has filed cost audit report for the financial year 2012-13 on 19th September, 2013 i.e. within the due date and the due date for filing cost audit report for the financial year 2013-14 is 27th September, 2014.

IV. Management Committee

The Management Committee comprises of one Independent Member Directors and one Executive Director namely

1. Shri B. K. Jhawar 2. Shri M. L. Pachisia

Except Shri M. L. Pachisia, Managing Director, other member of the Management Committee is Non-Executive Directors. Shri M. L. Pachisia is the Chairman.

The Management Committee meets as and when necessary to attend day-to-day affairs and urgent business and is empowered to do all such acts and deeds the Board is empowered to do, subject to the provisions of the Companies Act, 1956.

No Committee meeting was held during the financial year 2013-2014.

V. Remuneration Committee

The Remuneration Committee of the Directors of the Company comprises three Independent Directors namely:

1.	Shri B. K. Jhawar
2.	Mr. Michael Bastian
3.	Shri A. Ghosh (appointed as member w.e.f. 13.08.2013)

Shri B. K. Jhawar is the Chairman of the Remuneration Committee.

Two Remuneration Committee meetings were held during the year on 8th May, 2013 and 3rd September, 2013.

The attendance of each Committee member was as under:

Name of the member	Meetings attended
Shri B. K. Jhawar	1
Mr. Michael Bastian	2
Shri A. Ghosh	1

VI. Shareholders/Investors' Relation Committee

(a) The Shareholders/Investors' Relation Committee comprises one Non-Executive Director namely Mr. Michael Bastian and an Executive Director Shri M. L. Pachisia. Mr. Michael Bastian is the Chairman. Shri R. P. Dutta, the Company Secretary was designated as the Compliance Officer.

During the year ended 31 March 2013, 8 complaints received from the shareholders/debenture holders were attended on time and there were no grievances pending as on 31 March 2014. There were no share transfers pending for registration for more than 30 days as on 31 March 2014.

Two Shareholders/Investors Relation Committee meeting were held on 8th May, 2013 and 30th January, 2014. The attendance of each Committee member was as under

Name of the member	Meetings attended
Shri M. L. Pachisia	2
Mr. Michael Bastian	2

(b) Details of Directors seeking reappointment at the ensuing Annual General Meeting fixed on date are given hereunder

Name of the Director	Mr. C.K. Birla
Director Identification No.	00118473
Date of appointment	29th September,1978
Expertise in specific functional area	Industrialist with vast business experience.
List of other Directorship held (excluding Directorship in Private Limited and Foreign Company)	National Engineering Industries Ltd. AVTEC Ltd HIL Ltd. Birlasoft(India) Ltd. Neosym Industry Ltd. Orient Cement Ltd.
Chairman/Member of the Committees of the Board of the Companies on which he is a Director	None

VII. Code of Conduct for Directors and senior management

A Code of Conduct as applicable to the Directors and the members of the senior management was approved by the Board and the same is being duly abided by all of them. Declaration to this effect was obtained from the Managing Director.

VIII.Compliance certificate

Compliance certificate for Corporate Governance from auditors of the Company is annexed herewith.

IX. General Body Meetings

(a) The details of Annual General Meetings and Extra Ordinary General Meetings held in last three years are as under:

	Day	Date	Time	Venue
AGM	Monday	07 March 2011	12.30 p.m.	Unit-VIII, Plot No.7 Bhoinagar, Bhubaneswar (Orissa)
AGM	Monday	08 August 2011	12.30 p.m.	-do-
AGM	Monday	13 August 2012	12.30 p.m.	-do-
AGM	Monday	16 August 2013	12.30 p.m.	-do-
EGM	Monday	18 November 2013	12.30 p.m.	-do-

(b) Whether special resolutions were put through postal ballot last three years? No

(c) Are special resolutions proposed to be put through postal ballot this year? Yes, if required.

X. Disclosures

(i) There were no related party transactions that may have potential conflict with the Company's interest at large.

(ii) No penalties or strictures were imposed on the Company by stock exchanges or the SEBI or any statutory authority on any matter related to capital markets during the last three years.

XI. Means of communication

(i) Half-yearly report sent to each household of shareholders: No

(ii) Quarterly results which news papers normally publish in one English daily newspaper circulating in the whole/substantially the whole of India and in one daily newspaper published in Oriya language and also put on Company's website www.orientpaperindia.com.

(iii) Whether Management Discussion & Analysis is a part of this Annual Report: Yes

XII. General shareholder information

a. Annual General Meeting

Day: Friday

Date: 22nd August, 2014

Time: 12.30 p.m.

Venue: Unit - VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012, Orissa

b. Financial calendar 2014-15

First quarterly results	Before 14 August 2014
Second quarterly results	Before 14 November 2014
Third quarterly results	Before 14 February 2015
Audited yearly results for the year ending 31 March 2015	Before end of May 2015

c. Dates of book closure 2nd August, 2014 to 8th August, 2014 (both days inclusive).

d. Listing on Stock Exchanges

1. BSE Ltd
   Phiroze Jeejeebhoi Towers, Dalal Street, Fort, Mumbai – 400001

2. The National Stock Exchange of India Ltd
   Exchange Plaza, 5th floor, Plot No. C/1, G Block
   Bandra – Kurla Complex, Bandra East, Mumbai – 400 051

Note: Listing fee was paid to BSE Ltd and The National Stock Exchange of India Ltd for the year 2014-15.

e. Stock/Company/Security common code

Equity shares

BSE Ltd.	502420
The National Stock Exchange of India Ltd.	ORIENTPPR

f. **Market price data**

The details of monthly highest and lowest closing quotations of the Company's equity shares on The National Stock Exchange of India Ltd during financial year 2013-14 are as under

Quotation at The National Stock Exchange Ltd.

Month	High	Low
April 2013	7.45	6.30
May 2013	8.45	6.80
June 2013	7.55	6.40
July 2013	7.45	5.00
August 2013	6.55	4.20
September 2013	8.25	5.80
October 2013	8.55	7.50
November 2013	11.25	7.45
December 2013	12.75	10.40
January 2014	16.25	11.25
February 2014	16.25	13.00
March 2014	16.30	12.65

g. Registrar and Transfer Agents: M/s MCS Limited, 77/2A, Hazra Road,,Kolkata-700 029 is acting as the Company's Registrar and Share Transfer Agents.

Email: mcskol@rediffmail.com contact Person: Mr. Alok Mukherjee, Mob:09433459832.

h. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all re¬spects. Officers of the Registrars were authorised to approve transfers and the same were also approved by the Committee of Directors/Shareholders/Investors Relation.

i. **Distribution of shareholding**

The shareholding distribution of equity shares as on 31 March 2014 is given below

Serial number	Number of equity shares held	Number of folios	Number of shares	% of shareholding
1	1 - 500	15220	2579635	1.26
2	501 - 1,000	2870	2482817	1.21
3.	1,001 - 2,000	1731	2771203	1.35
4.	2,001 - 3,000	756	1996360	0.98
5.	3,001 - 4,000	344	1265238	0.62
6.	4,001 - 5,000	396	1907782	0.93
7.	5,001 - 10,000	677	5237367	2.56
8.	10,001 - 50,000	600	12643376	6.17
9.	50,001 - 1,00,000	90	6175755	3.01
10.	1,00,001 and above	87	167809227	81.91
	Total	**22771**	**204868760**	**100.00**

j. Shareholding pattern as on 31 March 2014

Sl No	Category	Number of folios	% of folios	Number of shares	% of shareholdings
1	Promoters	18	0.08	7,83,29,922	38.23
2.	Mutual funds and UTI	12	0.05	2,50,88,254	12.25
3.	Banks, financial institutions, insurance companies (central and state government institutions/ non-government institutions)	16	0.08	2,30,30,631	11.24
4.	Pvt. corporate bodies	784	3.44	3,62,15,637	17.68
5.	Indian public	21,576	94.75	3,66,59,432	17.89
6.	NRIs/OCBs/FIIs	365	1.60	55,44,884	2.71
	Total	**22,771**	**100.00**	**20,48,68,760**	**100.00**

k. Dematerialisation of equity shares

The Company's shares are currently traded only in dematerialised form on two stock exchanges namely The National Stock Exchange of India Ltd and BSE Ltd. To facilitate trading in dematerialised form, the Company entered into agreements with both the depositories namely The National Securities Depository Ltd (NSDL) and The Central Depository Services (India) Ltd (CDSL). Shareholders can open accounts with any of the depository participants registered with any of these depositories. As on 31 March 2014, 20,22,74,670 equity shares of the company, forming 98.73% of the share capital of the company stand dematerialised .

l. Unclaimed Shares

In terms of Clause 5A of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts:

Particulars	No. of shareholders	No. of equity shares of Re.1/- each
Aggregate No. of shareholders and the outstanding shares transferred to the unclaimed suspense account as on 31.03.2013	171	7,36,910
No. of shareholders who approached the company for transfer of shares from the said unclaimed suspense account during the period 01.04.13 to 31.03.14.	Nil	Nil
No. of shareholders to whom shares were transferred from the unclaimed suspense account during the said period	Nil	Nil
Aggregate No. of shareholders and the outstanding shares lying in the said unclaimed suspense account as on 31.03.2014	171	7,36,910

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims these shares. Company ISIN No. INE 592A01026

m. **Plants (manufacturing units)**

1.	Orient Paper Mills P.O. Amlai Paper Mills Dist. Shahdol - 484117 (MP).	2.	Orient Electric 6, Ghore Bibi Lane, Kolkata - 700 054.
3.	Orient Electric 11, Industrial Estate, Sector 6, Faridabad - 121 006.	4.	Orient Electric 17, Taratalla Road, Kolkata-700088.
5.	Orient Electric C-130,Sector 63, Noida (UP).		

n. **Address for correspondence**

Orient Paper & Industries Ltd
Birla Building, 13th Floor
9/1, R. N. Mukherjee Road
Kolkata – 700001
Email ID: cosec@orientpaperindia.com

The above report was placed before the Board at its meeting held on 8th May, 2014 and was approved.

