

**ORIENT PAPER & INDUSTRIES LIMITED**

(CIN: L21011OR1936PLC000117)

**Registered Office:**

Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha)

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 LIMITED will be held on Thursday, the 20th August, 2015 at 10.00 a.m. at UNIT-VIII, PLOT NO.7, BHOINAGAR, BHUBANESWAR-751012 (Odisha) to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2015, together with the Report of the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of 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 consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (LLP Regn. No. 301003E), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2015-16, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of

Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company and the appointment as aforesaid is by way of ratification of appointment of the said auditors for three years in terms of decision of the shareholders at the Annual General Meeting of the Company held on 22nd August, 2014.”

### SPECIAL BUSINESS

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

“RESOLVED THAT Ms. Garui Rasgotra (DIN: 06862334) who has been appointed by the Board of Directors as an Additional Director of the Company with effect from 26th September, 2014, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the Act), and in respect of whom the Company has received a Notice in writing from a member under Section 160 of the Act proposing her candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT payment of remuneration of Rs. 1,00,000/- (Rupees one lac only) plus applicable service tax, and reimbursement of out of pocket expenses to Shri Somnath Mukherjee, Cost Accountants (M. No. 5343), for conducting audit of cost records of the Company for the financial year 2015-16 be and is hereby ratified.”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"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. 1,78,19,074/- (Rupees one crore seventy eight lac nineteen thousand seventy four only) paid to Shri

M. L. Pachisia, Managing Director of the Company during the period from 1st April, 2014 to 31st March, 2015 in excess of the limits prescribed under Section 197 read together with Schedule V of the Companies Act, 2013."

By Order of the Board  
For **ORIENT PAPER & INDUSTRIES LTD.**

**P.K. Sonthalia**

President (Finance) & CFO

Kolkata, the 17th July, 2015

## Notes:

- A member 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.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 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 (AGM) is annexed hereto and forms part of this notice.
- Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the AGM 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.
- The Share Transfer Books and the Register of Members of the Company will remain closed from 14th August, 2015 to 20th August, 2015 (both days inclusive) for the purpose of payment of dividend on Equity Shares.
- Dividend on Equity Shares as recommended by the Board of Directors, if declared at the AGM will be payable on or after 20th August, 2015 to those holders of Equity Shares whose names 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.
- The unclaimed Dividends for the Financial Years 2007-08 to 2013-14 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 by the Shareholders within a period of seven years from the date of transfer to the Company's Unpaid Dividend Account.  
Information in respect of the unclaimed dividend as on the date of the AGM of the Company which was held on 22nd August, 2014 has been uploaded on [www.iepf.gov.in](http://www.iepf.gov.in) and [www.orientpaperindia.com](http://www.orientpaperindia.com).
- The Annual Report 2014-15 and Notice of the AGM of the Company along with Attendance Slip and Proxy Form are being sent in electronic form 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 and Notice of the AGM of the Company along with Attendance Slip and Proxy Form are being sent in the permitted mode.
- Members may also note that the Notice of the AGM and the Annual Report 2014-15 will also be available on the Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same to the Company.
- Members seeking any information with regard to accounts

are requested to write to the Company Secretary at least ten days in advance of AGM, to enable the Company to keep the information ready.

11. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the AGM of the Company.
12. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013, respectively will be available for inspection by the members at the AGM.
13. **The Company has changed its RTA from M/s. MCS Ltd. to M/s. MCS Share Transfer Agent Ltd.** The instruments of Share transfer complete in all respects should be sent to M/s. MCS Share Transfer Agent Ltd. at 12/1/5, Manoharpukur Road, Ground Floor, Kolkata-700026, 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.
14. SEBI vide its circular dated 21 March, 2013, has mandated that for making payments to the investors, companies whose securities are listed on the stock exchanges shall use any Reserve Bank of India approved electronic mode of payment such as ECS, RECS, NECS, NEFT etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories for making payment/dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the registrar and share transfer agent for physical shares.
15. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
16. Members holding shares in physical form are requested to consider converting their holdings in dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the company's registrar and share transfer agent in this regard.
17. Members are requested to:
  - a. Bring their copy of the annual report for the meeting.

b. **Note that all correspondence relating to share transfers should be addressed to Registrar and Transfer Agent of the Company, M/s. MCS Share Transfer Agent Ltd.**

- c. Members are requested to notify change in address, if any, immediately to the Registrar and Transfer Agent of the Company, M/s. MCS Share Transfer Agent Ltd. quoting their folio number.
- d. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.

#### 18. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 17th August, 2015 (10:00 am) and ends on 19th August, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :**
    - (i) Open email and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Orient Paper & Industries Ltd."
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, PRTI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:**

- (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 (ICSI CP Registration No. 3238), M/s. A.K. Labh & Co., Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata-700 013, so as to reach by 5.00 p.m. on 19th August, 2015. 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 sl. no. (ii) to (xi) 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.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. 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 future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 13th August, 2015.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 13th August, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cosoc@orientpaperindia.com](mailto:cosoc@orientpaperindia.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Atul Kumar Labh, Practicing Company Secretary (ICSI CP Registration No. 3238) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.orientpaperindia.com](http://www.orientpaperindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Ltd.

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

### **RESOLUTION NO. 5**

Ms. Gauri Rasgotra (DIN: 06862334) was appointed as an additional Director in the category of Independent Director of the Company w.e.f. 26th September, 2014 by the Board of Directors on the recommendation of the Nomination & Remuneration Committee at their respective meetings on 26th September, 2014. Pursuant to Section 161 of the Companies Act, 2013 ('the Act'), Ms. Rasgotra will hold office as Director upto the date of this Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a member of the Company signifying his intention to propose Ms. Rasgotra for appointment as a Director at the forthcoming Annual General Meeting.

Ms. Rasgotra does not hold any equity shares in the Company.

In the opinion of the Board of Directors, Ms. Rasgotra fulfills conditions specified in the Act and the Rules made thereunder, for appointment as a Director of the Company.

Given her expertise, knowledge and experience, the Board considers her appointment to be in the interest of the Company and recommends the resolution contained in item no. 5 of the accompanying notice for approval of the members as an Ordinary Resolution.

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 Ms. Rasgotra which pertains to her appointment as Director of the Company.

### **RESOLUTION NO. 6**

The Board of Directors of the Company at their meeting held on 11th May, 2015 has, on recommendation by the Audit Committee, appointed Shri Somnath Mukherjee, Cost Accountants (M. No. 5343), as Cost Auditors of the Company for the financial year 2015-16 at a remuneration of Rs. 1,00,000 (Rupees one lac only) plus applicable taxes and out of pocket expenses.

As per Section 148 of the Companies Act, 2013 and applicable

rules thereunder, the remuneration payable to the cost auditor is to be ratified by the members of the Company.

The Board considers the remuneration payable to the cost auditor as fair and recommends the resolution contained in item no. 6 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said Resolution.

### **RESOLUTION NO. 7**

It may be noted that the Board of Directors of the Company at their meeting held on 8th May 2014 on recommendation by the Nomination and Remuneration Committee, re-appointed Shri M. L. Pachisia as Managing Director of the Company for a period of one year w.e.f. 23rd September, 2014 on the terms and conditions as stated in the said resolution which was approved by the shareholders at the AGM on 22nd August, 2014.

However, the remuneration paid to the Managing Director has exceeded the limits specified in Schedule V of the Companies Act, 2013 in view of loss incurred by the Company during the year 2014 -15.

Accordingly, for waiver of excess remuneration paid to the Managing Director during the financial year 2014-15, the Company has to seek approval of the Central Government and the shareholders by way of Special Resolution.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 11th May, 2015, subject to the approval of the Shareholders of the Company, approved the waiver of excess remuneration of Rs. 1,78,19,074/- (Rupees one crore seventy eight lac nineteen thousand seventy four only) paid to the Managing Director for the financial year 2014 -15, in excess of the limits prescribed in Schedule V of the Companies Act, 2013.

The details are as follows:

Remuneration paid	Amount in Rupees
Salary & Perquisites (Excluding contribution to P.F.,S.F. and Gratuity Fund)	3,03,01,472
Less: Limit specified under Schedule V to the Companies Act, 2013	1,24,82,398
Excess Remuneration	1,78,19,074

An application shall be made to the Central Government for waiver of excess remuneration paid to the Managing Director during the period from 1st April, 2014 to 31st March, 2015.

The information required in terms of Part II, Section II of Schedule V to the Act, 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 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	2012-13	2013-14	2014-15
Paid up Capital	20.49	20.49	20.49
Reserve & Surplus	287.54	285.18	282.70
Profit & Loss Account	130.44	127.28	96.17
Revenue from Operations	1269.52	1576.63	1668.85
Other Income	17.67	39.51	20.15
Total Revenue	1287.19	1616.14	1689.00
Total Expenses	1332.51	1614.68	1731.14
Profit before Taxation	(45.32)	1.46	(42.14)
Tax Expenses/(Income) including Deferred Tax	(13.08)	(2.78)	(13.49)
Managerial Remuneration*	2.35	2.51	3.03

\*Excluding contribution towards provident fund and superannuation fund.

### (v) Foreign investments of collaborators, if any

Nil

## II. INFORMATION ABOUT THE APPOINTEE

### (i) Background details

Shri M.L. Pachisia, aged about 70 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.

	2012-13 (Rs.)	2013-14 (Rs.)	2014-15 (Rs.)
Salary & Allowances	1,36,20,000	1,56,48,928	2,36,10,000
Perquisites	99,49,989	95,05,283	66,91,472
<b>Total (A)</b>	<b>2,35,69,989</b>	<b>2,51,54,211</b>	<b>3,03,01,472</b>
Contribution to:			
Provident Fund	13,68,000	13,68,000	15,12,000
Superannuation Fund	17,10,000	17,10,000	18,90,000
<b>Total (B)</b>	<b>30,78,000</b>	<b>30,78,000</b>	<b>34,02,000</b>
<b>Grand Total (A)+(B)</b>	<b>2,66,47,989</b>	<b>2,82,32,211</b>	<b>3,37,03,472</b>

**(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**

Not applicable

**(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 material pecuniary relationship directly or indirectly with the Company. None of the other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in the said resolution.

## OTHER INFORMATION

### i) Reasons for loss or inadequate profits

Orient Paper & Industries Limited was engaged inter-alia in the business of manufacture and sale of electric products and paper. The Company incurred a loss of Rs. 28.65 crores during the year 2014-15 against a profit of Rs. 4.23 crores in the previous year. The major reasons for the drop in profitability were as follows:

- The company's electric division spent over Rs. 24 crores in a one time rebranding exercise for its products. While this has resulted in depressed profits for the year, it is expected to pay rich dividends in the future.
- The Indian paper industry in general has been passing through a tough period because huge cost escalations and depressed realization. While the Company's paper division achieved highest volumes in the last five years and also improved its efficiency parameters, it still ended up making a loss.

### ii. Steps taken or proposed to be taken for improvement

- As a result of the rebranding exercise carried out and a slew of added value products introduced during the year, the Company has already been able to gain market share in fans and lighting products. The Company has also taken steps to rationalize its home appliances range and to focus on high growth products.
- The Company has also launched a range of high quality switchgears, which have a huge potential for growth.
- In the paper business, the Company has taking a number of steps towards further reduction in costs and improvements in efficiencies. As a result the Company feels confident of a turnaround of this business soon.

### iii. Expected increase in productivity and profits in measurable terms

The company has been able to achieve significant increase in productivity in all its businesses, as evidenced by significant growth in all its products. Based upon the expected growth in the electric business and expected improvements in the paper business, the Company is confident of reporting positive results going forward.

The Board recommends the resolution contained in item no. 7 of the accompanying notice for approval of the members as a Special Resolution.

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 Mr. Pachisia which pertains to the payment of remuneration in excess of the limits prescribed under Section 197 read together with Schedule V of the Companies Act, 2013.



# evolve

**Orient Paper & Industries Limited  
Annual Report 2014-15**

### 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 2014-15.

## Inside the report

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## Chairman's message



At Orient Paper, the essence of EVOLVE translates to more access to market and resources, higher quality of products, lower costs of production and extended global reach.

These are the goals that we have been pursuing during 2014-15 in our efforts to EVOLVE towards a growth-oriented, profitable future.

At our electrical division, we significantly invested in a re-branding exercise that has already started yielding results in more access and higher volumes both for fans and lighting products. Orient has also now been recognised as a Superbrand.

We completed and commissioned our new switchgear project and launched the products recently. These offerings have huge potential and we expect to achieve a fair share of the market in due course.

Corrective actions have been taken at our appliances SBU with complete revamping of our product offerings and results are becoming visible.

At our paper division, our volumes and efficiencies have improved significantly although due to market forces beyond our control, the end results have not been satisfactory. We are sure that with the steps taken to achieve cost reductions, we should see marked improvements here onwards.

With our country gradually returning to a path of accelerated growth, we are confident of a brighter future for Orient Paper for the benefit of all our stakeholders and the society at large.