C K Birla
Chairman

Auditors' certificate

To

The Members of

Orient Paper & Industries Limited

We have examined the compliance of conditions of corporate governance by ORIENT PAPER & INDUSTRIES LIMITED, for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Raj Agrawal**
Partner
Membership Number: 82028

Place: New Delhi
Date: 8th May, 2014

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Orient Paper & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Orient Paper & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

As stated in Note 35, no provision has been made for Water Tax demand amounting to ₹35908.15 lacs (including interest and penalty) since the Company's application for waiver thereof is under consideration by the Government of Madhya Pradesh. Had the above liability been considered, there would have been a loss of ₹23279.33 lacs (after considering tax impact) as against the reported profit of ₹423.64 lacs and reserves & surplus as at the balance sheet date would have been ₹17542.79 lacs as against the reported figure of ₹41245.76 lacs.

Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matter stated in the Basis for Qualified Opinion paragraph*, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) *Except for the matter stated in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

(e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.R. BATLIBOI & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Raj Agrawal**
Partner
Membership Number: 82028

Place: New Delhi
Date: 8th May, 2014

Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of Orient Paper & Industries Limited as at and for the year ended 31st March, 2014)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification *(except for assets of the written down value of ₹931.78 lacs at Brajrajnagar unit, due to suspension of production activities)* which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification. However, *discrepancies, if any, at Brajrajnagar unit are unascertainable due to non verification of fixed assets for the reasons mentioned above.*

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year *except for the value of ₹32.90 lacs at Brajrajnagar unit, due to suspension of production activities.*

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification. However, *discrepancies, if any, at Brajrajnagar unit are unascertainable due to non verification of inventories for the reasons mentioned in (a) above.*

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of some of the items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the above section, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of paper, electrical consumer durables and chemicals and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and other material statutory dues applicable to it *though there have been slight delays in few cases and also certain payments are not yet made as indicated in (b) below.*

(b) *According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues outstanding at the year end for a period of more than six months from the date they became payable, are as follows :-*

Name of the statute	*Nature of the dues*	*Amount (₹ in lacs)*	*Period to which the amount relates*	*Due Date*	*Date of Payment*
Orissa Municipal Act	Industrial Licence Fees	23.92	1996-97 to 2012-13	Beginning of the respective years	Not yet Paid

(c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty & cess on account of any dispute, are as follows :-

Name of the statute	*Nature of the dues*	*Period to which the amount relates*	*Amount (₹ in lacs)*	*Forum where dispute is pending*
Central Excise and Customs Act, 1944	Disallowance of Cenvat credit on inputs and capital goods	1979-83, 1986-98, 2000-2010	347.58	Deputy/Assistant Commissioner / Commissioner/ High Court/ CESTAT
	Disallowance on cenvat credit on various input services	2004-05 to 2007-08, 2010-11 & 2011-12	29.03	Deputy/Assistant Commissioner / Commissioner
	Inclusion of interest in Assessable value	1994-96	10.99	Dy. Commissioner/ Commissioner
	Disallowance of refund on post manufacturing expenses of paper	1976-77 to 1983-84	149.06	Deputy Commissioner
	Differential duty on manufacture of paper/ duty on various inputs due to difference in classification/ Duty on shortage /excess etc. classification/ Duty on shortage /excess etc.	1975 to 1977, 1978 to 1985, 1993-97, 2000-01, 2002-03 & 2005-07	78.74	Asst Commissioner/ Deputy Commissioner/ Commissioner Appeals/Addl. Commissioner/ Jt. Commissioner
MP Sales Tax Act,1961/Central Sales Tax Act 1956	Demand with respect to disallowance of cash discount, levy of higher rate of purchase tax, difference in classification of goods etc.	1998-99, 2000-02 & 2005-06	59.28	Deputy Commissioner Appeals/Appellate Board/High Court
Other State/Central Sales Tax Acts	Sales tax on stock transfer/ export sales, non submission of forms, penalty etc.	Various	205.75	Asst. Commissioner/ Deputy Commissioner/ Sales Tax officer / Sales Tax Appellate Tribunal/ High court/ Supreme Court
Income Tax Act,1961	Tax deducted at source & interest thereon	2006-07 to 2008-09	24.89	Commissioner (Appeals)
M.P. Upkar Adhinium, 2004	Energy development cess on consumption of Captive power including surcharge	2001-2002 to 2011-12	4,173.56	Supreme Court

(x) The Company has no accumulated losses at the end of the financial year without considering the impact of the matter sated in the Basis for Qualified Opinion paragraph. The Company has not incurred cash loss in the current year but it had incurred cash loss in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank and financial institutions. Further, the Company did not have any outstanding debentures during the year.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) According to the information and explanations provided to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. BATLIBOI & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E

per **Raj Agrawal**
Partner
Membership Number: 82028

Place: New Delhi
Date: 8th May, 2014

Balance sheet as at 31 March 2014

₹ In lacs

	Notes	31-Mar-14	31-Mar-13
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,048.79	2,048.79
Reserves and surplus	4	41,245.76	41,797.55
		43,294.55	**43,846.34**
Non-current liabilities			
Long-term borrowings	5	4,000.00	-
Deferred Tax Liabilities (Net)	14	741.07	793.32
Other long-term liabilities	6	3,351.42	3,278.88
Long-term provisions	7	1,884.42	1,873.12
		9,976.91	**5,945.32**
Current liabilities			
Short-term borrowings	8	28,716.29	30,528.84
Trade payables	9	30,490.17	21,393.60
Other current liabilities	9	7,390.76	7,180.68
Short-term provisions	7	1,893.70	1,714.95
		68,490.92	**60,818.07**
TOTAL		**121,762.38**	**110,609.73**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	51,770.74	54,656.42
Intangible assets	11	76.30	106.25
Capital work-in-progress		174.14	496.77
Expenditure on Expansion/New projects (pending allocation)	12	71.29	57.90
Non-current investments	13	890.24	897.44
Long-term loans and advances	15	2,300.38	1,506.11
Trade receivables	16.1	616.82	-
Other non-current assets	16.2	80.00	-
		55,979.91	**57,720.89**
Current assets			
Inventories	17	16,290.67	13,321.78
Trade receivables	16.1	42,332.75	32,902.42
Cash and bank balances	18	2,534.60	1,806.15
Short-term loans and advances	15	3,704.98	4,204.20
Other current assets	16.2	919.47	654.29
		65,782.47	**52,888.84**
TOTAL		121,762.38	110,609.73
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the board of directors

For S.R.Batliboi & Co. LLP
Firm Registration Number: 301003E
Chartered Accountants

per Raj Agrawal
Partner
Membership no.: 82028

Place: New Delhi
Date: 8th May, 2014

R.P. Dutta
Secretary

P.K. Sonthalia
President Finance & CFO

C.K. Birla Chairman
M.L. Pachisia Managing Director

Statement of profit and loss for the year ended 31 March 2014

₹ In lacs

	Notes	31-Mar-14	31-Mar-13
Income			
Revenue from operations (gross)	19	169,150.59	138,605.27
Less: excise duty		11,487.17	11,653.46
Revenue from operations (net)		**157,663.42**	**126,951.81**
Other income	20	3,951.12	1,766.91
Total revenue (I)		**161,614.54**	**128,718.72**
Expenses			
Cost of raw material & components consumed	21	64,299.22	59,132.95
Purchase of traded goods	22	35,864.60	19,599.53
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	22	(1,774.48)	(914.10)
Employee benefits expense	23	14,553.71	12,266.08
Other expenses	24	40,131.94	37,576.18
Total (II)		**153,074.99**	**127,660.64**
Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I) - (II)		**8,539.55**	**1,058.08**
Depreciation and amortization expense	25	4,721.94	3,729.80
Less: Recoupment from revaluation reserve		40.69	58.76
Net depreciation and amortization expense		4,681.25	3,671.04
Finance costs	26	3,712.35	1,918.91
Profit / (Loss) before tax		**145.95**	**(4,531.87)**
Tax expenses			
Current tax		26.50	6.96
Less: Income tax refund in respect of earlier years (net)		(69.89)	-
MAT Credit (Entitlement) / Reversal		(182.05)	288.46
Net Current Tax Expense / (Credit)		(225.44)	295.42
Deferred tax charge / (Credit)		(52.25)	(1,603.80)
Total tax expense / (Credit)		**(277.69)**	**(1,308.38)**
Profit / (Loss) for the year		**423.64**	**(3,223.49)**
Basic & Diluted Earnings per equity share [nominal value of share ₹1 (31 March 2013: ₹1] (Rs.)	**27**	**0.21**	**(1.57)**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the board of directors

For S.R.Batliboi & Co. LLP
Firm Registration Number: 301003E
Chartered Accountants

per Raj Agrawal
Partner
Membership no.: 82028

Place: New Delhi
Date: 8th May, 2014

R.P. Dutta
Secretary

P.K. Sonthalia
President Finance & CFO

C.K. Birla Chairman
M.L. Pachisia Managing Director

Cash Flow Statement for the year ended 31 March 2014

₹ In lacs

	2013-2014	2012-2013
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/ (Loss) before Tax	145.95	(4,531.87)
Non-cash Adjustment to reconcile profit before tax to Net Cash Flows		
Depreciation and Amortisation Expenses	4,681.25	3,671.04
Interest Expenses	3,452.54	1,710.53
Other Borrowing Cost	259.81	208.38
Loss on Sale of Fixed Assets (Net)	11.49	55.26
Irrecoverable debts & advances written off	7.99	25.67
Provision for Doubtful Debts & Advances	167.15	99.84
Provision for Diminution in value of Investments Written back	(2.63)	(5.54)
Unrealised Foreign Exchange Loss/(Gain) (Net)	24.78	(2.28)
Interest & Dividend Income	(531.40)	(609.92)
	8,216.93	621.11
Operating Profit before Working Capital Changes :		
Increase in Trade Payables	9,116.75	4,966.21
Increase/(Decrease) in Long Term Provisions	11.30	(67.70)
Increase in Short Term Provisions	178.75	508.44
Increase/(Decrease) in Other Current Liabilities	(277.92)	648.42
Increase in Other Long Term Liabilities	72.54	146.83
(Increase) in Trade Receivables	(10,259.36)	(5,849.11)
(Increase) in Inventories	(2,968.89)	(1,535.64)
(Increase) in Long Term Loans & Advances	(11.02)	(704.00)
(Increase)/Decrease in Short Term Loans & Advances	750.83	(419.47)
(Increase) in Long Term Other Assets	(80.00)	-
(Increase) in Other Current Assets	(264.11)	(129.79)
CASH GENERATED FROM / (USED IN) OPERATIONS:	4,485.80	(1,814.70)
Direct Taxes Paid (Net)	(729.21)	(202.22)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	3,756.59	(2,016.92)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	23.07	20.12
(Purchase)/Sale of Investments (Net)	-	7,819.96
Interest Received	319.26	96.84
Dividend Received	211.07	536.91
Purchase of Fixed Assets	(2,915.37)	(6,752.73)
Fixed Deposits	(5.27)	(16.80)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(2,367.24)	1,704.30