Sincerely,

**C.K. Birla**  
*Chairman,*  
Orient Paper and Industries Limited

# Who we are, what we do

## PARENTAGE

Part of the C.K. Birla Group

## BUSINESSES

Operates two business divisions

### **ELECTRIC CONSUMER DURABLES**

Fans, lighting products, household appliances and switchgears

### **PAPER**

Tissue paper and writing and printing papers

## LOCATION

- Headquartered in Kolkata with manufacturing facilities located in:
  - Faridabad, Noida and Kolkata for electric products
  - Amlai for paper

## LISTING

- Equity shares listed on the BSE and NSE
- Market capitalisation of ₹478.37 crore (31 March 2015)
- 100% unencumbered promoter holding

## DISTRIBUTION

- Pan-India distribution network
- India's largest exporter of fans with sales to over 25 countries worldwide
- 57% of tissue paper volume exported

## DIVIDEND

10% dividend (₹0.10) per share proposed for financial year 2014-15

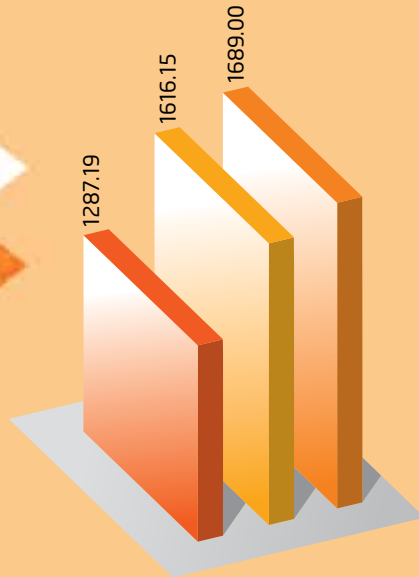


Who we are,  
what we do

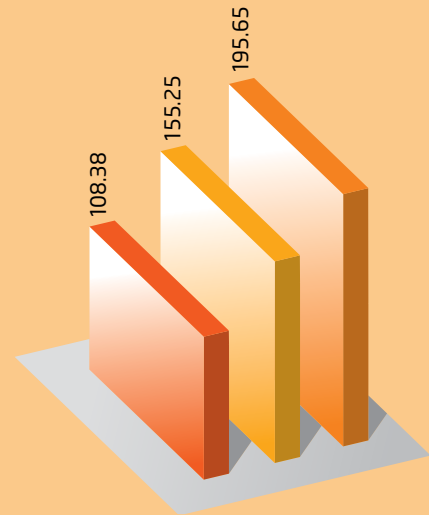


# Financial highlights

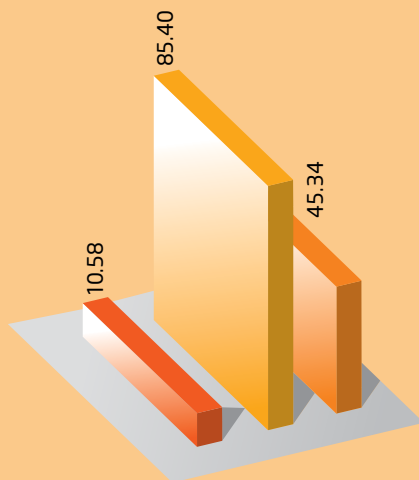
### Total income (net) (₹ crore)



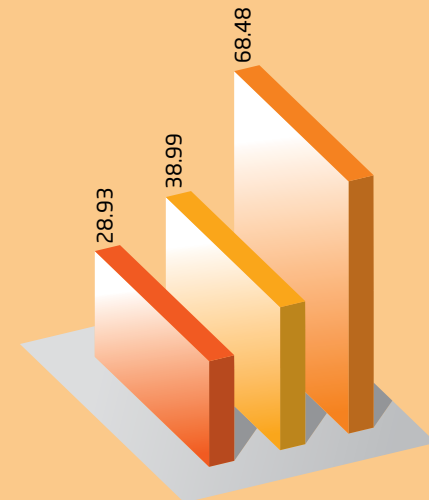
### Exports (net) (₹ crore)



### Operating profit (₹ crore)



### Advertising & sales promotion expenses (₹ crore)



- 2012-13
- 2013-14
- 2014-15

## Managing Director's report

*Dear  
shareholders,*

After a number of years, there is lot more optimism in the Indian economy. Most macro-economic factors are starting to turn favourable. These include lower fiscal and current account deficits, steady inflation, benign commodity prices as well as structural and policy reforms initiated by the Government, including the much-anticipated Goods and Services Tax (GST). While the full impact of these developments will become visible over time, we are confident of a brighter future for the Indian economy.

At Orient Paper, our efforts during the year were to prepare ourselves to take full advantage of this expected growth while meeting fast-changing consumer preferences. Hence, our emphasis has been not as much about our performance of today as it is about building capabilities to fully tap into the potential of tomorrow.



**Managing  
Director's review**

In pursuit of this mission, our electric division invested heavily in a massive pan-India re-branding exercise during the year under review. This led to Orient being recognised as a Superbrand.

In parallel, we expanded our offerings in all our SBUs with latest product features and styling.

Under lighting products, we now offer a whole range of LED products that are fast replacing CFLs and other traditional lighting sources. We have also completely revamped our range of appliances with the latest generation of room coolers and water heaters. Under fans, we have continued to increase our market share in India and remain a dominant exporter from India.

We have also recently launched a wide range of switchgears comprising MCB, RCCB and distribution boards in technological association with Slovenia-based ETI. This range has a vast market potential, which will further grow as housing development gathers pace.

We also ventured into the e-commerce space and established exclusive Orient Experience centres to get closer to our consumers.

At our paper division also, we achieved higher volumes and substantially improved efficiencies. However, 2014-15 was one of the most challenging years for the Indian writing and printing paper industry with lack-lustre demand growth and excess capacity. While this resulted in stagnant or falling realisation, costs increased substantially, particularly for pulp wood and coal.

We countered this situation by launching a niche high-brightness variety under the 'Orient Platinum' brand for both the notebook as well as printing segments. This enabled us to ensure steady sales of all that we produced despite subdued market conditions.

However, our tissue papers continued to find wide acceptance both in India and overseas and we were able to export 57% of our total tissue paper volumes to diverse overseas markets.

Going into 2015-16, we see cost pressures on paper reducing to some extent. Based on this trend and coupled with our internal cost reduction initiatives, we are optimistic about turning the paper business around soon.

Hence, we are confident that despite the not-so-satisfactory results of the year under review, we are well on our way to EVOLVE into an organisation that all of us will feel proud of.

Best wishes,

**M.L. Pachisia**

Managing Director,  
Orient Paper and Industries Limited

BUSINESS SEGMENT REVIEW **1**







Review of our  
business segments



BUSINESS SEGMENT REVIEW ❶

Consumer Electricals

EXPANDED PRODUCT RANGE NOW COMPRISING FANS, HOME APPLIANCES, LIGHTING AND SWITCHGEAR

- India's largest manufacturer of fans with an Orient fan sold once every 4 seconds
- India's largest exporter of fans, with exports growing at a 11.37% CAGR over the past five years
- Orient fans received the coveted Superbrand status in 2014-15
- Launched new range of LED lighting products and also ventured into the field of switchgears



**Orient Fans is now a Superbrand!**

'Superbrand' is a status given to companies that have maintained the highest standards of product integrity, brand development and consumer trust. Superbrand is known as the world's premier arbiter on branding in over 85 countries, including India. The selection is an outcome of a poll conducted among 17,000 consumers and marketing professionals with their recommendations adjudicated by an eminent panel.



**Our strategic Corporate Brand campaign bags Bronze Award at Effie 2014!**

Orient Electric's Corporate Branding campaign bagged a Bronze at Effie 2014. The Effie Awards are a global symbol of achievement with award programs honoring effective marketing communications in 42 countries and 6 regions. Our Corporate campaign was awarded for the creative concept and its 360 degree use of mediums.



**We are amongst the most trusted brands!**

In today's changing landscape with consumer expectations of brands on the rise, trust has become a critical strategic asset for any brand. As per the Economic report in Brand Equity (22 October, 2014) on India's most trusted brands in 2014, Orient was ranked 13th in the consumer durables category. In the overall listing, Orient was at the 202 spot, among the top-1200 brands in India. Our last year's ranking was 1046, a rank improvement of 844 this year, i.e. among the best improvements demonstrated by any brand. Conducted by Nielsen, the Most Trusted Brands Survey by Brand Equity continues to be one of the largest surveys of its kind in India.



**Brand Revitalisation Award**

Orient Electric won the 'Brand Revitalisation Award 2014' at the World Brand Congress held in Singapore. The Global Brand Excellence Awards is hosted by World Brand Congress in association with CMO Asia and CMO council. The award ceremony was conducted alongside the World Brand Congress 2014, which is considered to be one of the largest congregations of some of the world's most successful and sought after brands. The Company's new integrated communications campaign 'Switch to smart' embodies a mindset that is true to today's smart consumers seeking lifestyle and convenient solutions.



## Review of our business segments

### Overview

Orient Electric created a platform for accelerated growth in 2014-15. Having invested on a re-branding exercise, the brand "Orient Electric" brought all the products segments under one identity and established itself as a one-stop-shop for home electrical solutions.

Revenues for the year increased from ₹1146.58 crores to ₹1195.71 crores, whereas PBIT was as at ₹48.41 crores in comparison to previous year's ₹67.21 due to a one-time rebranding expense of ₹24.5 crore.

### Developments, 2014-15

#### Fans

- Fan sales volume increased 7.2% against the industry growth of 4.5%
- Realisations per fan grew by 4%, despite competitive intensity
- Remained by far the highest exporter of fans from India with volume growth of 22%
- Launched a range of value-added decorative/ premium fans

#### Lighting products

- Lighting revenue grew 17% even as the CFL market reported a decline
- Commenced in-house manufacturing of LED products that increased cost competitiveness and facilitated a quicker time-to-market

- Provided effective lighting solutions by customising products for institutional clients

#### Appliances

- Entered into a distribution arrangement with premium lifestyle kitchen appliances brand Kenwood to market their products through our dealer network; the association enhanced exposure to high-end small consumer appliances
- Rationalised our small appliances portfolio, focusing on high growth products

#### Switchgear range

Commenced manufacturing and launched low voltage switchgear (MCB, RCCB and distribution board) products in January 2015 through a technology tie-up with ETI of Slovenia

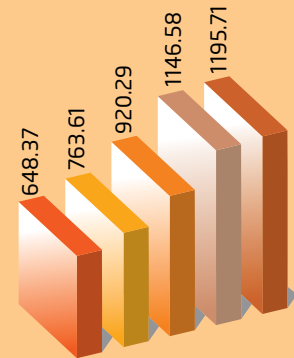
#### Distribution

- Launched C&F operations in Jammu, completing our distribution presence across all major Indian states
- Expanded footprint in all markets of the country

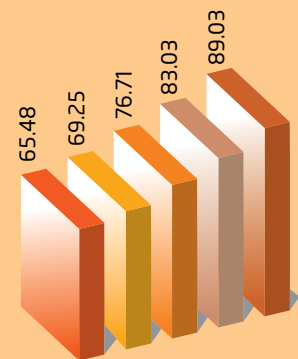
#### Margins

- Contribution margins on aggregate revenues increased from 17.91% to 19.01% due to higher value-added products

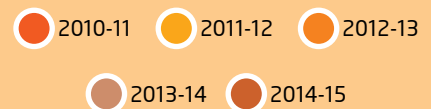
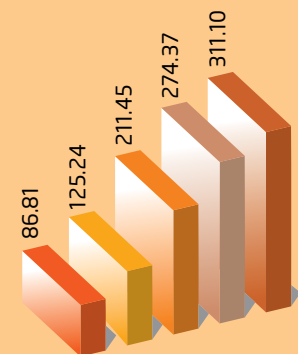
#### Revenue (₹ cr)



#### Fan sales (Lac nos.)



#### Lighting sales (Lac nos.)



BUSINESS SEGMENT REVIEW ❶

## Consumer Electricals



A part of the new switchgear plant



Another view of the switchgear plant



Our range of switchgear

### Segment outlook

- Plan to add exclusive Orient Experience centers to enhance visibility and product display in modern and traditional retail
- Soon to launch trade and electrician reward and recognition scheme to enhance last mile connectivity and engagement
- Plan to increase brand presence in the e-commerce segment
- Significant improvements in service quality, network and delivery planned to improve customer satisfaction
- Connect closer with the vendor ecosystem, rationalise costs and accelerate deliveries

### Orient Electric and ETI

Orient Electric has collaborated with ETI to bring state-of-the-art technology for manufacturing low voltage switchgear products like MCB, RCCB etc. in India. Our range stands for high levels of safety and energy-efficiency with lowest watt loss. These products also have best repeatability in operating characteristics, thus giving them a differentiated positioning. Since 1950, ETI has grown into the world's leading provider of products and services in the field of electrical installations and technical ceramic products.



Review of our  
business segments

## BUSINESS SEGMENT REVIEW 2

# ORIENT PAPER

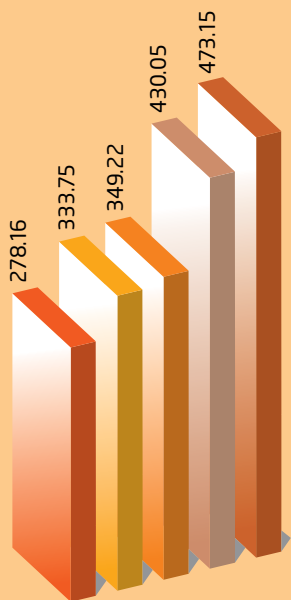


- Achieved the highest paper volumes in the last five years
- Developed new high-bright papers under the 'Orient Platinum' brand both for notebook and printing segments with improved bulk, brightness, opacity and smoothness. Although in the short term this has resulted in increased costs, a good payback is expected in the long run due to better market acceptability
- Tissue paper capacity fully utilized
- Emerged as the highest exporter of tissue paper from India, accounting for a dominant share of tissue paper exports from India
- 57% of our total tissue volumes was exported
- Achieved improved efficiencies through debottlenecking

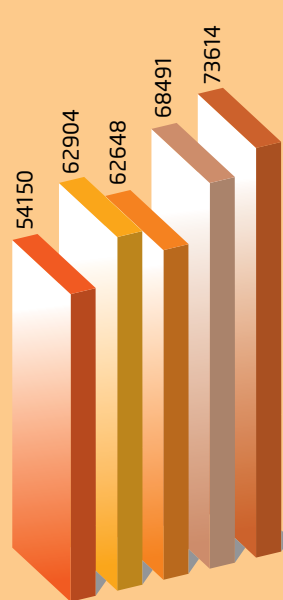


Turbine house at the new power plant

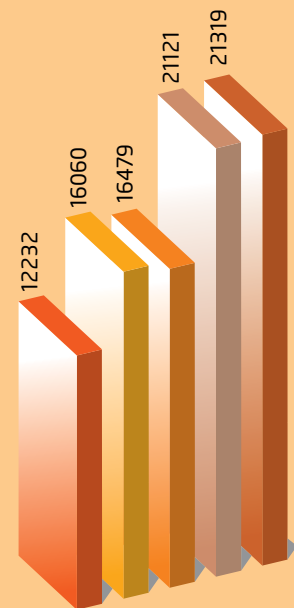
Net sales revenue (₹ crore)



Total paper sales (MT)



Tissue paper sales (MT)



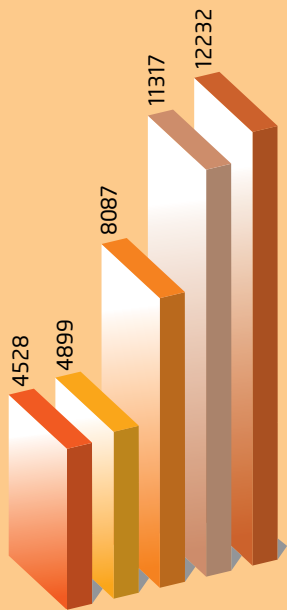


Review of our business segments

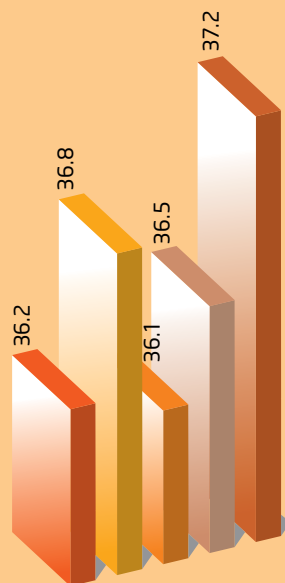


A part of our clonal nursery

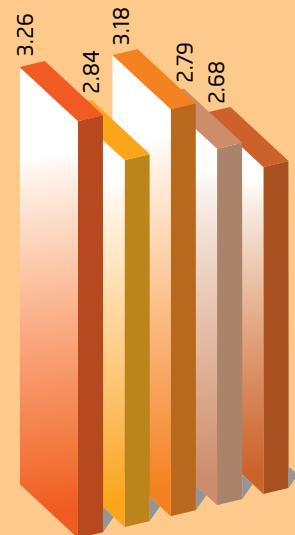
Tissue paper exports (MT)



Raw material yield (%)



Coal per ton of paper (kcal/MT)





Chain of Custody Certification – an international recognition



Plantations on the Dubdiru-Amkantak Road

## Developments, 2014-15 Marketing

- Market conditions for writing and printing paper remained weak with virtually no growth in demand and falling realisations

- Tissue paper demand was reasonable and export markets provided good opportunity for volume growth

## Cost push

- While net sales realisations remained under pressure throughout the year, increased cost of pulpwood and coal created extra pressure on margins

- Increased cost of manufacturing high-bright papers could not be realised due to depressed market conditions although it did assist in increasing volumes and should prove to be a positive step in the long run.