Cash Flow Statement (contd.) for the year ended 31 March 2014

₹ In lacs

	2013-2014	2012-2013
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Loans	-	(2,808.34)
Proceeds from Long Term Loan	5,000.00	-
Proceeds /(Repayment) from Short Term Borrowings (Net)	(1,812.55)	9,025.27
Interest Paid	(3,348.67)	(2,996.26)
Other Borrowing Cost	(259.81)	(208.38)
Redemption of Preference Shares	-	(0.01)
Dividend Paid	(210.32)	(2,038.78)
Dividend Tax Paid	(34.82)	(332.35)
NET CASH FROM /(USED IN) FINANCING ACTIVITIES	(666.17)	641.15
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	723.18	328.53
* Cash & Cash Equivalents - Opening Balance	1,764.61	5,124.45
Less: Cash & Cash Equivalents transferred to Resulting Company pursuant to Scheme Arrangement	-	3,688.37
Total Cash & Cash Equivalents - Opening Balance	1,764.61	1,436.08
* Cash & Cash Equivalents - Closing Balance	**2,487.79	1,764.61

* Represents Cash and Bank Balances as indicated in Note No 18 and excludes ₹46.81 lacs (₹41.54 lacs) being Fixed Deposits with maturity of more than three months.

** Includes ₹104.37 lacs (₹109.82 lacs) lying in Unpaid Dividend Account

Note: The above Cash Flow has been prepared under the indirect method set out in Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April,2014 issued by the Ministry of Corporate Affairs.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration Number: 301003E
Chartered Accountants

per Raj Agrawal
Partner
Membership no.: 82028

Place: New Delhi
Date: 8th May, 2014

For and on behalf of the board of directors

R.P. Dutta
Secretary

P.K. Sonthalia
President Finance & CFO

C.K. Birla Chairman
M.L. Pachisia Managing Director

Notes to financial statements for the year ended 31 March 2014

1. Corporate information

Orient Paper & Industries Ltd. (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is primarily engaged in manufacture & sale of Paper, Electrical Consumer Durables, Chemicals, Industrial Blowers and Air Pollution Control Equipments. The Company presently has manufacturing facilities at Amlai, Brajrajnagar, Faridabad, Noida & Kolkata. The Cement Undertaking of the Company had been transferred during the previous year to Orient Cement Limited on going concern basis w.e.f. April 01, 2012 pursuant to the scheme of arrangement approved by the Hon'ble Orissa High Court.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April,2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation/amortisation and impairment losses, if any. The cost comprises the purchase price inclusive of duties (net of cenvat / VAT), taxes, incidental expenses, erection / commissioning expenses etc. and borrowing costs if capitalisation criteria are met and directly attributable cost of brining the assets to its working condition for the intended use. In case of revaluation of fixed assets, the original cost as written-up by the valuer is considered in the accounts and the differential amount is transferred to revaluation reserve.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed asset, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

(c) Depreciation on tangible fixed assets

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided under Straight Line Method (except for furniture, fixtures and vehicles valuing ₹680.61 lacs (31st March 2013, ₹710.00 lacs) where Written Down Value method is followed) at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at the rates based on the useful lives of the assets estimated by the management, whichever is higher. As per the above policy, depreciation on the following assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV.

Notes to financial statements (contd.) for the year ended 31 March 2014

	Estimated Useful Life
Non-Factory Buildings (Chemical Unit)	26-55 years
Plant & Machinery:	
Plant & Machinery (Chemical Unit)	1-17 years
Moulds & Dies (Electrical Consumer Durables Division)	3 years
Mist Chamber (Paper Plant)	8 years

Depreciation on revalued assets is provided at the rates specified under section 205 (2) (b) of the Companies Act, 1956 or at the rates based on the useful lives of the assets estimated by the management, whichever is higher. Additional depreciation charged on revalued amount of assets is recouped from the revaluation reserve.

Depreciation on fixed assets added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of the asset. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets being Specialized Software and Mining Rights are amortised on a straight line basis over a period of 3 years and 10 years respectively.

(e) Leases

Operating Lease:

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Notes to financial statements (contd.) for the year ended 31 March 2014

(f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for a previously revalued tangible fixed asset, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

Notes to financial statements (contd.) for the year ended 31 March 2014

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment property

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management, or that prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. Depreciation rate is same as that prescribed in Schedule XIV to the Companies Act, 1956.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Inventories

Raw materials & components and stores, chemicals and spare parts are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials & components and stores, chemicals and spare parts is determined on annual weighted average / transaction moving weighted average method.

Work-in-progress, finished goods and traded goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-progress is determined on annual weighted average basis. Cost of finished goods includes excise duty and is determined on annual weighted average basis.

By-products are valued at net realisable value.

Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Notes to financial statements (contd.) for the year ended 31 March 2014

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Claims / Refunds

Insurance & other claims / refunds, due to uncertainty in realisation, are accounted for on acceptance / actual receipt basis.

(l) Foreign currency translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined. Investment in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.

Exchange differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purpose but entered into to hedge foreign currency risk of an existing asset / liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

(m) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund and the contributions are charged to the Statement of Profit & Loss of the period when an employee renders the related service.

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each reporting period. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absesnces are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its setllement beyond 12 months after the reporting date. Where company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non current liability. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Notes to financial statements (contd.) for the year ended 31 March 2014

(n) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under The Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(o) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Allocation of common costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

Notes to financial statements (contd.) for the year ended 31 March 2014

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

A provision is recognized when the Company has a present obligation as a result of 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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(t) Derivative instruments not for trading or speculation

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gains, are ignored as a matter of prudence.

(u) Excise Duty & Custom Duty

Excise duty on Finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

(v) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit & loss. In the measurement of EBITDA, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to financial statements (contd.) for the year ended 31 March 2014

3. Share capital

₹ In lacs

	31-Mar-14	31-Mar-13
Authorised shares (No. in lacs)		
7,500 (31 March 2013: 7,500) Equity Shares of ₹1/- each	7,500.00	7,500.00
25 (31 March 2013: 25) Preference Shares of ₹100/- each	2,500.00	2,500.00
Issued Shares (No. in lacs)		
2,048.88 (31 March 2013 : 2,048.88) Equity Shares of ₹1/- each	2,048.88	2,048.88
Total issued capital	**2,048.88**	**2,048.88**
Subscribed and paid-up shares (No. in lacs)		
2,048.69 (31 March 2013: 2,048.69) Equity Shares of ₹1/- each	2,048.69	2,048.69
Add: Forfeited shares (Amount Originally Paid-Up)	0.10	0.10
Total subscribed and paid-up share capital	**2,048.79**	**2,048.79**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31-Mar-14		31-Mar-13	
	No. in lacs	₹ In lacs	No. in lacs	₹ In lacs
At the beginning of the period	2,048.69	2,048.69	2,048.69	2,048.69
Issued during the period	-	-	-	-
Outstanding at the end of the period	**2,048.69**	**2,048.69**	**2,048.69**	**2,048.69**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays 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.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹0.10 per share (31 March 2013: ₹0.10 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31-Mar-14		31-Mar-13	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Equity shares of ₹1 each fully paid				
Central India Industries Limited	506.44	24.72%	491.44	23.99%
Reliance Capital Trustee Co. Ltd A/c Reliance Growth Fund	133.42	6.51%	133.42	6.51%
Shekhavati Investments & Traders Ltd.	123.21	6.01%	123.21	6.01%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements (contd.) for the year ended 31 March 2014

4. Reserves and surplus

₹ In lacs

	31-Mar-14	31-Mar-13
Capital reserve		
Balance as per the last financial statements	-	40.12
Less: amount adjusted pursuant to scheme of arrangement	-	40.12
Closing Balance	**-**	**-**
Capital redemption reserve		
Balance as per the last financial statements	-	2,142.02
Less: amount adjusted pursuant to scheme of arrangement	-	2,142.02
Closing Balance	**-**	**-**
Investment Subsidy	**15.00**	**15.00**
Securities premium account		
Balance as per the last financial statements	-	23,069.52
Less: amount adjusted pursuant to scheme of arrangement	-	23,069.52
Closing Balance	**-**	**-**
Debenture redemption reserve		
Balance as per the last financial statements	-	2,500.00
Less: amount transferred to General Reserve	-	2,500.00
Closing Balance	**-**	**-**
Revaluation reserve		
Balance as per the last financial statements	640.64	784.48
Less: amount transferred to the statement of profit and loss as reduction from depreciation	40.69	58.76
Less: adjustment on transfer of assets pursuant to scheme of arrangement	-	85.08
Closing Balance	**599.95**	**640.64**
General reserve		
Balance as per the last financial statements	28,097.87	64,250.00
Add: Amount transferred from surplus balance in the statement of profit and loss	500.00	500.00
Add: Amount transferred from Debenture Redemption Reserve	-	2,500.00
Less: amount adjusted pursuant to scheme of arrangement	*695.05	39,152.13
Closing Balance	**27,902.82**	**28,097.87**
Surplus in the statement of profit and loss		
Balance as per last financial statements	13,044.04	17,007.22
Profit / (Loss) for the year	423.64	(3,223.49)
Less: Appropriations		
Proposed equity dividend (amount per share ₹0.10 (31 March 2013: ₹0.10))	204.87	204.87
Tax on proposed equity dividend	34.82	34.82
Transfer to general reserve	500.00	500.00
Total appropriations	**739.69**	**739.69**
Net surplus in the statement of profit and loss	**12,727.99**	**13,044.04**
Total reserves and surplus	**41,245.76**	**41,797.55**

* Represents adjustments for deferred tax assets in respect of Cement undertaking pertaining to the period prior to appointed date (i.e. 1st April,2012) for demerger of Cement undertaking of the Company.

Notes to financial statements (contd.) for the year ended 31 March 2014

5. Long-term borrowings

₹ In lacs

	Non-current portion		Current maturities	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Term loan from a Financial Institution (Secured)	4,000.00	-	1,000.00	-
	4,000.00	-	1,000.00	-
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(1,000.00)	-
Net amount	**4,000.00**	-	-	-

Note:

Above term Loan is secured / to be secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai , Brajrajnagar and certain assets pertaining to Electrical Division. The above Term Loan carries interest @ 13.00 % p.a. and is repayable in 20 equal quarterly installments starting from June 28, 2014.

6. Other long-term liabilities

₹ In lacs

	31-Mar-14	31-Mar-13
Deferred Payment Liabilities (Voluntary Retirement Scheme)	35.87	47.10
Trade & Other Deposits	3,315.55	3,231.78
	3,351.42	**3,278.88**

7. Provisions

₹ In lacs

	Long-term		Short-term	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Provision for employee benefits				
Provision for gratuity (note 28)	859.69	950.11	525.74	489.00
Provision for leave benefits	546.28	439.64	155.58	103.41
	1,405.97	**1,389.75**	**681.32**	**592.41**
Other provisions				
Provision for warranties	478.45	483.37	972.69	882.85
Proposed equity dividend	-	-	204.87	204.87
Provision for tax on proposed equity dividend	-	-	34.82	34.82
	478.45	**483.37**	**1,212.38**	**1,122.54**
	1,884.42	**1,873.12**	**1,893.70**	**1,714.95**

Provision for warranties

A provision is recognized for expected warranty claims on products based on management estimate of present obligation in this regard during the warranty period, computed on the basis of past experience of levels of repairs and returns. It is expected that the entire provision will be utilized within two years of the Balance Sheet date, since the warranty period is generally for two years. The table below gives information about movement in warranties provisions.

₹ In lacs

	31-Mar-14	31-Mar-13
At the beginning of the year	1,366.22	1,033.24
Arising during the year	1,283.75	1,201.96
Utilized during the year	(1,198.83)	(868.98)
At the end of the year	**1,451.14**	**1,366.22**
Current portion	972.69	882.85
Non-current portion	478.45	483.37

Notes to financial statements (contd.) for the year ended 31 March 2014

8. Short-term borrowings

₹ In lacs

	31-Mar-14	31-Mar-13
Cash credit / Packing Credit (including Working Capital Demand Loans) from banks (secured)	18,533.47	10,025.41
Other Loans & Advances:-(unsecured)		
Term Loans		
From a Bank	4,000.00	-
From Others	5,000.00	-
Commercial Papers		
From a Bank	-	1,000.00
From Others	-	13,500.00
Buyers Credit	1,182.82	1,347.45
Loan from Resulting Company under the Scheme of Arrangement	-	4,655.98
	28,716.29	**30,528.84**

1. Cash credit / Packing Credit (including Working Capital Demand Loans) from banks is secured / to be secured against hypothecation of stock in trade, stock in progress, raw materials, stores and chemicals, book debts and other current assets of the Company and second charge on fixed assets of the Company and is repayable on demand. The above loans carries interest @ 10.50% p.a. to 11.10% p.a. (9.95 % p.a. to 12.30% p.a)
2. Term Loans from Banks / Others carry interest @ 10.75% & 11.50% p.a. and are repayable in 89 days & 180 days respectively.
3. Buyers Credit carries interest @ 1.13% to 1.54% (1.52 % p.a. to 2.32 %) p.a and is repayable in 180 days.

9. Other current liabilities

₹ In lacs

	31-Mar-14	31-Mar-13
Trade payables (including acceptances of ₹557.60 lacs (31 March 2013: ₹514.60 lacs)) (refer note 38 for details of dues to micro and small enterprises)	30,490.17	21,393.60
Other liabilities		
Payables against purchase of Fixed Assets (including acceptances of ₹ Nil (31 March 2013: ₹59.90 lacs))	1,627.71	2,238.03
Current maturities of long-term borrowings (note 5)	1,000.00	-
Advance against Sales	446.31	438.50
Interest accrued but not due on borrowings	157.47	53.60
Preference Share Redemption Amount	5.18	5.18
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	104.37	109.82
Others		
Trade & Other Deposits	343.82	452.70
Current portion of Deferred Payment Liabilities	11.23	32.97
(Voluntary Retirement Scheme)		
Statutory dues payable	3,671.79	3,823.89
Other Miscellaneous	22.88	25.99
	7,390.76	**7,180.68**
	37,880.93	**28,574.28**

Notes to financial statements (contd.) for the year ended 31 March 2014

10. Tangible assets

₹ In lacs

	Freehold Land	Leasehold Land	Factory Buildings	Non-Factory Buildings (c)	Railway Sidings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	
Cost or valuation											
At 1 April 2012	8,513.15	195.97	6,963.16	6,267.71	2,054.99	162,687.52	1,414.29	686.41	680.01	189,463.21	
Additions	-	-	1,119.71	224.12	-	19,428.02	316.63	73.51	57.89	21,219.88	
Disposals / Deductions	-	-	-	-	-	638.66	8.64	37.74	25.02	710.06	
Transferred pursuant to Scheme of arrangement	8,295.81	-	2,323.64	3,141.59	1,988.56	106,454.07	493.63	142.20	290.71	123,130.21	
Other adjustments											
- Borrowing costs	-	-	119.08	6.30	-	1,737.18	7.03	-	-	1,869.59	(a)
At 31 March 2013	**217.34**	**195.97**	**5,878.31**	**3,356.54**	**66.43**	**76,759.99**	**1,235.68**	**579.98**	**422.17**	**88,712.41**	
Additions	5.69	6.48	123.71	4.00	30.46	1,941.32	57.14	85.86	84.46	2,339.12	
Disposals / Deductions	-	-	5.68	2.45	-	864.60	3.07	2.04	37.58	915.42	(a)
At 31 March 2014	**223.03**	**202.45**	**5,996.34**	**3,358.09**	**96.89**	**77,836.71**	**1,289.75**	**663.80**	**469.05 (b)**	**90,136.11**	
Depreciation											
At 1 April 2012	-	102.10	2,217.20	1,426.42	1,529.92	60,490.57	779.34	400.76	464.92	67,411.23	(f)
Charge for the year	-	4.03	157.02	62.70	0.32	3,254.28	78.97	37.94	29.02	3,624.28	
Disposals / Deductions	-	-	-	-	-	581.07	6.57	33.92	13.12	634.68	
Transferred pursuant to Scheme of arrangement	-	-	669.59	555.71	1,467.24	33,006.20	321.30	81.81	242.99	36,344.84	
At 31 March 2013	**-**	**106.13**	**1,704.63**	**933.41**	**63.00**	**30,157.58**	**530.44**	**322.97**	**237.83**	**34,055.99**	(f)
Charge for the year	-	4.03	176.05	65.25	2.11	4,199.59	83.34	46.49	42.45	4,619.31	
Disposals / Deductions	-	-	-	-	-	281.17	1.35	0.80	26.61	309.93	
At 31 March 2014	**-**	**110.16**	**1,880.68**	**998.66**	**65.11**	**34,076.00**	**612.43**	**368.66**	**253.67**	**38,365.37**	
Net Block											
At 31 March 2013	**217.34**	**89.84**	**4,173.68**	**2,423.13**	**3.43**	**46,602.41**	**705.24**	**257.01**	**184.34**	**54,656.42**	
At 31 March 2014	**223.03**	**92.29**	**4,115.66**	**2,359.43**	**31.78**	**43,760.71**	**677.32**	**295.14**	**215.38**	**51,770.74**	

a. Includes assets held in Joint Ownership ₹1,344.72 lacs (31st March 2013, ₹1341.20 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.

b. Includes assets held in Joint Ownership ₹20.00 lacs (31st March 2013, ₹20.00 lacs).

c. Includes ₹79.87 lacs (31st March 2013, ₹79.87 lacs) in respect of flats whose registration in the Company's name is pending.

d. Land, Buildings and Plant & Equipments of the Paper units at Amlai & Brajrajnagar, Air Conditioning unit at Kolkata and land at Faridabad unit of the Company were revalued in earlier years and the resultant surplus thereon was transferred to Revaluation Reserve.

e. Capitalized borrowing costs
The borrowing cost capitalized during the year ended 31 March 2014 is ₹ Nil (31 March 2013: ₹1035.60 lacs). The Company has capitalized this borrowing cost in the Capital work-in-progress (CWIP) and Expenditure on Expansion/New Projects. The amount of borrowing cost shown as Other Adjustments above reflects the amount of borrowing cost transferred from CWIP and Expenditure on Expansion / New Projects.

f. Includes depreciation ₹218.22 lacs (31st March 2013: ₹233.96 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

Notes to financial statements (contd.) for the year ended 31 March 2014

11. Intangible assets

₹ In lacs

	Computer Software	Mining Rights	Total
Gross block			
At 1 April 2012	476.67	1,314.60	1,791.27
Transferred pursuant to Scheme of arrangement	27.02	1314.60	1,341.62
Additions	52.43	-	52.43
At 31 March 2013	**502.08**	**-**	**502.08**
Additions	62.86	-	62.86
At 31 March 2014	**564.94**	**-**	**564.94**
Amortization			
At 1 April 2012	327.33	325.52	652.85
Transferred pursuant to Scheme of arrangement	27.02	325.52	352.54
Charge for the year	95.52	-	95.52
At 31 March 2013	**395.83**	**-**	**395.83**
Charge for the year	92.81	-	92.81
At 31 March 2014	**488.64**	**-**	**488.64**
Net block			
At 31 March 2013	106.25	-	106.25
At 31 March 2014	**76.30**	**-**	**76.30**

12. Details of Expenditure on Expansion/New Projects: (Pending Allocation)

₹ In lacs

	31-Mar-14	31-Mar-13
a) Pre-Operative & Trial Run Expenses:		
Salary & Wages	0.05	70.94
Contribution to Provident & Other Funds	-	2.44
Employees Welfare Expenses	-	1.71
Power & Fuel	-	481.02
Insurance	-	3.27
Project Consultancy charges	11.08	639.67
Interest on Fixed Loans	-	1,035.60
Miscellaneous Expenses	2.93	187.04
	14.06	**2,421.69**
b) Add:Balance brought forward from previous year	57.90	2,920.58
c) Transferred pursuant to Scheme of arrangement	-	1,849.41
d) Less: Allocated to Fixed Assets during the year	0.67	3,434.96
e) Balance carried to Balance Sheet	**71.29**	**57.90**