## Operational front

The division is well on its way to improve profitability through following initiatives:

- Developing higher value products in tissue paper segment

and maximising tissue paper volumes

- Continuous and sustained improvements in plant efficiencies and productivity

- Implementation of major cost reduction initiatives under variable and fixed costs

- Focus on energy conservation to further reduce coal consumption

- Increased plantations in our catchment area under farm forestry program from 1800 ha to 3000 ha for a sustainable source of raw material supply

- Manpower rationalization through flexibility in deployment, skill development and multi-skilling

- Improving the corporate image by achieving the OSHAS 18001-2007 and Energy Management 50001 certifications

## Segment outlook

- Market for writing and printing segment is likely to remain under pressure
- Robust growth expected in demand for tissue paper in India although the Indian market is relatively small
- Plan to capitalise on our proven track record in export markets for tissue paper
- More favourable exchange rate and additional MEIS incentive under the new EXIM policy should result in higher realisations from exports
- Development of higher value-added products in the tissue paper segment in hand
- Working towards getting FSC certification; the FSC chain of custody certification already obtained





Corporate social  
responsibility

# Corporate social responsibility

## Contribution to rural development:

The company has been appointed and is working as an implementing agency for rural development for 10 villages under Burhar Taluka of Shahdol district in collaboration with the State Government of Madhya Pradesh. Under this project, during 2014-15, we have taken up the construction of 13 projects, comprising stop dams, earthen dams and water ponds.

We have also formed Self-Help Groups of village women and are guiding them to engage in activities, which can earn a livelihood for themselves and their families.

Through an involvement with six village level committees, we have assisted them in formulating agriculture plans for the forthcoming kharif crop.

Earlier, we had completed 10 point structures consisting of school boundaries, kids' play structures, ponds and water soaking tanks.

## Preventive health care and sanitation:

Our 12-bed hospital is providing diagnostic services and primary

treatment to the communities living in the nearby villages of Jagraha, Bakaho and Bakhi Bargawan.

During 2014-15, we treated close to 21,000 patients in OPD and about 3500 emergency patients. As many as 182 patients were provided indoor treatment as well.

In addition, we have regularly conducted medical and health check-up camps at schools located in Chaka and Saboo villages of Burhar Taluka of Shahdol district

The company also maintains a dispensary providing basic amenities to the nearby community. During 2014-15, we have provided support to about 16,000 patients through this dispensary.

## Education

OPM Shikshan Kendra provides subsidized higher secondary education to children of the Amlai area. It offers both Hindi and English-medium classes and has 850 students mostly from surrounding communities. The company also maintains a primary school up to Class 5. It has 77 students mostly from the Bargawan village.

## Supply of free water to nearby villages

Most of the villages located nearby the Amlai plant suffer from water scarcity and are dependent on water supplied by the company. The company runs water tankers throughout the year and provided 3245 trips (of water tankers) to these villages in 2014-15.

## Supply of eucalyptus seedlings at subsidies rates

The Company provides high productive clones for growing eucalyptus in and around 400 km of the area around our Amlai plant at subsidies rates with a guaranteed buyback of wood at prevailing market prices. During 2014-15, these plantations covered 1800 ha of land.

We are also in active dialogue with both the central and state governments to utilise waste lands for increasing such plantation under a PPP model, which will not only help in providing livelihood but also in greening the environment.

◀ Corporate social responsibility contd.



Our school children perform during Republic Day celebrations



One of our school classrooms



Drawing competition at our school



Yoga exercise at OPM School



ECG room of our hospital



Corporate social responsibility



Pond cleared by us facilitating community get together and puja



One of the stop dams constructed by us under the Water Shed programme



Farmers' meet at Anuppur to propagate tree plantations

# Profile of Board of Directors

Particulars	Age	Date of joining	Other directorship
<p><b>Shri Chandra Kant Birla</b> 24, Aurangzeb Road New Delhi 110 011 Chairman Industrialist, Indian</p>	60	29-09-1978	<p>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</p>
<p><b>Shri Basant Kumar Jhawar</b> 51/F, Gariahat Road, Kolkata - 700 019 Director Industrialist, Indian</p>	80	21-07-1983	<p>Usha Martin Ltd. KGVK Agro Ltd. KGVK Social Enterprises Ltd.</p>
<p><b>Shri Amitabha Ghosh</b> Flat No. 32, Mehernaz, 91, Cuffe Parade, Mumbai - 400 005 Director Consultant, Indian</p>	84	23-10-2001	<p>Shreyas Shipping &amp; Logistics Ltd. Shreyas Relay Systems Ltd. Zenith Fibers Ltd. Kesoram Industries Ltd.</p>
<p><b>Shri Michael Bastian</b> Cecilia, 1186, 22nd Cross, 14th Main ,H.S.R. Layout, Sector - III, Bangalore - 560 034 Director Consultant, Indian</p>	70	27.10.2009	<p>Artson Engineering Ltd. Bangalore Stock Exchange Ltd.</p>



Corporate social  
responsibility

Particulars	Age	Date of joining	Other directorship
<p><b>Shri Narendra Singh Sisodia</b> 403 Pearl Bossam B-30 Joyti Marg, Bapu Nagar Jaipur - 302015, Director IAS (Retired), Indian</p>	70	31.10.2012	Carrier Air Conditioning & Refrigeration Ltd.
<p><b>Ms. Gauri Rasgotra</b> 9E, HUDCO Place Andrews Ganj Behind Ansal Plaza New Delhi 110 049, Director Advocate, Indian</p>	47	26.09.2014	HIL Limited VISA Steel Limited
<p><b>Shri Manohar Lal Pachisia</b> 4, Alipore Park Place, 3rd floor Kolkata - 700 027 Managing Director Service, Indian</p>	70	23/9/1997	Birla Buildings Ltd. GMMCO Ltd. National Engg. Industries Ltd. National Bearing Co. (Jaipur) Ltd Soorya Vanijya & Investment Ltd. Birlasoft (India) Ltd. Gwalior Finance Corporation Ltd. Orient Electricals Ltd. Special Engineering Services Ltd.

# 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, 2015.

### Financial results

The financial performance of the Company for the year ended 31st March 2015 is summarised below:

	2014-15	2013-14
	₹ In crores	
Gross sales	1796.72	1691.51
Total income (net of excise)	1689.00	1616.15
<b>Earnings before interest, depreciation, amortisation &amp; taxation</b>	<b>45.34</b>	<b>85.39</b>
Interest/Finance costs	43.78	37.12
<b>Profit/(Loss) before depreciation and taxation</b>	<b>1.56</b>	<b>48.27</b>
Depreciation	43.70	46.81
<b>Net profit/(Loss) before taxation</b>	<b>(42.14)</b>	<b>1.46</b>
Taxation	(13.49)	(2.78)
<b>Net profit/(Loss)</b>	<b>(28.65)</b>	<b>4.24</b>
Profit brought forward from last year	127.27	130.43
<b>Profit available for appropriations</b>	<b>98.62</b>	<b>134.67</b>
<b>Appropriations</b>		
Transfer to General Reserve	-	5.00
Dividend on Equity shares	2.05	2.05
Corporate dividend tax	0.40	0.35
Balance carried to Balance Sheet	96.17	127.27
<b>Total</b>	<b>98.62</b>	<b>134.67</b>
<b>EPS (₹)</b>	<b>(1.40)</b>	<b>0.21</b>



## Dividend

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of dividend of ₹0.10 per equity share of ₹1 each (10%) for the year ended 31 March 2015.

## Economic climate and our performance

After almost three decades, we now have a Government with a firm mandate, which has generated renewed optimism and expectations for accelerated growth of the Indian economy. While expected results are not yet visible, we do believe that the Government is moving in the right direction. We are encouraged by the initiatives to promote 'Make in India' and the progress being made towards introduction of GST in a time bound manner. Early implementation of these proposals will positively lead our Nation on the path of high GDP growth and welfare of all our citizens.

However, many of these initiatives are still in the work-in-progress stage and the economy is in the process of a gradual turnaround. As a result, demand for most products remained subdued.

In this background your company has taken concrete steps to prepare itself to take full advantage of the expected upturn.

In this process we have invested time and money in building a new brand identity for our electric products which has been widely appreciated and has resulted into Orient being recognised as a 'Master brand'.

While details of our performance in each of our businesses are shared in the Management discussion and analysis some of the major highlights have been:

- Increase in our market shares for almost all products;
- Improvements in our efficiencies and cost effectiveness;
- Strengthening of our organisation structure and human resources;

However, our results for the year have been impacted by the substantial additional spend on brand promotion for the Electric business and continued pressure on margins being faced by the Indian paper industry as a whole.

We are also happy to inform you that our new low voltage switchgear manufacturing plant at Noida has started production in March and its products have been launched in April 2015. This is a new business segment with great potential for growth for our Electric division.

All in all, we are working on fairly aggressive plans to grow both our Electric and Paper divisions and are confident of achieving higher volumes and substantially improved profitability.

## 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 2015 is included in the annual accounts.

## 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.

## Share capital

There was no change in the share capital of the Company during the financial year 2014-15.

## Deposits

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and The Company's (Acceptance of Deposits) Rules, 2014.

### Particulars of Loans, Guarantee or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### Corporate Social Responsibility

Pursuant to the requirement of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee was constituted. Details of the CSR activities as required under Section 135 of the Companies Act, 2013 are given in the CSR Report as Annexure I.

### Extract of Annual Return

The extract of Annual Return in form MGT 9 is annexed herewith as Annexure II.

### Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arms length basis.

All the Related Party Transactions are presented to the Audit Committee and the Board. Prior omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions are presented before the Audit Committee and Board of Directors on quarterly basis specifying the nature, value and terms and conditions of the transactions. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 have been given in the prescribed form AOC -2 as Annexure VII. The Related Party transactions Policy as approved by the Board is uploaded in the Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com)

### Directors and Key Managerial Personnel

#### Directors

##### (i) Appointment

Ms. Gauri Rasgotra (DIN:06862334) has been appointed as an Additional Director of the Company in the category of Independent Director with effect from 26th September 2014 and shall hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013, from a member proposing her appointment as Director.

##### (ii) Appointment of Independent Directors

In terms of the provisions of Section 149 of the Companies Act,

2013 and Listing Agreement, the Board on the recommendation of the Nomination and Remuneration Committee, appointed Shri Basant Kumar Jhavar (DIN:00086237), Shri Amitabha Ghosh (DIN:00055962), Mr. Michael Bastian (DIN:00458062) and Shri Narendra Singh Sisodia (DIN: 06363951) as Independent Directors of the Company for a term of 5 years w.e.f. 22nd July 2014. The shareholders by Postal Ballot conducted by the Company approved their appointment on 10th December 2014.

All the Independent Directors have given their declaration that they meet the criteria of independence in terms of Section 149(6) of the Companies Act, 2013.

##### (iii) Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri C K Birla (DIN: 00118473), Director of the Company, retires by rotation and is eligible for re-appointment.

##### (iv) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the various Committees of the Board. The manner in which the evaluation has been carried is explained in the Corporate Governance Report.

##### (v) Board Meetings

The details of meetings of the Board and its various committees are given in the Corporate Governance Report.

### Key Managerial Personnel

In compliance with the provisions of Section 203 of the Companies Act, 2013, the Company has appointed Shri Manohar Lal Pachisia (DIN:00065431), Managing Director, Shri Pradeep Kumar Sonthalia, Chief Financial Officer (FCA 051030) and Shri Ram Prasad Dutta (ACS 14337), Company Secretary as the Key Managerial Personnel of the Company.

### Auditors

#### (i) Statutory Auditors

The Shareholders of the Company at their Annual General Meeting held on 22nd August, 2014 appointed M/s. S. R. Batliboi & Co LLP, Chartered Accountants as the Auditors of the Company for a period of 3 years subject to ratification of the appointment by the Members at every Annual General Meeting.





Accordingly, members are requested to ratify appointment of M/s. S. R. Batliboi & Co LLP, Chartered Accountants, the Auditors of the Company to hold office from the conclusion of the ensuring Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. The Auditors has confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company.

#### (II) Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Shri Somnath Mukherjee, Cost Accountant (Membership no. M/5343) was appointed for the financial year ending 31st March 2015 to conduct cost audit for the products covered under the said rule.

#### (III) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri A. K. Labh, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Report of the Secretarial Auditor is annexed to this report as Annexure III.

#### Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure IV.

#### Directors' responsibility statement

Directors' responsibility statement pursuant to section 134(3)(c) of the Companies Act, 2013 are given in Annexure V to the annual report.

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

#### Information of employees

The prescribed information of Employees required under Section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as Annexure VI .

#### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### Risk Management

Pursuant to Section 134 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has adopted a risk management policy. The policy comprises of a robust business risk management framework to identify and evaluate of business risks. The business risk framework defines the risk level including documentation and reporting.

#### Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In line with these objectives the Company has adopted a Vigil Mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement.

Details of the Whistle Blower Policy are stated in the Corporate Governance Report.

#### Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operation.

#### 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

C. K. Birla  
Chairman

New Delhi, 11th May, 2015

# Annexure - I

## CSR Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The details of the CSR policy are provided in the Corporate Governance Report.

2. The Composition of the CSR Committee.

The composition of the CSR Committee is provided in the Corporate Governance Report.

3. Average net profit of the company for last three financial years.

₹90.38 crores

4. Prescribed CSR Expenditure (two per cent of the amount as in items 3 above)

₹1.81 crores

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹1.81 crores

(b) Amount unspent, if any : ₹0.98 crores

(c) Manner in which the amount spent during the financial year is detailed below :



Directors' Report

S I. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lacs)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) overheads: (₹ in lacs)	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1.	Maintenance of Hospital	Promoting preventive healthcare and sanitation	Amlai, MP (Local Area)	90.00	41.98	41.98	Directly
2.	Supply of Free Water	Rural Development	Amlai, MP (Local Area)	15.00	5.87	5.87	Directly
3.	Contribution towards maintenance of School	Promoting Education	Amlai, MP (Local Area)	85.00	34.06	34.06	Directly
4.	Contribution to Rajiv Gandhi Water Shed Programme	Rural community development in collaboration with the State Govt.	Shahdol district, MP (Local area)	10.00	1.46	1.46	Directly
TOTAL				200.00	83.37	83.37	Directly

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The projects identified by the CSR Committee could not involve higher outlay during the year. Accordingly the Committee proposed to spend the balance amount on the same during the financial year 2015-16.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Yes, the CSR Committee affirms that the expenditure incurred is in compliance with CSR objectives and policy of the Company.

**M L Pachisia**  
Managing Director

**NS Sisodia**  
Chairman CSR Committee

New Delhi, 11th May, 2015

## Annexure - II

### EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### FORM NO. MGT 9

##### I. Registration and other details

(i)	CIN	L210110R1936PLC000117
(ii)	Registration Date	25th July, 1936
(iii)	Name of the Company	ORIENT PAPER & INDUSTRIES LTD.
(iv)	Category /Sub-Category of the Company	Company having share capital
(v)	Address of the Registered Office and Contract details	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, (Odisha) 0674-2396930/2947
(vi)	Whether listed company	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Monohar Pukur Road, Kolkata - 700026 Phone : (033) 4072-4051 to 53, Fax: (033) 40724054, E-mail: mcssta@rediffmail.com Contact Person : Mr. Subhas Bhattacharya

##### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

S I. No.	Name & description of main products/services	NIC Code of the product/ service	% to total turnover of the company
1.	Pulp & Paper	1701	24.00
2.	Electric Lighting equipments	2740	12.60
3.	Electrical Fans	27503	54.56

##### III. Particulars of Holding, Subsidiary and Associate Companies

S I. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Nil					



#### IV. Shareholding pattern (equity share capital Breakup as percentage of total equity)

##### i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	7371250	-	7371250	3.5980	7371250	-	7371250	3.5980	-
(b) Central Govt.									
(c) State Govt.									
(d) Bodies Corp.	70958672	-	70958672	34.6361	70958672	-	70958672	34.6361	-
(e) Banks/FI									
(f) Any Other									
<b>Sub-Total(A)(1)</b>	<b>78329922</b>	<b>-</b>	<b>78329922</b>	<b>38.2341</b>	<b>78329922</b>	<b>-</b>	<b>78329922</b>	<b>38.2341</b>	<b>-</b>
<b>(2)</b>									
(a) NRIs-Individual									
(b) Other-Individual									
(c) Bodies-Corporate									
(d) Banks/FI									
(e) Any Other									
<b>Sub-Total (A)(2)</b>									
<b>Total shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>78329922</b>	<b>-</b>	<b>78329922</b>	<b>38.2341</b>	<b>78329922</b>	<b>-</b>	<b>78329922</b>	<b>38.2341</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds/UTI	25086254	2000	25088254	12.246	27047572	2000	27049572	13.2034	0.9574
(b) Banks/FI	55500	93460	148960	.0727	71100	93460	164560	.0803	0.0076
(c) Central Govt.									
(d) State Govt.		4000	4000	.002	-	4000	4000	.002	
(e) Venture Capital Funds									
(f) Insurance Companies	22877671	-	22877671	11.167	15371455	-	15371455	7.5031	3.6639
(g) FIs	545355	-	545355	.2662	2580750	-	2580750	1.2597	0.9937
(h) Foreign Venture Capital Funds									
(i) Other(specify)									
<b>Sub-total(B)(1)</b>	<b>48564780</b>	<b>99460</b>	<b>48664240</b>	<b>23.7539</b>	<b>45070877</b>	<b>99460</b>	<b>45170337</b>	<b>22.0485</b>	<b>1.7054</b>

i) Category-wise Shareholding (Contd.)

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>2. Non-Institutions</b>									
(a) Bodies Corporate	35873287	342350	36215637	17.6775	38466493	342350	38808843	18.9433	1.2658
i) Indian									
ii) Overseas									
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	29159167	1337840	30497007	14.8861	25467954	1222940	26690894	13.0283	1.8578
ii) Individual shareholders nominal share capital in excess of ₹1 lakh	5350945	782440	6133385	2.9938	9959789	782440	10742229	5.2435	2.2497
(c) Others (specify)									
i) Shares held by Pakistani citizens vested with the custodian enemy property	-	20000	20000	0.009	-	20000	20000	0.009	Nil
ii) Other foreign national									
iii) Foreign Bodies	-	-	-	-	45000	-	45000	0.022	-
iv) PRI/OCBs	4967529	12000	4979529	2.043	5049535	12000	5061535	2.047	0.004
v) Clearing members clearing house									
vi) Trust	29040	-	29040	0.0142	-	-	-	-	-
vii) Limited liability partnership									
viii) Foreign portfolio investors (corporate)									
ix) Qualified foreign investor									
<b>Sub-total (B) (2)</b>	<b>75379968</b>	<b>2494630</b>	<b>77874598</b>	<b>38.0012</b>	<b>78988771</b>	<b>2379730</b>	<b>81368501</b>	<b>39.07175</b>	<b>1.071</b>
<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	<b>123944748</b>	<b>2594090</b>	<b>126538838</b>	<b>61.7659</b>	<b>124059648</b>	<b>2479190</b>	<b>126538838</b>	<b>61.7659</b>	<b>-</b>
C Shares held by custodian for GDRs & ADRs									
<b>Grand Total (A)+(B)+(C)</b>	<b>202274670</b>	<b>2594090</b>	<b>204868760</b>	<b>100.00</b>	<b>202389570</b>	<b>2479190</b>	<b>204868760</b>	<b>100.00</b>	<b>-</b>



Directors' Report

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changed in the shareholding during the year
		No. of Share	% of total shares of the Company	% of shares pledge/or encumbered to total shares	No. of Share	% of total shares of the Company	% of shares pledge/or encumbered to total shares	
1	Central India Industries Ltd.	50643627	24.7200	-	50643627	24.7200	-	-
2	Shekhavati Investments & Traders Ltd.	12320865	6.0140	-	12320865	6.0140	-	-
3	Nirmala Birla	3673680	1.7932	-	3673680	1.7932	-	-
4	Chandra Kanta Birla	2897570	1.4144	-	2897570	1.4144	-	-
5	Hindusthan Discounting Co. Ltd.	2231000	1.0890	-	2231000	1.0890	-	-
6	Gwalior Finance Corporation Ltd.	1592500	.7773	-	1592500	.7773	-	-
7	Amer Investments (Delhi) Ltd.	1422000	.6941	-	1422000	.6941	-	-
8	Universal Trading Co. Ltd.	844280	.4121	-	844280	.4121	-	-
9	National Engineering Industries Ltd.	537400	.2623	-	537400	.2623	-	-
10	Rajasthan Industries Ltd.	504000	.2460	-	504000	.2460	-	-
11	Shyam Sundar Jajodia	280000	.1367	-	280000	.1367	-	-
12	Ashok Investment Corporation Ltd.	260000	.1269	-	260000	.1269	-	-
13	Amita Birla	260000	.1269	-	260000	.1269	-	-
14	Jaipur Finance & Dairy Products Pvt. Ltd.	208000	.1015	-	208000	.1015	-	-
15	India Silica Magnesite Works Ltd.	200000	.0976	-	200000	.0976	-	-
16	Bengal Rubber Co. Ltd.	195000	.0952	-	195000	.0952	-	-
17	Avani Birla	130000	.0635	-	130000	.0635	-	-
18	Avanti Birla	130000	.0635	-	130000	.0635	-	-
	<b>Total</b>	<b>78329922</b>	<b>38.2341</b>	<b>-</b>	<b>78329922</b>	<b>38.2341</b>	<b>-</b>	<b>-</b>

iii) Change in Promoters shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year			No change during the year	
2	Datewise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			No change during the year	
3	At the end of the year			No change during the year	

iv) Shareholding Pattern of Top-Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the top Ten shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Co	No. of shares	% of total shares of the Co
1	Reliance Cap. Trustee Co. Ltd. A/c Reliance Growth Fund	13341961	6.5124	13622531	6.6494
2	ICICI Prud. Life Ins. Co. Ltd.	6188560	3.0207	4701061	2.2947
3	LIC	6055144	2.9556	6055144	2.9556
4	National Insurance Co. Ltd.	5650000	2.7579	3850000	1.8793
5	Birla Ins. Of Tech. & Science	3519850	1.7181	3519850	1.7181
6	Rukmani Birla Edu. Society	3472140	1.6948	3472140	1.6948
7	Shree Jagannath Edu. Institute	3170000	1.5473	3170000	1.5473
8	Sri Govinddeo Educational Inst	3005000	1.4668	3005000	1.4668
9	Shri Venkateshwara Edu. Institute	2851860	1.3920	2851860	1.3920
10	Reliance Cap. Trustee Co. Ltd. A/c Reliance Small Cap Fund	2945526	1.4378	4500325	2.1967
11	HDFC Standard LIC Ltd.	3811788	1.8606	-	-

v) Shareholding of Directors and Key Managerial Personnel

(a) Shareholding of Shri C.K. Birla, Director

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2897570	1.4144	2897570	1.4144
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	2897570	1.4144	2897570	1.4144

(b) Shareholding of Shri A. Ghosh, Director

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7000	0.0034	7000	0.0034
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	7000	0.0034	7000	0.0034





Directors' Report

(c) Shareholding of Mr. M. Bastian, Director

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	24000	0.0117	24000	0.0117
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	24000	0.0117	24000	0.0117

(d) Shareholding of Shri M.L. Pachisia , Managing Director & CEO

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	36640	0.0179	36640	0.0179
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	36640	0.0179	36640	0.0179

(e) Shri B.K. Jhavar and Ms. Gauri Rasgotra directors of the Company are not holding any shares in the Company.

(f) Shareholding of Shri P.K. Sonthalia , CFO

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	13500	0.0066	13500	0.0066
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	1420	0.0007	-	-
	At the end of the year	14920	0.0073	14920	0.0073

(g) Shareholding of Shri R.P. Dutta, Company Secretary

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness ₹ crores
Indebtedness at the beginning of the financial year	50.00	287.16	36.59	373.75
i) Principal Amount	50.00	287.16	36.59	373.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>50.00</b>	<b>287.16</b>	<b>36.59</b>	<b>373.75</b>
Change in Indebtedness during the financial year				
* Addition	75.00	44.13	0.27	119.40
* Reduction	10.00	66.12	-	76.12
Net Change	65.00	(21.99)	0.27	43.28
Indebtedness at the end of the financial year				
i) Principal Amount	115.00	265.17	36.86	417.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.02	0.83	-	0.85
<b>Total ( i + ii + iii)</b>	<b>115.02</b>	<b>266.00</b>	<b>36.86</b>	<b>419.88</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(₹ in lacs)

Sl No.	Particulars of Remuneration	M.L. Pachisia (Managing Director)
	Gross Salary	
1 (a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961.	236.10
(b)	Value of perquisites under Section 17(2) Income tax Act,1961	84.66
(c)	<b>Profits in lieu of salary under Section 17(3) Income-tax Act,1961</b>	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	- As % of profit	-
	- Others specify	-
5.	Others, please specify:	-
	Total (A)	320.76
	Ceiling as per the Act	

Note : The above remuneration does not include contribution to gratuity / provident fund.



## Directors' Report

### B. Remuneration to other Directors:

#### (i) Independent Directors

Sl. No.	Particulars of remuneration	Name of Director					Total Amount
		B.K. Jhawar	A. Ghosh	M. Bastian	N.S. Sisodia	Mrs. G. Rasgotra	
	Fee for attending Board/ Committee meetings	4,50,000/-	5,60,000/-	7,60,000/-	5,90,000/-	4,00,000/-*	27,60,000/-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total	4,50,000/-	5,60,000/-	7,60,000/-	5,90,000/-	4,00,000/-	27,60,000/-

\*Paid to Khaitan & Co. LLP

#### (ii) Other Non Executive Directors

Sl No.	Name of Director	Total Amount
1	Shri C.K. Birla	
	Fee for attending Board/Committee meetings	2,20,000/-
	Commission	-
	Others, please specify	-
	Total	2,20,000/-

### C. Remuneration to key managerial personnel other than MD/manager/WTD

#### Key Managerial Personnel

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.42	116.66	130.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.47	11.99	12.46
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	Total (C)	13.89	128.65	142.54

**Note :** The above remuneration does not include contribution to gratuity / provident fund.

### VII. Penalties /Punishment/Compounding of offences;

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /COURT)	Appeal made, if any (give details)
<b>A</b>	<b>Company</b>				
	Penalty			NIL	
	Punishment			NIL	
	Compounding			NIL	
<b>B</b>	<b>Directors</b>				
	Penalty			NIL	
	Punishment			NIL	
	Compounding			NIL	
<b>C</b>	<b>Other Officers in Default</b>				
	Penalty			NIL	
	Punishment			NIL	
	Compounding			NIL	

# Annexure - III

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**Orient Paper & Industries Limited**  
Unit VIII, Plot No. 7B,  
7, Bhoinagar, Bhubaneswar – 751 012,  
Odisha

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Orient Paper & Industries Limited** having its Registered Office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751 012, Odisha (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
2. The Petroleum Act, 1934 and The Petroleum Rules, 2002



### 3. Explosives Act, 1884

to the extent of their applicability to the Company during the financial year ended 31.03.2015 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company :

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company's application for ratification of payment of remuneration to the Managing Director is pending with the Central Government (Ministry of Corporate Affairs).