Notes to financial statements (contd.) for the year ended 31 March 2014

13. Non-current investments

₹ In lacs

	31-Mar-14	31-Mar-13
Investment property (at cost less accumulated depreciation)		
Cost of land and building given on operating lease	809.61	809.61
Less: Accumulated depreciation	110.77	100.95
Net block	**698.84**	**708.66**
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in joint venture		
173.99 lacs (31 March 2013: 173.99) Equity shares of 20 K.Sh each fully paid-up in Panafrican Paper Mills (E.A) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) (At cost less provision for other than temporary diminution in value ₹413.92 lacs (31st March 2013 ₹413.92 lacs)	-	-
Government securities (unquoted)		
6 Years National Savings Certificates	0.90	0.90
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
0.25 lac (31 March 2013: 0.25 lac) equity shares of ₹10 each fully paid-up in Tungabhadra Industries Ltd. (At Cost less provision for diminution ₹0.77 lac (31 March 2013: ₹0.77 lac)	-	-
200 (31 March 2013: 200) equity shares of ₹10 each fully paid-up in Orissa Textiles Mills Ltd. (At Cost less provision for diminution ₹0.02 lac (31 March 2013: ₹0.02 lac)	-	-
9.06 lacs (31 March 2013: 9.06 lacs) equity shares of ₹10 each fully paid-up in Hyderabad Industries Ltd.	127.12	127.12
15.45 lacs (31 March 2013: 15.45 lacs) equity shares of ₹10 each fully paid-up in Century Textiles & Industries Ltd.	6.73	6.73
Investment in equity instruments (unquoted)		
0.30 lac (31 March 2013: 0.30 lac) equity shares of ₹10 each fully paid-up in Birla Buildings Ltd.	3.01	3.01
0.06 lac (31 March 2013: 0.06 lac) equity shares of ₹10 each fully paid-up in GMMCO Ltd. (At Cost less provision for diminution ₹ Nil (31 March 2013: ₹2.62 lacs)	53.64	51.02
	191.40	**188.78**
	890.24	**897.44**
Aggregate amount of quoted investments (Market value: ₹8,307.65 lacs (31 March 2013: ₹7,795.20 lacs))	133.85	133.85
Aggregate amount of unquoted investments	57.55	54.93
Value of investment property	698.84	708.66
Aggregate provision for diminution in value of investments	414.71	417.34

a) Government Securities of the Face Value of ₹0.90 lac (31 March 2013: ₹0.90 lac) are lodged with Government Departments as Security Deposits.

b) The Company along with other co-owners, has developed a plot of land and constructed a building thereon at 25, Barakhamba road, New Delhi, where the Company's share is 15%. The registration of the said plot of land of the value of ₹432.94 lacs (31 March 2013: ₹432.94 lacs) in the name of the Company is still pending.

Notes to financial statements (contd.) for the year ended 31 March 2014

14. Deferred tax liability (net)

₹ In lacs

	31-Mar-14	31-Mar-13
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,626.48	6,392.09
Gross deferred tax liability	**7,626.48**	**6,392.09**
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,207.45	1,202.13
Provision for doubtful debts and advances	178.49	152.89
Provision for warranties	493.24	464.38
Unabsorbed depreciation and carried forward business loss	5,006.23	3,779.37
Gross deferred tax asset	**6,885.41**	**5,598.77**
Net deferred tax Liability	**741.07**	**793.32**

15. Loans and advances

₹ In lacs

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
(Unsecured, considered good except otherwise stated)				
Capital advances				
Considered good	899.55	116.30	-	-
Doubtful	15.00	15.00	-	-
	914.55	**131.30**	**-**	**-**
Provision for doubtful Capital Advances	15.00	15.00	-	-
(A)	**899.55**	**116.30**	**-**	**-**
Trade & Other Deposits				
Considered good	1,073.88	967.70	96.54	29.39
Doubtful	-	-	10.00	10.00
	1,073.88	**967.70**	**106.54**	**39.39**
Provision for doubtful Trade & Other Deposits	-	-	10.00	10.00
(B)	**1,073.88**	**967.70**	**96.54**	**29.39**
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good	-	-	1,925.24	1,984.25
Doubtful	-	-	1.00	13.79
	-	**-**	**1,926.24**	**1,998.04**
Less: provision for doubtful advances	-	-	1.00	13.79
(C)	**-**	**-**	**1,925.24**	**1,984.25**
Other loans and advances (Considered Good)				
Deposits against demand under dispute	323.47	418.52	308.06	284.21
Prepaid Expenses	3.48	3.59	200.48	417.71
Advance payment of Income tax, tax deducted at source & refunds receivable etc. (after adjusting provisions)	-	-	328.35	68.75

Notes to financial statements (contd.) for the year ended 31 March 2014

15. Loans and advances (contd.)

₹ In lacs

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	846.31	1,419.89
Other loans and advances (Considered Doubtful)				
Balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	48.81	48.81
	326.95	422.11	1,732.01	2,239.37
Less: provision for doubtful balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	48.81	48.81
(D)	326.95	422.11	1,683.20	2,190.56
Total (A+B+C+D)	2,300.38	1,506.11	3,704.98	4,204.20
Advances due by officers of the Company.				
Advances due by officers of the Company	-	-	0.90	3.49

16. Trade receivables and other assets

16.1. Trade receivables

₹ In lacs

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	26.61	13.81
Unsecured, considered good	-	-	111.13	603.36
Doubtful	-	-	362.04	284.79
	-	-	499.78	901.96
Provision for doubtful trade receivables	-	-	362.04	284.79
(A)	-	-	137.74	617.17
Other receivables				
Secured, considered good	-	-	2,361.07	2,479.66
Unsecured, considered good	616.82	-	39,833.94	29,805.59
Doubtful	-	-	65.44	54.60
	616.82	-	42,260.45	32,339.85
Provision for doubtful trade receivables	-	-	65.44	54.60
(B)	616.82	-	42,195.01	32,285.25
(A)+(B)	616.82	-	42,332.75	32,902.42

Notes to financial statements (contd.) for the year ended 31 March 2014

16. Trade receivables and other assets (contd.)

16.2. Other Current Assets

₹ In lacs

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
(Unsecured, considered good except otherwise stated)				
Unsecured, considered good				
Interest accrued on Loans, Debts, Deposits etc.	-	-	3.44	2.37
Export Benefit Receivable	-	-	560.62	410.41
Claims & Refunds Receivable	-	-	335.63	241.51
Unamortised ancillary cost of borrowings	80.00	-	19.78	-
	80.00	**-**	**919.47**	**654.29**
Unsecured, (Considered Doubtful)				
Claims & Refunds Receivable	-	-	22.83	22.83
	-	**-**	**22.83**	**22.83**
Less: provision for doubtful claims & refunds receivable	-	-	22.83	22.83
	80.00	**-**	**919.47**	**654.29**

17. Inventories

₹ In lacs

	Note	31-Mar-14	31-Mar-13
Valued at Lower of Cost and Net Realisable Value			
Raw materials & components	21	5,057.43	4,113.95
Work-in-progress	22	900.09	1,138.89
Finished goods	22	4,926.42	3,148.65
Traded goods	22	2,690.06	2,317.21
Stores, Chemicals and spare parts etc.		2,615.04	2,530.34
At Estimated Realisable Value			
By-Products		3.40	0.87
Scrap		98.23	71.87
		16,290.67	**13,321.78**
The above includes stock in transit:			
Raw Materials		-	10.03
Finished Goods		167.72	200.56
Stores, Chemicals and spare Parts etc.		29.85	15.09
		197.57	**225.68**

Notes to financial statements (contd.) for the year ended 31 March 2014

18. Cash and bank balances

₹ In lacs

	Current	
	31-Mar-14	31-Mar-13
Cash and cash equivalents		
Balances with banks:		
– On current accounts (including ₹5.70 lacs (31st March 2013, ₹5.70 lacs) in earmarked accounts)	2,366.81	1,624.15
– Deposits with original maturity of less than three months	0.09	0.09
– On unpaid dividend account	104.37	109.82
In Post office savings bank account	0.76	0.76
Cheques on hand	0.40	6.22
Unpaid matured deposits	2.85	0.55
Cash on hand	12.51	23.02
	2,487.79	**1,764.61**
Other bank balances *		
Deposits with original maturity for more than 12 months	8.03	0.57
Deposits with original maturity for more than 3 months but less than 12 months	38.78	40.97
	46.81	**41.54**
	2,534.60	**1,806.15**

* Receipts/Pass Books for ₹46.41 lacs (31 March 2013: ₹40.15 lacs) are lodged with Government Departments/Banks as security.

19. Revenue from operations

₹ In lacs

	31-Mar-14	31-Mar-13
Revenue from operations		
Sale of products		
Finished goods	125,906.58	116,443.27
Traded goods	42,570.31	22,551.45
	168,476.89	**138,994.72**
Less: Cash Discount, Rebates etc.	4,278.18	4,313.22
	164,198.71	**134,681.50**
Other operating revenue		
Scrap sales	3,587.10	2,976.22
Export Incentives	*1,150.47	718.88
Other Receipts	214.31	228.67
Revenue from operations (gross)	**169,150.59**	**138,605.27**
Less: Excise duty #	11,487.17	11,653.46
Revenue from operations (net)	**157,663.42**	**126,951.81**

* includes ₹277.34 lacs (31st March 2013 ₹ Nil) in respect of earlier years.

Excise duty on sales amounting to ₹11,487.17 lacs (31 March 2013: ₹11,653.46 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/ (decrease) in stock amounting to ₹166.23 lacs (31 March 2013: ₹34.49 lacs) has been considered as (income)/expense in note 22 of financial statements.