#### **We further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. LABH & Co.**  
*Company Secretaries*

**(CS A. K. LABH)**  
*Practicing Company Secretary*  
**FCS - 4848 / CP No - 3238**

Place : Kolkata  
Dated : 11th May 2015

# Annexure - IV

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

### (A) CONSERVATION OF ENERGY

#### Paper Division

- (i) Energy conservation measures taken
  - a) Installed VFD in Power Boiler 1, Power Boiler 2, Soda recovery Firing Pump and Soda Recovery PA FAN.
  - b) Installed a energy saving CFM compressor
  - c) Installation of low power consuming light fitting for street and other lighting, Water pumps, and LT Capacitor Bank in Pulp Mill.
  - d) Installed / replaced New Membrane Cell / Membrane in Caustic Soda plant.
- (ii) Steps taken for utilizing alternate source of energy  
Start using Wood dust Quantity 4595 MT and rice Husk in AFBC Boiler.

#### Electric Division

- (i) a) Installed LED light in office/stores/ shop floor area to save power consumption
- b) In Fan Sub Division Energy Efficient BLDC fan installed in assembly line, stores etc
- c) In lighting Sub Division DT Production line 2 pre-heating conveyor oven design modified, Installed automatic energy monitoring system HPMVL lamps were replaced with energy efficient CFL Lamp for reduction in electricity consumption.
- d) In Switch Gear Sub Division Installed Compressor with auto on/off and Synchronized State electricity Board supply & DG set to reduce the energy consumption.

### (B) ADDITIONAL INVESTMENT & PROPOSAL, IF ANY BEING IMPLEMENTED FOR REDUCING CONSUMPTION OF ENERGY.

Paper Division

Sl. No.	Description	
1	Replacement of Old motors with energy Efficient Motors	10.00
2	Installation of HT capacitor bank in Chipper House	1.01
3	Installation of New energy Efficient VFD in Pulp Mill , Recovery Boilers	40.00
4	Reduction in LT consumption by Tap Changing of Transferor and conventional lighting.	5.00
5	Installation of High Mast Tower in Raw Material yard	NA
6	Reduction in Standby power demand from 7000 kVa to 6000 kVa	NA
7	Continue replacing old worn out Membrane in Caustic Soda Plant	NA

#### Electric Division

In Fan Sub Division installation of more LED lighting in various area to reduce Electrical consumption. Further atomization of Air Delivery measurements' and Installation of Temperature Data Logger to reduce electricity consumption.

### (C) IMPACT OF MEASURES (A) ABOVE FOR REDUCTION OF ENERGY AND CONSEQUENT IMPACT ON COST OF PRODUCT.

#### Paper Division

- a) Reduction in Power Consumption by 34 KWH per Ton of Paper
- b) Reduction in Steam Consumption by 0.66 Ton per Ton of Paper
- c) Reduction in Water consumption by 25 M<sup>3</sup> per ton of Paper
- d) Reduction in Coal Consumption by 0.13 Ton per Ton of Paper

#### Electric Division

Reduced energy consumption and cost of production due to enhanced capacity and productivity.

**(D) TECHNOLOGY ABSORPTION****Research & Development****Paper Division****I. Specific area in which R&D carried out by the company.**

1. Pulping studies on Raw Material used or proposed to be used were carried out along with potential raw material for its suitability and yield.
2. Weak & thick black liquor analysis from recovery and pulp mill from time to time.
3. Micro-biological analysis of various water, waste water & solid sludge samples.
4. Monthly compilation: Grade II and III effluent discharge analysis report
5. Monthly Analysis of Piezometric Sample from surrounding areas.
6. Special samples of water from Upstream and downstream of Sone River.
7. Monitoring of white water samples & its characteristics.
8. Monitoring of Krofta Performance of Tissue Machine # 1& 2.
9. Monitoring of All kinds of effluent including Grades II and III effluent quality.
10. Monitoring of COD, SS, BOD & Color for on line discharge effluent sample.
11. Monitoring of DM & RO water.
12. Monitoring of Ambient Air and Stack at different locations.

**Electric Division**

1. In Fan Sub division Introduction of various types of Fan including Energy saving BLDC fan of 1200 mm, 1400 mm, 600mm and 900mm under different category & brand name after research of its potential energy saving, benefit and suitability for Indian and Export Market.
2. In lighting sub division introduced LED bulbs of 5w, 7w, 9w etc to enhance market range.
3. In switch gear sub division introduction of Miniature circuit Breaker, Residual Circuit breaker, distribution boards, MCB isolators up to 63A and 80A to 125A.

**II. Benefit derived as a result of R&D****Paper Division**

1. Use of optimum varieties and type of raw materials to achieve better Yield
2. Weak & thick black liquor analysis from time to time and feedback given to process for better control
3. Micro-biological analysis of water at regular intervals to ascertain the health of machine wet end and smooth running of the machine.
4. Analysis of scales, Gun Choking Material and Green Liquor transfer line from Soda Recovery Process and feedback given to process for better control.
5. Monthly compilation: Grade II and III effluent discharge, piezometric and special samples analysis report to ensure the effluent discharge norm
6. Monitoring of Suspended and Dissolved Solids of Grade II treated discharge effluent for controlling pollution load.
7. Monitoring of COD, SS, BOD & Colour for on line discharge effluent sample to Environment Department for comparison with Online instrument for stabilization.
8. Monitoring of DM & RO water is carried out for effective boiler operations.
9. Monitoring of Ambient Air and Stack Monitoring at different locations to monitor and ensure acceptable Air Quality
10. Training: R&D staff was imparted training four days training for Quality Management System as per ISO 17025:2005 and Internal Audit at Nagpur. It improves the individual participation and awareness of system application. It shall also improve the record keeping further and ease of job completion.

**Electric Division**

1. In Fan division increase sales and improve market in high speed fans, decorative fans and energy saving fans.
2. In lighting division increase sales reduce cost and safe handling

**III. Papers published during the year 2014-2015. Nil**

**IV. Future plan of action:**

**Paper Division**

1. To continue research in the above areas and to work out to implement other new emerging technologies for the benefits of the pulp & paper industry.

**Electric Division**

1. In Fan sub division introduce innovative Super energy efficient Hi end fan with BLDC motor etc, Introduction of Kid Category fan with unique kid’s characters and film transfer technology and Introduction of smart fan shaving modern features like control through remote control, Motion sensor, Temperature and humidity sensor etc.
2. In Lighting Sub Division Introduce 3 W & 12 W LED bulb assembly line and use energy conversation consultant for further scope in energy reduction in DT line operation.
3. In switch gear sub division introduce MCB with D characteristic, Premium DB range, DP & FP enclosure and RCCB Mechanism.

**V. Expenditure of R&D**

Sl . No.	Details	2014-15
a)	Capital (₹ In lacs)	-
b)	Recurring (₹ In lacs)	78.49
c)	Total R&D (₹ In lacs)	78.49
d)	Total R&D expenditure as percentage to total turn over.	0.04

**TECHNOLOGY ABSORPTION AND INNOVATION :**

**1. Efforts in brief made towards absorption, adoption and innovation:**

**Paper Division**

**Paper Machine:**

- a. In Main machine use of underflow started to save fibres & fillers.
- b. Product quality improved by improving brightness % (88+) of paper.
- c. Precipitated calcium carbonate filler introduced to improve opacity, brightness & print quality.
- d. Honey well make calliper control system installed for better control of calliper & parent roll quality.

- e. Top grade quality printing paper introduced into market.

**Pulp Mill:**

- a. Improving viscosity & brightness by optimizing COD level.
- b. ODL operation process optimization.
- c. Cooking parameters i.e. sulphidity, viscosity, cooking time & temperature are tuned for better performance.
- d. Four number of liquor circulation split casing new generation pumps were changed to KSB make back pull out energy efficient pumps. Power saving along with smooth and efficient digester running is envisaged.
- e. Condensate recovery system renovated at digester house resulted in recovery of condensate by 250 M3/day.
- f. Six number ON/OFF valves provided in digester liquor charging system instead of conventional PRV. This helped in avoiding short-circuit at digester liquor system.

**Tissue Plant #1 & 2:**

- a. Lighter grammage facial & toilet paper developed in Tissue-1.
- b. Carrier tissue export quality developed in Tissue-2

**Pilot plant:**

Developed Bond paper & cartridge paper of different gsm for market.

**ELECTRIC DIVISION:**

- a. In Fan sub division MRP printing on Motor Box, outer box in place of MRP label.
- b. In lighting Sub Division Introduction of Auto coil feeder in DT production line to reduce man power cost.
- c. In Switch gear Sub Division set up of State of Art Lab for MCB & RCCB for in house testing, bar coding Implementation and installation of MCB & RCCB Assembly line.

**2. Benefit derived as a results of above efforts i.e. product improvement, cost reduction, product development, and import substitution.**

**Paper Division**

- a. Suitable Raw material choice as per yield and cost.
- b. To evaluate pulping studies at different chemical dose (15%, 16% 16.5% 17%) of silo chips collected from chipper house. The better results obtained in 16% chemical dose.





The Optimized Results helps in better decision making in pulping.

- c. Weak & Thick black liquor analysis from recovery and pulp mill from time to time and feedback given to process for better control.
- d. Analysis of scales, Gun Choking Material and Green Liquor transfer line from Soda Recovery Process feedback given to process for better control.
- e. Monitoring of Krofta Performance of Tissue Machine # 1& 2.
- f. Monitoring of COD, SS, BOD & Colour, Suspended and Dissolved Solids of Grade II, Ambient Air and Stack Monitoring at different locations and effluent from different drains inside Mill.
- g. Micro-biological analysis of various water and waste water samples was carried out at regular intervals to ascertain the health of machine wet end and smooth running of the machine.

#### Electric Division

- a. Optimized design & improved reliability of Ceiling Fan
- b. Reduce new product development time.
- c. Reduction in wastages in the process & reduce inventory level.
- d. Improved quality assessment system enabling to offer reliable product.

#### 3. In case of imported technology (imported during the last five years reckoned from the beginning of financial year), following information may be furnished.

a	Technology imported	
b	Year import	Not applicable
c	Has technology been fully absorbed	
d	If not absorbed, areas where this has not taken place	

**C. K. Birla**  
*Chairman*

## Annexure - V

### 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 that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for this period ;
- (c) the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis ; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**C. K. Birla**  
*Chairman*

## Annexure - VI

Particulars of Employees as required U/S134 of the Companies Act, 2013 and forming a part of the Directors' Report for the year ended 31 March 2015.

(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	Dhawan P.	(a) MBA -Sales & Marketing (b) SBU Head (Lighting) - Electricals (c) 47 (d) 7362790 (e) 24 (f) 9 September 2013 (g) Crompton Greaves Ltd ,GM Sales (Consumer Business Unit)
2	Gupta A.	(a) B.Tech (Pulp & Paper) (b) Chief Executive Officer – Amlai Paper Mills (c) 50 (d) 6404860 (e) 26 (f)22 January 2014 (g) Ballarpur Industries Ltd, Assistant Vice President (Operations)
3	Khanna T.	(a) MBA-Marketing (b) Sr. Vice President (BU Head–Appliances) – Electricals (c) 50 (d) 6665031 (e)23 (f)1April 2014 (g) Usha International Ltd, Vice President – SBU Head (Appliances )
4	Mullick G .	(a) B.Sc. (H), MBA (b) Sr. Vice President (Paper Marketing) (c) 58 (d) 6874593 (e) 35 (f) 7October 1998 (g) The Andhra Pradesh Paper Mills Ltd, General Manager (Marketing)
5	Pachisia M.L.	(a) B.Com (b) Managing Director (c) 70 (d) 33703472 (e) 54 (f) 1 April 1991 (h) Hindustan Motors Ltd., President (Corporate Projects)
6	Saha P.K.	(a) B.E.(Chem), MS (Pulp & Paper) (USA), M.I.E. (India) (b) Sr. Vice President (Projects & Development)-Paper (c) 64 (d) 7077307 (e) 42 (f) 11 March 1982 (g) The Titagarh Paper Mills Co. Ltd., Sr. Engineer (Projects)
7	Sonthalia P.K.	(a) B. Com(H), FCA, FCMA (b) President (Finance) & CFO (c) 57 (d) 13700999 (e) 35 (f) 15 April 1980 (g) None
B. Employed for part of the financial year		
1	Chaudhary J.K.	(a) MA ,LLB, PGDBM (b) Sr.Vice President (Corporate HR) (c) 53 (d) 7426233 (e) 28 (f) 28 November 2011 (g) Self employed
1	Khanna R.	(a) MBA -Marketing (b) Chief Executive Officer – Electricals (c) 52 (d) 7632526 (e) 32 (f) 1 December 2014 (g) Jumbo Electronic – Head Sony & IT Products , UAE
1	Verma M.	(a) B.E.(Electronics & Telecommunication) (b) Chief Executive Officer – Electricals (c) 55 (d) 11522525 (e) 33 (f) 17 December 2012 (g) Crompton Greaves Ltd., Executive Vice President & President – Consumer Business Unit.

### 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.
- None of the employees was in receipt of remuneration in excess of that drawn by Managing Director.

C. K. Birla  
Chairman



# Annexure - VII

## FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the act and rule 8(2) of the companies (Accounts) Rule, 2014]

Disclosure of particulars of contract/arrangement/entered into by the company with related parties referred to in sub-section 188 of the Companies Act, 2013 including arms length transaction under third proviso thereto

### 1. Details of contracts or arrangements or transactions not at arm's length basis

(₹ in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

### 2. Details of material contracts or arrangement or transaction at arm's length basis

(₹ in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Origami Tissues (Relative of a Director is partner)	Sale of paper	As and when required	Sale at prevailing market price	19.00	Not Required as all transactions were at arm's length basis and in the ordinary course of business	Nil
Origami Products (Relative of a Director is partner)	do	do	do	3.64		Nil
Origami Cellulo Pvt. Ltd. (A Director of the Company is a member)	do	do	do	29.03		Nil
Origami Enterprises (Relative of a Director is partner)	Rent received	01.04.2014 to 31.03.2015	Premises let out	3.78		Nil
Orient Cement Ltd. (A director of the Company is a Director in Orient Cement Ltd. and is holding more than 2%)	Rent received	01.04.2014 to 31.03.2015	Premises let out	12.00		Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Birla Brothers Pvt. Ltd. (A Director of the Company is a shareholder)	Rent received	01.04.2014 to 31.03.2015	Premises let out	0.09	Not Required as all transactions were at arms length basis and in the ordinary course of business	Nil
Khaitan & Co LLP (A Director of the Company is a partner)	Fees to Director	26.09.2014 to 31.03.2015	Appointed as Director of the Company	4.00		Nil
Khaitan & Co LLP (A Director of the Company is a partner)	Retainership charges	01.10.2014 to 31.03.2015	Appointed as Director of the Company	0.97		Nil
Mr. M. L. Pachisia, Managing Director (KMP)	Remuneration	As per terms and conditions of appointment/ re-appointment	As per terms and conditions of appointment/ re-appointment	337.03		Nil
Mr. P. K. Sonthalia, President (Finance) & CFO (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	137.01		Nil
Mr. R. P. Dutta, Company Secretary (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	14.80		Nil



# Management discussion and analysis

## 1. Overall economy

Happily, there is a renewed optimism about revival of growth momentum based upon huge expectations from the new Government at the centre.

While it is too soon to expect results on the ground, we do believe that the Government is moving in the right direction with determination.

The 'Make in India' initiative and effort to improve 'ease of doing business' are laudable moves, which should boost industrial development and all round growth of the economy.

We are therefore quite hopeful that better days are not too far away. In the meantime, we have taken concrete steps and have made good progress towards expanding our product portfolio, improving our market penetration and increasing our efficiencies to achieve sustainable and profitable growth in all our businesses.

## 2. Segment-wise business analysis

### 2.1 Business segment - Electric

#### 2.1.1 Industry Structure & Developments

##### Fans

The fan market in India is estimated to be for approximately 56 million fans valued at roughly ₹5,100 crores. Of this, the organized sector accounts for about 39 million fans worth approximately ₹4,000 crores. The remaining pie is serviced by the unorganized sector and small scale industries.

The fan industry witnessed yet another year of slow growth of 4.5% vis-à-vis 4% in 2014-15. A lot of factors were at play here including a general slowdown in the economy particularly the real estate sector, demand saturation and low IIP numbers.

Despite this sluggish growth in the industry, we managed to grow by 14% and increase our market share by 1.5% in 2014-15.

Ceiling fans account for roughly 70% of the total domestic demand for fans. And Orient Electric continued its dominance

in this segment with 76% of its domestic and 77.6% of its overall sales coming from the ceiling fans segment. However, it is noteworthy that the demand for table, pedestal and wall fans rose at a greater rate than that of ceiling fans in the year gone by.

The industry continues to be fiercely competitive with every major player vying for a higher market share. What also deserves a mention is the premium fans segment has lately been growing at a faster rate due to changes in customer preference with increasing per capita income.

##### Lighting

This past year, nothing has bedazzled the lighting industry quite like the success story scripted by LEDs in India. As a major contributor in lighting now, the LED lighting category grew at a remarkable rate of 45% and is now valued at about ₹2,800 crores.

Overall, the lighting industry is valued at ₹10,500 crores and is estimated to have recorded a growth of only around 5%. Based on current trends the Lighting market is expected to grow by 8-9% during 2015-16.

The increase in the LED segment has greatly impacted the Compact Fluorescent Lamps (CFLs) business, which witnessed a dip in demand and registered a negative growth of about 18%. This shift is largely attributable to the competitive LED pricing, thanks to growing volumes and technological breakthroughs. LEDs have also begun to replace the high-wattage HID lamps that had until now dominated the industrial, street-lighting

and floodlighting domains.

The segment of Linear Fluorescent Lamps (FTL) continued to register single digit growth of about 8%. It's currently driven by energy efficient and smaller-diameter slim tubes (T5 Tubes) sold with aesthetically-pleasing luminaires.

The market of GLS lamp has maintained a flat or negative growth and is now confined to the big 4-5 players only. Major demand for the same is in small towns and villages which are still in the transition phase of switching from GLS to CFL/LED.

LEDs are expected to grow at a CAGR of an estimated 45% over the next 5 years and shall eventually gain almost 60% share in the total lighting market. Energy efficiency, reducing payback periods, continually-declining costs and improving aesthetic fixtures and design flexibility are the main factors driving its growth.

As against the Lighting industry's single digit growth, Orient's lighting business registered a healthy revenue growth of 13%. Even its CFL sales grew by 9% despite de-growth in the overall segment. Internal process improvements, flexibility in changing product mix and shifting manufacturing capacities to LED, aided this growth.

### Appliances

Home Appliances industry witnessed an estimated growth of 5%. Amongst the major sub-segments, Room coolers grew by 12% and Mixer Grinders by 10% but Water heater segment is estimated to have de-grown of 15%.

#### 2.1.2 Opportunities & Threats

##### Fans

The industry is likely to continue to register a growth of around 4.5% year on year. However, with the emergence of the new middle class segment and high spending in the urban-rural category, continued improvement is expected in demand for premium and value added categories of fans. We are fairly well positioned to take advantage of this opportunity and plan to introduce some further models in this category.

Established players in the organized electric sector like Panasonic and Luminous have recently made an entry into the Fan Industry. These brands are major players in their respective segments and are technologically strong. Hence, this can increase competition in the organized Fans Market.

### Lighting

The growth of Lighting Industry in India is linked to various factors such as increase in number of households with access to power, growth in electrification of uncovered areas and generally higher infrastructure development.

Another development that is driving growth is the change to more energy efficient solutions like CFLs earlier and LEDs now. Of late, LED lighting has witnessed significant growth, with many leading brands rolling out a diverse selection of LED lighting products for residential, commercial and industrial applications.

Growing concern on climate change has accelerated intervention from government and NGOs towards energy conservation programs and the use of energy efficient lighting solutions. With rising energy costs and increasing environmental awareness, Indian customers are also demanding a higher value proposition and are looking for better quality, energy efficient lighting products.

Simultaneously, the market for LED products is expected to become highly competitive putting pressure on the need to look for consistent cost reductions in short time cycles.

In CFL segment there is already a stiff competition for market share amongst brands. Many major brands have reduced prices due to which overall margins in the CFL category are under pressure. Stability of input prices has eased these cost pressures to some extent. On the other hand currency fluctuation plays an important role in costs as some of the inputs are still imported.

### Home Appliances

With corrective steps taken during the year under review, Orient Electric is now well placed in the Home Comfort segment of appliances. Therefore it is important to seriously pursue development of this business which is a potential growth driver. Room Heaters market in India is dominated by 3-4 players where Orient Electric has made a confident entry in 2014-15. Leveraging Orient Electric's brand strength in Heating and Cooling appliances, there is a clear opportunity to grow in these segments.

The arrangement to market well known Kenwood appliances provides another exciting opportunity to increase our foot prints in this segment.



## Management Discussion and Analysis

### 2.1.3 Segment review and analysis

Net Sales turnover of the division increased to ₹1189.83 crores from ₹1139 crores in the previous year, in spite of our conscious decision not to participate in the Tamil Nadu scheme, which had last year contributed ₹108 crores to the division's turnover.

#### Fans

Net Sales turnover of the Fans BU increased to ₹910.65 crores from ₹818.80 crores in the previous year.

The division achieved highest ever sales in the domestic market with a growth of 14% against the industry growth of around 4.5% only. We expect to continue this momentum and further consolidate our position in this product group.

**Fan Exports** – our export of fans increased from 10.8 lacs in 13-14 to 13.2 lacs in 14-15, posting a positive growth of 22% whereas total fan exports from India increased only by 7% from 19.6 lacs in FY 13-14 to 21 lacs in FY 14-15. Other brands collectively registered a negative growth of 11%.

Some of the key achievements in our fan exports were; growth of 22% in Middle East & Africa despite political ripples; higher NSR on account of better product mix and conversion of normal TPW fan customers to Salon fans. We also entered new markets in Togo and Iraq for sales acceleration. Special focus was given on international branding as well to improve brand visibility.

Resultantly Orient registered a very healthy share of over 63% of India's total export of fans.

#### Lighting

Net sales turnover for Orient lighting products increased to ₹206.79 cr in 2014-15 compared to ₹176.20 cr in the previous year with improvement in our market shares of CFLs, Consumer Luminaires and LEDs. The focus in the financial year 2015-16 will be on LED based Consumer Luminaires and LED Lamps. A major thrust would be on increasing manufacturing capacity of LED lamps & luminaries and increasing retail coverage by at least 50% with focus on selected 120 major markets. LED business will be fully supported through the newly created Electronics design and development centre at Noida. Another major area of growth will be the Professional Luminaires segment where we have started our operations in the year 14-15 and will be consolidating our sales organization in 15-16 with focus on Key Accounts and customized solutions.

### Home Appliances

Orient Electric's Appliances SBU achieved a turnover of ₹71 crs in 2014-15. Home Appliances products have now been launched in 86 cities with prime focus on 45 Cities. 23 Authorized Service Centers were added during the year taking the tally to 115 service centers. 7 new SKUs of Air Coolers were launched, 5 new SKUs of heating and 4 SKUs of Kitchen Appliances were added to the range.

In October 14, the Appliances SBU entered into a tie-up with Kenwood a world leading Kitchen Appliances brand, to market its range of high-end Kitchen Appliances in India. The products have been well accepted in Modern Retail Stores and also amongst Key dealers in general trade. Kenwood products are catered through 46 Modern retail stores and 80 key dealers.

However, our Appliances business unit faced many challenges during the year in terms changes that we had to make in our product line up and clearing the congestion in distribution channel. A number of corrective steps have been taken to ensure consistency in product quality, distribution and service. The turnover achieved by the business was lower than planned due to these corrections.

### 2.1.4 Risks & Concerns

#### Fans

Rising input costs coupled with likely increase in excise duty will put pressure on the margins. Although Orient Electric endeavors to pass on the cost of this increase to the customer, but it may impact demand. Sluggish real estate growth is likely to put even further pressures on the demand. Political unrest in Africa and Middle East has adversely impacted our sales in some of our high selling markets and situation is likely to remain same for the current year as well.

#### Lighting

Lack of Infrastructure, slump in the realty sector, increase in interest rates and unabated inflation can reduce demand for decorative residential lighting and outdoor luminaires. Rise in some input costs are likely to also put pressure on the margins. Also, Government regulations on mandatory BIS standards may result in change in manufacturing and sourcing strategies.

#### Home Appliances

Seasonality & Weather: High dependence on products which have seasonal and regional impact leads to sales skew in few months of the year.

### 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 exports. Continuous improvement in network resulting in deeper penetration, technologically advanced models for emerging segments, focus on South as well as geographical areas which offer higher growth prospects, stronger connect with retailers and better influencing of sales through sell out model are expected to overcome the risks and concerns. Orient Electric also launched a new range of technologically evolved next-gen fans based on BLDC technology (Brushless DC motor) which consume less than 50% energy compared to normal fans.

In the international markets, development focus is on markets with high buying potential. Also, a lot of new and premium products are planned to leverage sales in existing markets and positive growth is expected.

A well laid out marketing plan, including aggressive BTL plan to reinforce the brand will help to further consolidate its position in India. Re-branding and continued association with Celebrity Cricketer has helped in the brand getting recalled at retail and consumer levels.

Overall the Fan division is well placed to manage the competition, uncertain economic situation and capitalize on the opportunities.

#### Lighting

We are one of the few Indian Lighting companies to start in-house production of LED lamps and Luminaires, and have started shifting part of CFL manufacturing and assembly to LED Products. Therefore, company has further utilized the production and assembly capacity of lamps at Faridabad and PCBs at NOIDA. Lower than Industry market returns for CFLs has led to higher consumer acceptance towards our CFLs. We also plan to design and manufacture drivers for various LED products and assembly for three major LED luminaires under Street Lighting category, so as to ensure high reliability and cost leadership. Full capacity utilization for assembly of lamps at Faridabad has been planned along with further efficiency improvements.

Our focus in FY 2015-16 will be on LED based Consumer Luminaires and LED Lamps. A major thrust would be on increasing manufacturing capacity of LED lamps & luminaires

and increasing retail coverage by at least 50% with focus on selected 120 major markets. LED business will be fully supported through the newly created Electronics design and development centre at Noida. Another major area of growth will be the Professional Luminaires segment where we have started our operations in the year 14-15 and will be consolidating our sales organization in 15-16 with focus on Key Accounts and customized solutions.

#### Appliances

The Appliances BU has set an aggressive growth target for the year 2015-16. It aims to achieve this by expanding distribution and visibility to around 9,000 retailers and increasing focus on Heating and Cooling category and Mixer Grinders. Creation of channel strengths at the top end of dealerships and leveraging Kenwood would be the main focus. Consistent quality, wider distribution and assured after sales service would be the key areas of our focus.

#### Launch of a new product category of switch gears

In March 2015 Orient Electric has launched a range of world class low voltage switchgear to become a 'one-stop-brand' for Home Electrical solutions. Switchgear Industry (residential) in India has grown at 15% CAGR from ₹1043 Cr in 2011 to ₹1587 Cr in 2014. In next 4 years, the industry is expected to maintain the growth rate of 15% CAGR.

Share of various product sub-segments is expected to remain stable with MCB accounting for 70%, RCCB for 20% and DB for 10%.

Our strategy is to position our switchgear products with High-end features. The manufacturing plant for switch gears has been set up at Noida with technical knowhow and equipment from world's major Switchgear manufacturer, ETI - Slovenia. This world class plant will be producing 20,000 poles per day, per line at peak capacity. The requisite BIS certifications has been received and the Switchgear BU has started commercial sales from April 2015, initially launching MCBs, RCCBs & DBs in Delhi, Rajasthan, Haryana, Punjab, UP, Mumbai, Maharashtra, Gujarat, & MP initially and gradually spreading to the other parts of the country.