Notes to financial statements (contd.) for the year ended 31 March 2014

19. Revenue from operations (contd.)

Detail of products sold

₹ In lacs

	31-Mar-14	31-Mar-13
Finished goods sold		
Pulp, Paper & Board	37,746.19	30,022.14
C.S.Lye (excluding flake conversion)	3,241.48	2,919.37
C.S.Flakes	2,990.81	3,265.26
Liquid Chlorine	137.79	58.42
Hydrochloric Acid	52.53	26.26
Electrical Fans	66,834.68	66,907.97
Lights & Luminaries	10,848.39	8,536.21
Air Pollution Control Equipments	168.56	233.15
Industrial Blowers	707.60	699.59
Other Miscellaneous Items	151.80	270.94
	122,879.83	112,939.31
Traded goods sold		
Electrical Fans	19,123.16	11,536.26
Lights & Luminaries	7,812.57	4,544.97
Appliances	14,258.48	5,298.03
Exercise Books	124.67	362.93
	41,318.88	21,742.19
	164,198.71	134,681.50

20. Other income

₹ In lacs

	31-Mar-14	31-Mar-13
Interest income on		
Debts, deposits, advances etc.	320.33	96.71
Dividend income on		
Current investments	9.86	243.45
Long-term investments	201.21	269.76
Rental income on Long-term investments	147.81	315.38
Insurance & Other Claims	26.18	34.86
Rent & Hire Charges	247.89	226.45
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	256.40	312.15
Gain on Exchange Rate Fluctuations (net)	-	109.56
Provision for Diminution in the value of Long Term Investments written back	2.63	5.54
Sale of discarded Machinery Scrap	2,506.07	-
Miscellaneous Receipts	232.74	153.05
	3,951.12	1,766.91

Notes to financial statements (contd.) for the year ended 31 March 2014

21. Cost of raw materials & components consumed

₹ In lacs

	31-Mar-14	31-Mar-13
Inventory at the beginning of the year	4,113.95	4,323.13
Less: Stock transferred pursuant to Scheme of arrangement	-	590.35
	4,113.95	3,732.78
Add: Purchases & procurement expenses / job charges	65,521.63	59,679.46
	69,635.58	**63,412.24**
Less: Sales	278.93	165.34
Less: inventory at the end of the year	5,057.43	4,113.95
Cost of raw materials & components consumed	**64,299.22**	**59,132.95**

Details of raw materials & components consumed

₹ In lacs

	31-Mar-14	31-Mar-13
Bamboo	10,534.46	6,570.58
Wood	5,036.79	5,670.57
Salt	1,255.43	1,056.25
Copper Wire Road & Strips	7,572.29	7,437.02
CRCA, Silicon Sheets & Plates	7,617.32	8,270.22
Blades for Ceiling Fans	6,816.07	6,769.37
PCBs	-	2,381.63
Miscellaneous Items #	25,466.86	20,977.31
	64,299.22	**59,132.95**

It is not practicable to furnish item wise details in view of large number of items which differ in size and nature, each being less than 10% in value of the total.

Details of inventory

₹ In lacs

	31-Mar-14	31-Mar-13
Raw materials		
Bamboo	846.17	561.50
Wood	679.69	199.50
Salt	171.13	227.97
Copper Wire Road & Strips	193.22	381.33
CRCA, Silicon Sheets & Plates	86.75	144.06
Blades for Ceiling Fans	201.12	208.67
PCBs	-	61.26
Miscellaneous Items	2,879.35	2,329.66
	5,057.43	**4,113.95**

Notes to financial statements (contd.) for the year ended 31 March 2014

22. (Increase)/ decrease in inventories

₹ In lacs

	31-Mar-14	31-Mar-13
Inventories at the end of the year		
Traded goods	2,690.06	2,317.21
Work-in-progress	900.09	1,138.89
Finished goods	4,926.42	3,148.65
By Products	3.40	0.87
Scrap	98.23	71.87
	8,618.20	**6,677.49**
Inventories at the beginning of the year		
Traded goods	2,317.21	1,053.14
Work-in-progress	1,138.89	2,367.93
Finished goods	3,148.65	4,236.19
By Products	0.87	1.40
Scrap	71.87	91.99
	6,677.49	7,750.65
Less: Inventories transferred pursuant to Scheme of arrangement		
Work-in-progress	-	1,079.70
Finished goods	-	850.38
Scrap	-	22.69
	-	1,952.77
	6,677.49	5,797.88
	(1,940.71)	**(879.61)**
(Increase)/decrease of excise duty on inventory	166.23	(34.49)
	(1,774.48)	**(914.10)**

Details of purchase of traded goods

₹ In lacs

	31-Mar-14	31-Mar-13
Electrical Fans	17,287.09	10,255.72
Lights & Luminaries	5,988.26	4,228.36
Appliances	12,509.27	4,849.60
Exercise Books	79.98	265.85
	35,864.60	**19,599.53**

Details of inventory

₹ In lacs

	31-Mar-14	31-Mar-13
Traded goods		
Electrical Fans	649.35	263.67
Lights & Luminaries	487.77	797.90
Appliances	1,552.94	1,212.76
Exercise Books	-	42.88
	2,690.06	**2,317.21**
Work-in-progress		
Paper	368.48	307.26
Salt	15.07	28.28

Notes to financial statements (contd.) for the year ended 31 March 2014

22. (Increase)/ decrease in inventories (contd.)

Details of inventory

₹ In lacs

	31-Mar-14	31-Mar-13
CS Lye	247.71	280.47
Fans & Components	198.27	454.69
Lights & Luminaries	67.39	65.48
Air Pollution Control Equipments	1.26	1.84
Industrial Blowers	1.91	0.87
	900.09	**1,138.89**
Finished goods		
Pulp, Paper & Board	1,148.38	652.90
C.S.Lye (excluding flake conversion)	203.44	235.84
C.S.Flakes	8.07	42.49
Electrical Fans	3,366.54	2,063.76
Lights & Luminaries	196.91	141.15
Air Pollution Control Equipments	0.56	2.29
Industrial Blowers	2.52	10.22
	4,926.42	**3,148.65**
By-products		
Liquid Chlorine	3.10	0.44
Hydrochloric Acid	0.30	0.43
	3.40	**0.87**

23. Employee benefits expense

₹ In lacs

	31-Mar-14	31-Mar-13
Salaries, wages and bonus	12,241.46	9,981.10
Contribution to provident and other funds	850.19	773.00
Gratuity expense (Note 28)	318.85	425.22
Staff welfare expenses	1,143.21	1,086.76
	14,553.71	**12,266.08**

24. Other expenses

₹ In lacs

	31-Mar-14	31-Mar-13
Consumption of stores and spares (after adjusting Sales & Claims ₹21.15 lacs (31st March 2013, ₹15.37 lacs)	5,816.70	5,210.42
Handling & Other charges to contractors	1,354.43	1,207.49
Power and fuel	9,993.52	11,824.39
Packing, Freight and forwarding charges	7,965.54	6,652.60
Rent & Hire Charges	1,160.74	936.42
Rates and taxes	347.17	288.89
Insurance	182.80	160.97
Repairs and maintenance		
Plant and machinery	2,059.28	1,288.86
Buildings	360.30	324.51

Notes to financial statements (contd.) for the year ended 31 March 2014

24. Other expenses (contd.)

₹ In lacs

	31-Mar-14	31-Mar-13
Advertising and sales promotion	3,898.67	2,893.35
Directors' Sitting Fees	8.20	6.80
Commission on sales	497.05	446.80
Payment to auditor		
As auditor:		
Audit fee	25.00	25.00
Limited review	15.00	30.00
In other capacity:		
Tax audit fee	7.50	15.00
For certificates & other services	2.50	9.00
Reimbursement of expenses	5.06	4.21
Payment to cost auditor	1.21	1.01
Charity & Donations	-	2.70
Warranty Claims	2,651.81	2,761.09
Less: Utilisation against provision	1,198.83	868.98
	1,452.98	1,892.11
Exchange Rate Fluctuations (net)	139.64	-
Professional & Consultancy Charges	999.02	834.74
Bad debts / advances written off (net of reversals)	7.99	25.67
Sales Tax, Surcharge & Turnover Tax etc.	191.72	111.72
Provision for doubtful debts and advances	167.15	99.84
Loss on sale of fixed assets (net)	11.49	55.26
Miscellaneous expenses	3,461.28	3,228.42
	40,131.94	**37,576.18**
Above expenses include research and development expenses	**78.65**	**70.07**

25. Depreciation and amortization expense

₹ In lacs

	31-Mar-14	31-Mar-13
Depreciation of tangible assets	4,619.31	3,624.28
Amortization of intangible assets	92.81	95.52
Depreciation of investment property	9.82	10.00
	4,721.94	**3,729.80**
Less: recoupment from revaluation reserve	40.69	58.76
	4,681.25	**3,671.04**

26. Finance costs

₹ In lacs

	31-Mar-14	31-Mar-13
Interest	3,452.54	1,710.53
Other Borrowing Cost	205.89	208.38
Exchange difference to the extent considered as an adjustment to the borrowing	53.92	-
	3,712.35	**1,918.91**

Notes to financial statements (contd.) for the year ended 31 March 2014

27. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations: ₹ In lacs

	31-Mar-14	31-Mar-13
Profit / (Loss) after Tax	423.64	(3,223.49)
Net profit for calculation of basic and diluted EPS	**423.64**	**(3,223.49)**
	No. in Lacs	No. in Lacs
Weighted average number of equity shares in calculating basic & diluted EPS	2,048.69	2,048.69
Basic & Diluted Earnings per equity share [nominal value of share ₹1 (31 March 2013: ₹1] (Rs.)	0.21	(1.57)

28. Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost ₹ In lacs

	Gratuity	
	31-Mar-14	31-Mar-13
Current service cost	206.59	215.10
Interest cost on benefit obligation	283.38	259.81
Expected return on plan assets	(220.11)	(192.81)
Past Service Cost	-	-
Net actuarial(gain) / loss recognized in the year	153.24	205.28
Net benefit expense *	**423.10**	**487.38**
Actual return on plan assets	202.24	176.25

* includes ₹104.25 lacs (₹62.16 lacs) debited under other head of expenses

Balance sheet

Benefit asset/ liability ₹ In lacs

	Gratuity	
	31-Mar-14	31-Mar-13
Present value of defined benefit obligation	(3,993.85)	(3,716.19)
Fair value of plan assets	2,608.42	2,277.08
Plan asset / (liability)	**(1,385.43)**	**(1,439.11)**