We are excited about the great opportunity for growth provided by this new product category and hope to gradually achieve a respectable share of this large market.

### 2.2. Business segment - Paper





## Management Discussion and Analysis

### 2.2.1. Industry structure and development

Paper industry in India continues to face twin challenges of sharp escalation in cost of all major inputs and simultaneous pressure on realisations.

Demand for Writing & Printing Papers is estimated to have remained stagnant during the year with the added problem of increasing imports of photocopying and coated papers. .

Domestic demand for Tissue Paper has been reasonably robust. Some waste paper based smaller mills have also lately started producing tissue papers for the economy segment, which has not been an area of our focus. There is a healthy demand from export markets for good quality Tissue Papers.

### 2.2.2 Opportunities and threats

Tissue paper demand in India continues to register double digit growth although the base is relatively small. This trend is expected to gather further momentum with changes in life styles. We are well positioned to take full advantage of this inevitable growth.

In addition, export markets offer good opportunity for quality tissue papers. We have already been successful in exporting significant volume of Tissue papers to diverse markets and see a distinct opportunity for growth in this segment.

Writing & Printing segment is likely to remain under pressure for some more time. However, no major capacity additions are on the horizon for some time and therefore the current supply / demand imbalance should gradually get corrected during FY 15-16.

The biggest threat for the integrated Paper industry in India continues to be the shortage of pulp wood from local sources. While the Industry has been aggressively promoting social and farm forestry, it is not a cost effective long-term solution because of small land holdings and scattered plantations.

We are pleased that the new Government has reacted positively to the Industry's suggestion to permit plantations on degraded forest lands on Public Private Partnership (PPP) basis. We are assured that necessary enabling provisions in the governing laws are under serious consideration to facilitate this. We are convinced that this will not only increase green cover and help the paper industry but also benefit the local communities as it is planned to include their welfare as part of the scheme.

### 2.2.3 Segmental review and analysis

Despite these challenges, our paper division could increase the total Paper sales by 7.5% to 73616 MT from 68488 MT last year. Paper production was still higher at 74812 MT.

Most of this growth actually came from our Writing & Printing products Tissue paper volume could go up only marginally due to capacity constraints.

We launched high bright writing & printing papers during the year. While this did increase our cost of production, it helped us to achieve the growth in volumes in a fairly dull market. We have now signed an agreement with the suppliers of the new sizing chemical used in production of these high bright papers to manage a plant in our premises to produce this chemical, which will result in significant reduction in the additional cost being presently incurred. This plant should commence production within FY 15-16.

Tissue papers accounted for 29% of our total paper volumes. Significantly, we were able to export 57% of our total Tissue paper sales to a diverse markets where our products have been very well accepted.

Our Caustic volume also increased from 30507 MT to 31902 MT with corresponding increase in sales of Chlorine & HCL also. However price realization from Caustic as well as Chlorine remained under intense pressure due to over-supply.

Besides increase in volumes, we have also been able to achieve substantial improvements in our internal efficiencies in raw material yield, chemical recovery, energy conservation and coal consumption.

However huge increases in input costs of Pulp wood, Coal and chemicals totally eroded the benefits arising out of higher volumes and better efficiencies.

Overall, our Paper division achieved an increase of 11.9% in net sales turnover to ₹465.17 cr. from ₹415.78 cr. last year.

Yet because of cost increases caused by external factors, the division recorded a negative PBIDT of 9.33 cr. and a negative PBIT of 33.12 cr.

### 2.2.4. Risks and concerns - Amlai plant

We have lately seen a reduction in input prices of Pulp wood and coal. However, we have to watch out for sustainability of these prices.

The tough market condition for Writing & Printing papers

remains another area of concern at least in the immediate future. .

#### 2.2.5. Outlook - Amlai plant

On the positive side, we are encouraged by the continuous improvements in our internal efficiencies and believe that these will lead to significant cost reductions. We are also hopeful about the expected opening up of degraded forest lands for plantations, which will help in the long run to increased availability of pulpwood around our plant and lower landed cost thereof.

The down cycle in writing & printing paper segment has lasted too long this time and is due for reversal shortly.

Export realisations from Tissue papers should also improve further due to more favourable exchange rate.

We are therefore quite hopeful of substantially improved results from Paper business hereafter.

#### (b) Brajrajnagar plant

As reported earlier, operations at this plant continue to remain suspended. We have commenced a dialogue with the Odisha Government authorities to explore the possibilities of revival of industrial activity at the site.

### 3. Company's overall performance and analysis

#### Sales and profit

Our gross sales increased to ₹1796.72 crores this year from ₹1691.51 crores last year, while net sales increased to ₹1668.85 crores from ₹1576.63 crores.

We achieved a PBIDT of ₹45.34 crores and cash profit of ₹1.56 crores. As mentioned earlier, this is after providing for about ₹25 crores spent on brand building campaign for Orient Electric.

The resultant net loss after tax of ₹28.65 crores this year against a profit of ₹4.24 crores last year.

We invested ₹51.79 crores on capital projects during the year.

Financial position of the Company continues to be fairly stable with our debt equity ratio at 0.22 and the DSCR of 0.84.

We believe that your Company has performed fairly well and has invested a lot of its efforts towards overcoming the challenging circumstances faced in the last few years. We are sure that these efforts will result in accelerated progress hereafter.

### 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. In addition to its own internal audit department, the company has retained Price Waterhouse & Coopers (PwC) to regularly review internal control systems in business processes and verify compliance with the laid down policies and procedures. Reports of these internal audits are reviewed by the senior management and are also placed before and comprehensively discussed at meetings of the Audit committee. The Audit Committee reviews the adequacy of internal control systems, audit findings and suggestions. The internal audit group 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

The Company is also taking required steps to change over to IRS accounting standards and has retained KPMG to assist it in this process.

### 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 2015 was 2736.

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.

The information in terms of the provisions of Section 134(3) (q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:



## Management Discussion and Analysis

Requirements of Rule 5(1)	Details									
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	: The ratio is commensurate with the nature of the business of the Company and is at par with the best industrial practice.									
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	: Managing Director & CEO: 19.38% Chief Financial Officer: 15.00% Company Secretary: 17.65%									
(iii) the percentage increase in the median remuneration of employees in the financial year;	: The ratio is commensurate with the nature of the business of the Company and is at par with the best industrial practice.									
(iv) the number of permanent employees on the rolls of company;	: 2736									
(v) the explanation on the relationship between average increase in remuneration and company performance;	: Average increase in remuneration is based on best industrial practice.									
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration of Key Managerial Personnel have been as per the Remuneration policy recommended by the Nomination & Remuneration Committee and approved and adopted by the Board.									
(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case net worth of the company as at the close of the current financial year and previous financial year;	: Market capitalization of the Company as on: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: right;">₹ in crores</th> </tr> <tr> <th style="text-align: center;">31.03.2015</th> <th style="text-align: center;">31.03.2014</th> <th style="text-align: center;">Increase(+)/ Decrease(-) (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">478.37</td> <td style="text-align: center;">322.67</td> <td style="text-align: center;">(+ ) 48.25</td> </tr> </tbody> </table>	₹ in crores			31.03.2015	31.03.2014	Increase(+)/ Decrease(-) (%)	478.37	322.67	(+ ) 48.25
₹ in crores										
31.03.2015	31.03.2014	Increase(+)/ Decrease(-) (%)								
478.37	322.67	(+ ) 48.25								
(viii) Average percentile in case already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	: Salaries of employees other than managerial personnel has increased by 13% as against increase in salaries of managerial personnel as stated in reply to para (ii) above.									
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	: Key Managerial Personnel are paid remuneration based on the best practice in the industry.									
(x) The key parameters for any variable component of remuneration availed by the directors;	: Variable component of remuneration of Managing Director is ₹65 lacs which is based on vast experience the Managing Director has in the industry and is comparable in other similar corporates.									
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	: No employee received remuneration higher than the Managing Director.									
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	: Yes									

### Prevention of Sexual Harassment

In terms of the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted Committee to deal with the instances of sexual harassment. During the financial year, the company has not received any complaint.

## 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)

## 1. 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 stakeholders, 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.

## 2. BOARD OF DIRECTORS

### 2.1 Composition of the Board

The Board of Directors comprises seven members, consisting

of six Non-Executive Directors who account for more than 85% of the Board's strength as against the minimum requirement of 50% as per the Listing Agreement.

As required under Section 149(3) of the Companies Act, 2013 and listing agreement entered with the stock exchanges, Ms. Gauri Rasgotra has been appointed as an additional Director in the category of Independent on the Board.

The Non-Executive Independent 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	3	2
Mr. Michael Bastian	Independent Non-Executive	2	4	1
Shri Narendra Singh Sisodia	Independent Non-Executive	1	2	-
Ms. Gauri Rasgotra (appointed w.e.f. 26.09.2014)	Independent Non-Executive	2	5	-
Shri M. L. Pachisia	Managing Director-Executive	9	2	-

\* Excluding Directorships in private limited companies, foreign companies and section 8 companies.

\*\* Includes the membership/chairmanship only of Audit Committee(s) and Stakeholders' Relationship Committee(s).



## 2.2 Details of sitting fee, remuneration, among others, paid to Directors

Name of the Director	Sitting fee paid during 2014-15 for attending meetings of the Board and/or Committees thereof (all figures in ₹)
Shri C. K. Birla	2,20,000
Shri B. K. Jhawar	4,50,000
Shri A. Ghosh	5,60,000
Mr. Michael Bastian	7,60,000
Shri Narendra Singh Sisodia	5,90,000
Ms. Gauri Rasgotra (Paid to M/s. Khaitan & Co. LLP)	4,00,000

Shri M. L. Pachisia	Remuneration (₹) *
Salary	1,26,00,000
Perquisites & other benefits	1,12,01,472
Ex-gratia	65,00,000
Contributions to P.F./Superannuation Fund	34,02,000
Total	3,37,03,472

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

The appointment of Managing Director is contractual in nature for a period of one year with effect from 23 September 2014, 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.

## 2.3 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

## 2.4 Number of Board Meetings held and attended by Directors

- Six meetings of the Board of Directors were held during the year ended 31 March 2015 on 8th May, 2014, 22nd July, 2014, 26th September, 2014, 5th November, 2014, 3rd February, 2015 and 30th March, 2015.
- The attendance record of each of the Directors at the Board Meetings during the year ended 31 March 2015 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	5	No
Mr. Michael Bastian	6	No
Shri Narendra Singh Sisodia	6	No
Ms. Gauri Rasgotra (Appointed w.e.f. 26.09.2014)	4	No
Shri M. L. Pachisia	6	Yes

Shri A. Ghosh, Chairman of the Audit Committee could not attend the AGM because of ill health.

## 2.5 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee of the Company evaluated the performance of each Director. The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company.

## 2.6 Familiarisation Programme of Independent Director

At the time of appointing a Director, a formal letter of appointment is given to the Director which inter alia explains the role, functions, duties, responsibilities expected of him as a Director of the Company. The Director is also explained in details the compliance required from him under the Companies Act, 2013 and clause 49 of the Listing Agreement and relevant regulations.

## 3. AUDIT COMMITTEE

3.1 The Board has constituted a well-qualified Audit Committee. The terms of reference of the Audit Committee cover the matters specified for audit committees under Clause 49 of the Listing Agreement as well as provisions of the Companies Act, 2013 which broadly includes:

- (i) Review of financial reporting processes
- (ii) Review of risk management, internal control and governance processes
- (iii) Review of quarterly, half yearly and annual financial statements
- (iv) Interaction with statutory, internal and cost auditors
- (v) Review of related party transactions

## 3.2 The Audit Committee comprises of five Independent Directors namely

(1) Shri A. Ghosh (2) Shri B. K. Jhawar (3) Mr. Michael Bastian (4) Shri Narendra Singh Sisodia (5) Ms. Gauri Rasgotra.

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

3.3 Five Audit Committee meetings were held on 8th May, 2014, 22nd July, 2014, 5th November, 2014, 3rd February, 2015 and 30th March, 2015. The attendance of each Audit Committee member was as under:

Name of the Audit Committee member	Number of meetings attended
Shri A. Ghosh	4
Shri B. K. Jhawar	2
Mr. Michael Bastian	5
Shri Narendra Singh Sisodia	5
Ms. Gauri Rasgotra (Appointed w.e.f. 26.09.2014)	3

3.4 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.

3.5 Mr. Somnath Mukherjee, Cost Accountant is the Cost Auditor of the Company for the financial year 2014-15. The Company has filed cost audit report for the financial year 2013-14 on 27th September, 2014 i.e. within the due date. The due date for filing cost audit report for the financial year 2014-15 is 27th September, 2015.

## 4. MANAGEMENT COMMITTEE

The Management Committee comprises of one Independent non-executive Director Shri B. K. Jhawar and one Executive Director Shri M. L. Pachisia (Managing Director). 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, 2013.

One Committee meeting was held during the year on 19th February 2015 and all the Committee members attended the meeting.

## 5. NOMINATION & REMUNERATION COMMITTEE

5.1 The terms of reference of the Committee inter alia, include the following:

- formulating criteria for determining qualifications, positive attributes and independence of a Director;
- advising the Board on issues concerning principles for remuneration, remunerations and other terms of employment for the Non-Executive Directors and the Executives;
- monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Non-Executive Directors and the Executives;

In reviewing the overall remuneration of the Board of Directors and Senior Management, efforts are made to ensure that remuneration of the Non-Executive Directors and the Executives matches the level in comparable companies, whilst also taking into consideration their required competencies, effort and the scope of the Board work and/or responsibility as the senior management.

5.2 The Nomination & Remuneration Committee of the Directors of the Company comprises three Independent Directors namely (1) Shri B. K. Jhawar, (2) Mr. Michael Bastian and (3) Shri A. Ghosh. Shri B. K. Jhawar is the Chairman of the Nomination & Remuneration Committee. The Company Secretary is the Secretary to the Committee.

5.3 Four Nomination & Remuneration Committee meetings were held during the year on 8th May, 2014, 22nd July, 2014, 26th September 2014 and 5th November 2014.