Notes to financial statements (contd.) for the year ended 31 March 2014

28. Gratuity - Defined Benefit Plan (contd.)

Changes in the present value of the defined benefit obligation are as follows ₹ In lacs

	Gratuity	
	31-Mar-14	31-Mar-13
Opening defined benefit obligation	3,716.19	4,625.72
Less: Obligation transferred pursuant to scheme of arrangement	-	1,182.93
Current service cost	206.59	215.10
Interest cost	283.38	259.81
Benefits paid	(347.68)	(390.23)
Actuarial (gains) / losses on obligation	135.37	188.72
Past Service Cost	-	-
Closing defined benefit obligation	**3,993.85**	**3,716.19**

Changes in the fair value of plan assets are as follows: ₹ In lacs

	Gratuity	
	31-Mar-14	31-Mar-13
Opening fair value of plan assets	2,277.08	2,641.20
Less: Assets transferred pursuant to scheme of arrangement	-	590.04
Expected return	220.11	192.81
Contributions by employer	460.15	418.62
Benefits paid	(331.05)	(368.95)
Actuarial gains / (losses)	(17.87)	(16.56)
Closing fair value of plan assets	**2,608.42**	**2,277.08**

The Company expects to contribute ₹475 lacs to gratuity fund in the next year (31 March 2013: ₹475 lacs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	31-Mar-14	31-Mar-13
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligation for the Company's plan are shown below:

	Gratuity	
	31-Mar-14	31-Mar-13
Discount rate	8.50%	8.00%
Attrition rate	Age upto 45 years 5%	1.00%
	Age above 45 years 1%	

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Notes to financial statements (contd.) for the year ended 31 March 2014

28. Gratuity - Defined Benefit Plan (contd.)

Amounts for the current and previous four periods are as follows:

₹ In lacs

	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Gratuity					
Defined benefit obligation	3,993.85	3,716.19	4,625.71	4,077.28	3,967.57
Plan assets	2,608.42	2,277.08	2,641.20	2,292.21	2,090.79
Surplus / (deficit)	(1,385.43)	(1,439.11)	(1,984.51)	(1,785.07)	(1,876.78)
Experience adjustments on plan liabilities	21.32	(330.80)	(228.95)	(197.21)	Not Available*
Experience adjustments on plan assets	(17.87)	(13.99)	(23.59)	(20.48)	Not Available*

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available for the year 2009-10 and hence not disclosed.

29. Leases

Operating lease: Company as lessee

Certain office premises, depots etc are obtained on operating leases. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancelable.

₹ In lacs

	31-Mar-14	31-Mar-13
Lease payments made for the year	1,160.74	936.42
Contingent rent recognized in Profit & Loss Account	-	-
	1,160.74	**936.42**

Operating lease: Company as lesor

The Company has leased out certain buildings on operating leases. The lease term is for 1-3 years and thereafter renewable. There is escalation clause in the lease agreements. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancelable.

30. Interest in a joint venture

The Company has 29.34% share of interest valuing ₹413.92 lacs in its Joint Venture Company namely Pan African Paper Mills (EA) Limited, Kenya which is engaged in the manufacturing of Paper.

The Company has ceased to have joint control over the above Joint Venture Company subsequent to suspension of operations from 30th January, 2009 and in view of the circumstances arising thereafter. Accordingly, no disclosure for interest in said Joint Venture asset, liabilities, income, expenses etc. have been made in these accounts.

Notes to financial statements (contd.) for the year ended 31 March 2014

31. Segment information

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Paper" and "Electrical Consumer Durables" as the business segments.

Paper – Consists of manufacture and sale of pulp, paper & board and chemicals.

Electrical Consumer Durables – Consists of manufacture / purchase and sale of Electric Fans – ceiling, portable and airflow, along with Components and Accessories thereof, lights & luminaries and Appliances.

Others – Consist of other miscellaneous business/services comprising less than 10% revenues.

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

Business segments

Year ended 31 March 2014

₹ In lacs

Particulars	Paper	Electrical Consumer Durables	Others	Total Operations
Revenue *				
External	43,005.41	113,857.88	800.13	157,663.42
Inter segment	-	-	-	-
Total	**43,005.41**	**113,857.88**	**800.13**	**157,663.42**
Results				
Segment results	(1,481.09)	6,386.36	40.66	4,945.93
Unallocated Income / (Expenses) (net of unallocable expenses/ income)				(1,087.63)
Operating profit				3,858.30
Finance costs				3,712.35
Profit / (Loss) before tax				145.95
Income tax expense / (credit)				(277.69)
Net profit / (Loss)				**423.64**
As at 31 March 2014				
Segment assets	53,386.30	64,882.99	278.60	118,547.89
Unallocated assets				3,214.49
Total assets				**121,762.38**
Segment liabilities	10,739.49	28,701.34	137.70	39,578.53
Unallocated liabilities				38,889.30
Total liabilities				**78,467.83**
Other segment information				
Capital expenditure:- **				
Tangible assets	918.06	1868.33	5.24	2,791.63
Intangible assets	-	62.86	-	62.86
Depreciation ***	3,320.84	1,200.63	1.15	4,522.62
Amortization	-	92.81	-	92.81

Notes to financial statements (contd.) for the year ended 31 March 2014

31. Segment information (contd.)

Year ended 31 March 2013

₹ In lacs

Particulars	Paper	Electrical Consumer Durables	Others	Total Operations
Revenue *				
External	34,922.37	91,184.15	845.29	126,951.81
Inter segment	-	-	-	-
Total	**34,922.37**	**91,184.15**	**845.29**	**126,951.81**
Results				
Segment results	(7,798.99)	5,905.48	59.26	(1,834.25)
Unallocated Income / (Expenses) (net of unallocable expenses/ income)				(778.71)
Operating profit				(2,612.96)
Finance costs				1,918.91
Profit / (Loss) before tax				(4,531.87)
Income tax expense / (credit)				(1,308.38)
Net profit / (Loss)				**(3,223.49)**
As at 31 March 2013				
Segment assets	55,340.62	51,780.97	310.55	107,432.14
Unallocated assets				3,177.59
Total assets				**110,609.73**
Segment liabilities	9,969.56	20,565.27	152.30	30,687.13
Unallocated liabilities				36,076.26
Total liabilities				**66,763.39**
Other segment information				
Capital expenditure:- **				
Tangible assets	5932.39	2542.52	-	8,474.91
Intangible assets	-	52.43	-	52.43
Depreciation ***	2,575.66	941.93	2.14	3,519.73
Amortization	6.76	88.76	-	95.52

Geographical segments

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

₹ In lacs

Year ended 31 March 2014	India	Overseas	Total
Revenue *			
Sales to external customers	139,224.97	18,438.45	**157,663.42**
Other segment information			
Segment assets	114,998.46	3,549.43#	**118,547.89**

Notes to financial statements (contd.) for the year ended 31 March 2014

31. Segment information (contd.)

₹ In lacs

Year ended 31 March 2013	India	Overseas	Total
Revenue *			
Sales to external customers	114,296.60	12,655.21	**126,951.81**
Other segment information			
Segment assets	105,504.42	1,927.72 #	**107,432.14**

represents trade receivable

Note: The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets / additions to fixed assets have not been furnished.

* Net of excise duty.

** Excluding ₹21.50 lacs (31st March 2013, ₹42.74 lacs) being unallocated corporate/other assets.

*** Excluding ₹65.82 lacs (31st March 2013, ₹55.79 lacs) on unallocated corporate/other assets.

32. Related party disclosures

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Associate	Central India & IndustriesLtd
Key management personnel	Mr. M.L. Pachisia (Managing director) Mr. Manoj Verma Mr. N. K. Saha Mr. V. Kishore (upto 16th April,2012) Mr. B.S.Gilra Mr. S. B. Bhaiya (upto 2nd April, 2013)
Enterprises owned or significantly influenced by key management personnel or their relatives	Origami Products Origami Origami Tissues Origami Ventures Origami Cellulo Pvt Ltd Origami Enterprises

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Sale of goods

₹ In lacs

	Year ended	Sale of goods	Miscellaneous Receipts	Amount owed by related parties*	Amount owed to related parties*
Enterprises owned or significantly influenced by key management personnel or their relatives					
Origami Tissues	31-Mar-14	-	-	0.08	-
	31-Mar-13	4.70	-	0.08	-
Origami	31-Mar-14	14.74	-	0.64	-
	31-Mar-13	36.77	-	0.64	-

Notes to financial statements (contd.) for the year ended 31 March 2014

32. Related party disclosures (contd.)

a. Sale of goods

₹ In lacs

	Year ended	Sale of goods	Miscellaneous Receipts	Amount owed by related parties*	Amount owed to related parties*
Origami Ventures	31-Mar-14	-	-	0.31	-
	31-Mar-13	13.26	-	0.31	-
Origami Products	31-Mar-14	14.29	-	0.06	-
	31-Mar-13	3.17	-	0.06	-
Origami Cellulo Pvt Ltd	31-Mar-14	84.61	-	4.05	-
	31-Mar-13	-	-	-	-
Origami Enterprises	31-Mar-14	-	3.42	0.16	-
	31-Mar-13	-	3.83	0.15	-
Total	**31-Mar-14**	**113.64**	**3.42**	**5.30**	**-**
	31-Mar-13	**57.90**	**3.83**	**1.24**	**-**

* The amounts are classified as trade receivables and trade payables, respectively.

b. Dividend Paid

₹ In lacs

	Year ended	Dividend Paid	Amount owed by related parties	Amount owed to related parties
Associate				
Central India & IndustriesLtd	31-Mar-14	50.64	-	-
	31-Mar-13	491.44	-	-
Key management personnel				
Mr. M.L. Pachisia	31-Mar-14	0.04	-	-
	31-Mar-13	0.37	-	-
Total	**31-Mar-14**	**50.68**	**-**	**-**
	31-Mar-13	**491.81**	**-**	**-**

c. Remuneration to key managerial personnel

₹ In lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. M.L. Pachisia	31-Mar-14	282.32	-	65.00
	31-Mar-13	266.48	-	65.00
Mr. Manoj Verma	31-Mar-14	187.54	-	-
	31-Mar-13	119.47	-	15.67
Mr. S.B. Bhaiya (Upto 2nd April 2013)	31-Mar-14	21.58	-	-
	31-Mar-13	120.14	-	-
Mr.B.S.Gilra	31-Mar-14	22.47	-	0.20
	31-Mar-13	18.49	-	0.20
Mr.N. K. Saha	31-Mar-14	61.42	-	-
	31-Mar-13	49.81	-	-
Mr.V. Kishore (upto 16th April,2012)	31-Mar-14	-	-	-
	31-Mar-13	9.97	-	-
Total	**31-Mar-14**	**575.33**	**-**	**65.20**
	31-Mar-13	**584.36**	**-**	**80.87**

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Notes to financial statements (contd.) for the year ended 31 March 2014

33. Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹1,482.26 lacs (31 March 2013: ₹175.27 lacs).

(b) For commitments relating to lease arrangements, please refer note 29

34. Contingent liabilities

₹ In lacs

		31-Mar-14	31-Mar-13
a)	Outstanding bank guarantees	1,527.13	948.34
b)	Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company: (*)		
	Excise Duty	1,588.30	1,523.18
	Sales Tax	505.96	595.73
	Income Tax	24.89	2,729.77
	Water Tax	5,086.23	3,976.40
	Cess on Captive Power consumption	3,625.66	2,989.27
	Bills Discounted under channel finance facilities	2,276.69	1,083.88
	Others	4,122.19	3,204.00
		17,229.92	**16,102.23**
	Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	613.46	702.73
(*)	Based on discussions with the solicitors/ favorable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary.		
c)	Outstanding claims from employees not acknowledged as debts, including Bonus claims under adjudication and wages for suspension period at Brajrajnagar Unit.	Amount unascertainable	
d)	The Company has filed a writ petition in the High Court of Jabalpur, contesting the order of Commissioner Commercial Tax in the case of IOC Ltd regarding taxability of furnace oil at par with diesel. Pending final disposal of this matter, the Company is unable to ascertain the impact of the order, if any, on the accounts of the Company.		

35. Water Tax demand received from the Water Resources Department of the Government of Madhya Pradesh has been paid/ provided to the extent of liability admitted by the Company for the period up to April, 2009 i.e. the period prior to new agreement (effective from May 2009) entered into with the Water Resource Department. No provision against the balance demand of ₹35,908.15 lacs (including compounded interest and penalty) has been made since the Company's application for waiver thereof is under consideration by the government of Madhya Pradesh.

36. Reappointment of Managing Director with effect from 23rd September 2013 and remuneration of ₹203.54 Lacs paid during the year ended 31st March, 2014 in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956 is subject to approval of the Central Government.

Notes to financial statements (contd.) for the year ended 31 March 2014

37. Derivative instruments and unhedged foreign currency exposure

(a) Derivative instrument not for trading or speculation but as hedge of underlying transaction, outstanding as on the Balance Sheet date:-

(i) Forward contracts to sell US$ 15 lacs (Nil) to hedge foreign currency sales.

(b) Particulars of unhedged foreign currency exposure as at the reporting date

(i) Foreign Currency Trade Receivables and Trade Payables aggregating to ₹3549.43 lacs (USD 59.06 lacs) [₹1,927.72 lacs (USD 35.44 lacs) and ₹771.76 lacs (USD 12.84 lacs) [₹683.40 lacs (USD 12.56 lacs)] respectively.

(ii) Buyers Credit ₹1,182.82 lacs (USD 19.68 lacs) [₹1,347.45 lacs (USD 24.77 lacs)].

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

₹ In lacs

	31-Mar-14	31-Mar-13
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1,521.41	1,622.08
Interest due on above	0.07	13.33
	1,521.48	**1,635.41**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	13.61
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	1.10	13.17
The amount of interest accrued and remaining unpaid at the end of each accounting year	1.10	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

39. Value of imports calculated on CIF basis

₹ In lacs

	31-Mar-14	31-Mar-13
Capital goods	277.93	1,322.39
Trading goods	326.41	1,254.87
Raw materials & components	5,602.49	2,702.10
Spares Parts & Chemicals	295.29	233.49
	6,502.12	**5,512.85**

40. Expenditure in foreign currency (accrual basis)

₹ In lacs

	31-Mar-14	31-Mar-13
Sales Commission	9.35	10.28
Professional & Consultancy fees	-	5.46
Miscellaneous	85.32	67.93
	94.67	**83.67**

Notes to financial statements (contd.) for the year ended 31 March 2014

41. Imported and indigenous raw materials & components and spare parts consumed (including items debited to other heads of expenses)

	%age of total consumption 31-Mar-14	Value (₹ in lacs) 31-Mar-14	%age of total consumption 31-Mar-13	Value (₹ in lacs) 31-Mar-13
Raw Materials & components				
Imported	7.78%	4,999.66	4.29%	2,539.00
Indigenously obtained	92.22%	59,299.56	95.71%	56,593.95
	100.00%	64,299.22	100.00%	59,132.95
Spare parts				
Imported	9.18%	237.22	9.05%	183.98
Indigenously obtained	90.82%	2,346.43	90.95%	1,849.35
	100.00%	2,583.65	100.00%	2,033.33

42. Net dividend remitted in foreign exchange

₹ In lacs

Year of remittance (ending on)	31-Mar-14	31-Mar-13
Period to which it relates	1st April 2012 to 31st March 2013	1st April 2011 to 31st March 2012
Number of non-resident shareholders	380	404
Number of equity shares held on which dividend was due	7,964,703	8,389,497
Amount remitted and / or paid in Indian Currency (₹ in lacs)	7.96	83.89

43. Earnings in foreign currency (accrual basis)

₹ In lacs

	31-Mar-14	31-Mar-13
Exports of goods at F.O.B. Value	15,525.26	10,837.77
	15,525.26	10,837.77

44. Previous year figures

Previous year's figures have been regrouped and rearranged wherever necessary.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration Number: 301003E
Chartered Accountants

per Raj Agrawal
Partner
Membership no.: 82028

Place: New Delhi
Date: 8th May, 2014

For and on behalf of the board of directors

R.P. Dutta
Secretary

P.K. Sonthalia
President Finance & CFO

C.K. Birla Chairman
M.L. Pachisia Managing Director

NOTES

Corporate information

Board of Directors
Shri C.K. Birla *(Chairman)*
Shri B.K. Jhawar
Shri A. Ghosh
Shri Michael Bastian
Shri N.S. Sisodia
Shri M.L. Pachisia, *Managing Director*

Board Committees

Audit Committee
Shri A. Ghosh *(Chairman)*
Shri B.K. Jhawar
Shri Michael Bastian
Shri N.S. Sisodia

Stakeholders Relationship Committee
Shri Michael Bastian *(Chairman)*
Shri M.L. Pachisia

Nomination & Remuneration Committee
Shri B.K. Jhawar *(Chairman)*,
Shri A. Ghosh
Shri Michael Bastian

Corporate Social Responsibility Committee
Shri B.K. Jhawar *(Chairman)*
Shri N.S. Sisodia
Shri M.L. Pachisia

Committee of Directors
Shri M.L. Pachisia
Shri B.K. Jhawar

Auditors
M/s. S.R. Batliboi & Co. LLP
Chartered Accountants
22, Camac Street, Block 'C', 3rd floor
Kolkata - 700016

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Bhoinagar
Bhubaneswar - 751012 (Orissa)

Manufacturing Plants
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Brajrajnagar, Orissa
Kolkata, West Bengal
Faridabad, Haryana
Noida, U.P.

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Ph: (0674) 2396930/2392947, Fax: (0674) 2396364

E-mail: cosec@orientpaperindia.com, Website: www.orientpaperindia.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ____________________

Registered address: ____________________

E-mail ID: ____________________

Folio No./*DP ID & ____________________

Client ID: ____________________

I/We being the member(s) of .... shares of the above named Company hereby appoint:

1. Name:...E-mail id:...
   Address:... Signature:.. or failing him/ her
2. Name:...E-mail id:...
   Address:... Signature:.. or failing him/ her
3. Name:...E-mail id:...
   Address:... Signature:..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 22nd August, 2014 at 12.30 p.m. at UNIT-VIII, PLOT NO. 7, BHOINAGAR, BHUBANESWAR – 751012 (ORISSA) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary business	
1.	Adoption of the Audited Accounts of the Company for the year ended 31st March 2014, together with the Report of the Directors thereon
2.	Declaration of dividend on Equity shares
3.	Re-appointment of Shri C. K. Birla a Director of the Company who retires by rotation
4.	Appointment of Auditors and fixing their remuneration
Special business	
5.	Approval of the Remuneration of the Cost Auditor
6.	Approval to the Board to borrow money upto Rs. 1500 crores over and above the aggregate of the paid up share capital and free reserves of the Company
7.	Waiver of recovery of the excess remuneration paid to the Managing Director for the period from 01.04.13 to 22.09.13.
8.	Approval of the revision of Remuneration payable to the Managing Director for the period from 01.04.14 to 22.09.14
9.	Re-appointment of Shri M. L. Pachisia as Managing Director for 1 year w.e.f 23.09.2014
10.	Approval to Shri P.K. Sonthalia, to continue as President (Finance) & CFO, which may be deemed to be holding office or place of profit
11.	Approval to Shri R.P. Dutta to continue as Company Secretary, which may be deemed to be holding office or place of profit

*Applicable for shareholders holding shares in electronic form.

Signed this ....day of 2014

Affix Revenue Stamp

------------------------------------ Signature of Shareholder

-------------------------------------- Signature of first proxy holder(s)

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.**
2. **For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.**

ORIENT PAPER & INDUSTRIES LIMITED
(CIN: L21011OR1936PLC000117)

Registered Office:
Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Orissa)
Ph: (0674) 2396930/2392947, Fax: (0674) 2396364
E-mail: cosec@orientpaperindia.com, Website: www.orientpaperindia.com

ATTENDANCE SLIP

PLEASE FILL ATTENACE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No./DP ID & Client ID:	
Name and address of the Shareholder(s):	

I/We hereby record my /our presence at the Annual General Meeting of the Company AT UNIT – VIII, PLOT NO. 7, BHOINAGAR, BHUBANESWAR – 751012 (ORISSA) held on Friday, 22nd August, 2014 at 12.30 p.m.

Signature of the Shareholder/Proxy