The attendance of each Committee member was as under:

Name of the member	Meetings attended
Shri B. K. Jhawar	3
Mr. Michael Bastian	4
Shri A. Ghosh	3

## 5.4 Remuneration Policy

The Nomination and Remuneration Committee (NRC) has adopted a Remuneration Policy which, inter alia, deals with manner of selection and determining remuneration of the directors and executives of the Company. The extracts of the contents of the Policy are as under:

### Remuneration of Non-Executive Directors

The Non-Executive Directors (including independent Directors) on the Board receive a competitive remuneration package consisting of the following components:

- Sitting Fees: Non-Executive Directors receive fixed sitting fees, which is decided by the Board in accordance with the Act.

In addition to the sitting fees, the Non-Executive Directors, who are also members of one of the Board committees, receive sitting fees for participation in such Board committee meetings. The sitting fees for participation in such Board committee meetings are also approved by the Board in accordance with the Act.

- Profit related commission: The Non-Executive Directors are entitled to profit related commission not exceeding 1% (one per cent) of the net profits of the Company. Such profit related commission is approved by the ordinary resolution of the shareholders in a general meeting of the Company, and if required under the Act, the Company will also obtain Central Government approval.
- Reimbursement of expenses: Expenses in connection with Board and committee meetings are reimbursed as per account rendered.

### Remuneration of the Executives

The Board believes that a combination of fixed and performance-based pay to the Executives helps ensure that the Company can attract and retain the Executives. At the same time, the Executives are given an incentive to create shareholder value through partly incentive-based pay.

The Executives are employed under management service contracts, employment agreement or through appointment letter, and the Board sets the terms of such management service contracts employment agreement or appointment letter. However, if the Executive is a whole-time Director (including the managing Director), he / she may be appointed

pursuant to a resolution of the Board, which is confirmed by the shareholders in the succeeding annual general meeting of the Company, and on such terms and conditions as the Board may deem fit, and confirmation.

The Committee submits proposals concerning the remuneration of the Executives and ensures that the remuneration is in line with the conditions in comparable companies. The proposals are submitted for approval in a Board meeting, and where the proposal is in relation to an Executive, who is proposed to be appointed as a whole time Director (including the managing Director), such proposal is also submitted for approval of the shareholders (by ordinary resolution, or in case of inadequacy of profits, by special resolution) in a general meeting of the Company, and if required, the Company also obtains Central Government approval. The remuneration package of the Executives is reviewed annually by the Committee in the course of the performance appraisal system followed by the Company.

The Executives receive a competitive remuneration package consisting of the following components:

- Fixed salary: The fixed salary shall be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities. The fixed salary shall include basic salary, special pay, and personal pay.
- House rent allowance: The Executives shall be entitled to receive house rent allowance, which shall not exceed 60% of the basic salary of the Executive.
- Variable components: The Committee may, in its discretion, structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable as a variable component is determined by the Committee, based on performance against pre-determined financial and non-financial metrics and shall always be within the limits of the overall guidelines for incentive pay. The Executives participate in a performance linked variable pay scheme based on the results for the year, pursuant to which the Executives are entitled to performance-based variable remuneration.

- Personal benefits

The Executives have access to a number of work-related benefits, including car, telephones, broadband at home, and work-related newspapers and magazines. The extent of individual benefits is negotiated with each individual Executive.

The Executives are covered by the Company's insurance policies:

- Accident insurance
- Health insurance
- Directors and officers liability insurance.

- Other annual emoluments

The Executives will receive the following annual emoluments:

- Medical reimbursement of up to one month's basic salary, in accordance with the Company's policies;
- leave travel assistance of up to one month's basic salary as per scale formulated in this behalf; and
- leave encashment, in accordance with the Company's policies.

- Gratuity contributions

Contributions are made in accordance with applicable laws, employment agreements and policies of the Company.

Severance pay

There are, in the usual course, no severance fees (routine notice period not considered as severance fees) or other severance benefits.

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee shall consider and resolve the grievances of share holders of the company as also transfers/transmissions/consolidation/sub-division of shares and issue of duplicate share certificates etc.

The Committee comprises two Non-Executive Independent Directors namely Mr. Michael Bastian and Ms. Gauri Rasgotra and an Executive Director Shri M. L. Pachisia. Mr. Michael Bastian is the Chairman of the Committee. Shri R. P. Dutta, the Company Secretary is the Compliance Officer.

During the year ended 31 March 2015, 7 complaints received from the shareholders/debenture holders were attended on time and





there were no grievances pending as on 31 March 2015. There were no share transfers pending for registration for more than 15 days as on 31 March 2015.

One Stakeholders' Relationship Committee meeting was held on 22nd July 2014. The attendance of each Committee member was as under

Name of the member	Meetings attended
Shri M. L. Pachisia	1
Mr. Michael Bastian	1
Ms. Gauri Rasgotra (Appointed w.e.f. 26.09.2014)	-

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board.

The Scope of the CSR Committee broadly includes -

- (i) Formulate and review the CSR Policy
- (ii) Decide the CSR activities to be taken up by the Company in accordance with this Policy;
- (iii) Decide the amount to be allocated for each project or activity;
- (iv) Oversee and monitor the progress of the initiatives rolled out under this Policy; and
- (v) Submit a report, to the Board on all CSR activities undertaken during the financial year

The CSR Committee comprises two Non-Executive Independent Directors namely Shri B. K. Jhavar, Shri N. S. Sisodia and an Executive Director Shri M. L. Pachisia. Shri B. K. Jhavar is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

One CSR Committee meeting was held on 3rd February 2015. All the members except Shri B. K. Jhavar attended the meeting.

### Corporate Social Responsibility (CSR) Policy

The Company has adopted a CSR Policy. The salient features of the policy are as under:

Corporate Social Responsibility ("CSR") at Orient Paper & Industries Limited portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social

and economic development on regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates. We are of opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.

### 1. CSR Programmes & Projects

- (a) The Company proposes to adopt one or more of the following CSR activities as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:
  - (i) eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care) and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
  - (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
  - (iii) promoting gender equality empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
  - (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
  - (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
  - (vi) measures for the benefit of armed forces veterans, war widows and their dependents;

- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
  - (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - (x) rural development projects; and
  - (xi) Slum area development.
- (b) The CSR activities shall be undertaken within the territory of the Republic of India.
  - (c) The Company's CSR projects and programmes will be undertaken by the Company by itself or with joint and collaborative efforts of other companies.
  - (d) The CSR projects and programmes may also be implemented through registered public charitable trusts, not-for-profit companies set up under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Companies Act, 2013) through recognized and reputed NGOs and similar entities.

## 2. Financial Outlay for CSR activities

- (a) Every year, the Company shall with the approval of its Board make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- (b) The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same would not lapse and would be carried forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the

CSR activities as planned for that year.

- (c) The amount allocated for emergency needs but not utilised in the year of its allocation may be carried forward to the next year for utilization for CSR activities.
- (d) Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

## 3. Implementation

- (a) The Company will integrate its CSR plans and strategy with its business plans and strategies. For effective implementation, long-term CSR plans will be broken down into medium-term and short-term plans. Each plan recommended by the CSR Committee should specify the CSR activities planned to be undertaken for each year, define the responsibilities of the designated authorities to be engaged in this task, and also prescribe the measurable and the expected outcome and social/ environmental impact of the CSR activities.
- (b) The Company recognizes that the period of implementation of its long term CSR projects can extend over several years depending upon the expected outcomes/ impact thereof. While planning for such long term projects the CSR Committee would estimate the total cost of each project and recommend to the board of directors of the Company that the Company should commit such amount for long term expenditure till the completion of the project.
- (c) Each long term project will be broken up into annual targets and activities to be implemented sequentially on a yearly basis, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.
- (d) Where the CSR activities are closely aligned with the business strategy and the Company possesses core competence to do it, the Company may take up the implementation of CSR project with its own manpower and resources, if the CSR Committee is confident of its organisational capability to execute such projects.
- (e) If in the opinion of the CSR Committee, the implementation of CSR projects requires specialised knowledge and



skills, and if the Company does not have such expertise in-house, wherewithal, and dedicated staff to carry out such activities, the CSR Committee may recommend to avail the services of external specialised agencies for the implementation of such CSR projects.

- (f) In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and conditions of the engagement of the external agency.

#### 4. Monitoring

- (a) The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.
- (b) Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required.
- (c) The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.
- (d) Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an independent external agency for the sake of objectivity and transparency.
- (e) If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

#### 8. MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 30th December, 2014, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
- Evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Shri A. Ghosh is the Chairman. All the Independent Directors except Shri B. K. Jhawar attended the meeting.

#### 9. WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement in line with the objective of strengthening the Governance mechanism and to report to the Audit Committee instances of illegal or unethical practices, behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethic policy.

All stakeholders including directors and individual employee(s) & their representative bodies are eligible to make Protected Disclosures under this Policy. The policy is also posted on the website of the Company [www.orientpaperindia.com](http://www.orientpaperindia.com).

All Protected Disclosures should be addressed to the designated officer or in exceptional Circumstances to the Chairman of the Audit Committee.

The contact details of the Designated Officer are:

The Company Secretary  
Orient Paper & Industries Limited  
Birla Building, 9/1, R. N. Mukherjee Road  
Kolkata 700001  
email: [cosec@orientpaperindia.com](mailto:cosec@orientpaperindia.com)

The contact details of the Chairman of the Audit Committee are:

The Chairman of the Audit Committee  
C/o the Company Secretary  
Orient Paper & Industries Limited  
Birla Building, 9/1, R. N. Mukherjee Road  
Kolkata 700 001

Protection will be given to Whistle Blowers against any unfair practice The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Disclosure. No personnel is denied access to the Audit Committee.

## 10. APPOINTMENT/RE-APPOINTMENT OF DIRECTOR(S)

### (i) Appointment of Ms. Garui Rasgotra as Director/Independent Director

Ms. Gauri Rasgotra (DIN:06862334) has been appointed as an Additional Director of the Company in the category of Independent Director with effect from 26th September 2014.

As an Additional Director, Ms. Rasgotra shall hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013, from a member proposing her appointment as Director.

Further, the Nomination & Remuneration Committee has recommended appointment of Ms. Gauri Rasgotra as Independent Director of the Company to hold office for 5 (Five) consecutive years w.e.f. the date of approval of her appointment at the ensuing Annual General Meeting of the Company, whose period of office shall not be liable to retire by rotation, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 or any amendment/modification thereof and the Listing Agreement with the Stock Exchanges.

Declarations have been received from the aforesaid Director that she meets the criteria of Independence prescribed under Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of your Board, Ms. Rasgotra fulfills the conditions specified in the Act and the Rules thereunder for her appointment as Independent Director and that she is independent of the management of the Company.

In addition to sitting fees for attending meetings of the Board and Committees thereof, directors are entitled to remuneration by way of commission upto 1% of the net profits of the company for each financial year as may be determined by the Board.

In the view of your Board, the continued association of Ms. Rasgotra with the Company as Independent Director and the rich experience she bring with her would benefit the Company and hence the Board of Directors has recommended her appointment as an Independent Director of the Company.

Brief resume of Ms. Rasgotra and additional information pursuant to Clause 49 of the Listing Agreements with Stock Exchanges is provided below:

Ms. Gauri Rasgotra (46), is an advocate. She has rare combination of advisory and litigation experience of 21 years in both academic and corporate settings. She has 15 years of active experience in litigation in the Supreme Court as well as other courts in India on behalf of M/s. Khaian & Co LLP. She also worked in U.S.A. at the George Washington University Law School.

She is presently a Director on the Boards of Orient Paper & Industries Ltd., VISA Steel Ltd. and HIL Ltd.

She is the member of the Audit Committee of Orient Paper & Industries Ltd. and HIL Ltd., member of Corporate Social Responsibility Committee of Orient Paper & Industries Ltd., member of Stakeholders' Relationship Committee of Orient Paper & Industries Ltd., HIL Ltd. and VISA Steel Ltd. and member of Nomination and Remuneration Committee of HIL Ltd. and VISA Steel Ltd.

She does not hold any equity shares in the Company.

### (ii) Re-appointment of Shri Chandra Kant Birla as Director

Brief resume of Shri Birla seeking re-appointment in terms of the provisions of the Companies Act, 2013 is provided below:

Shri Chandra Kant Birla (60), DIN: 00118473, was appointed as a Director of the Company on 29th September 1978. He is the non executive Chairman of the Company. He is an industrialist and heads the C.K. Birla Group, which is in various verticals such as cement, paper, chemicals, consumer durables, auto components, automobiles, precision bearings, building materials, construction, earth moving equipment, information technology, etc.

List of other Directorship held (excluding Directorship in Private Limited and Foreign Company) (i) National Engineering Industries Ltd. (ii) AVTEC Ltd. (iii) HIL Ltd. (iv) Birlasoft(India) Ltd. (v) Neosym Industry Ltd. and (vi) Orient Cement Ltd.

He is not a Chairman/Member of any Committees of the Board of any of the Companies in which he is a Director.



## 11. 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 and is annexed herewith.

## 12. CEO/CFO Certificate

The Managing Director & CEO and Chief Financial Officer have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed.

## 13. COMPLIANCE CERTIFICATE

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

## 14. GENERAL BODY MEETINGS

### 1) General Meeting

The details of General Meeting held in last three years are as under:

AGM/EGM	Day	Date	Time	Venue	Whether Special Resolution passed
AGM	Monday	13 August 2012	12.30 p.m.	Registered Office	No
AGM	Monday	16 August 2013	12.30 p.m.	-do-	No
EGM	Monday	18 November 2013	12.30 p.m.	-do-	No
AGM	Friday	22 August 2014	12.30 p.m.	-do-	Yes

### 2) Postal Ballot

The Members of the Company had adopted Special Resolutions by Postal Ballot through Postal Ballot notice dated 27th October 2014 during the last financial year 2014-15 for following matters:

- Approval for creation of Charge/Mortgage on the Assets of the Company.
- Waiver of recovery of the excess remuneration paid to the Managing Director for the period from 01.04.2013 to 31.03.2014.

The Company had followed all the provisions of the Companies Act, 2013 and rules 22 of Companies (Management and Administration) Rules, 2014 and the Listing agreement entered into with the stock exchanges while conducting the postal ballot held during the financial year 2014-15.

The Company appointed Shri Atul Kumar Labh, a Company Secretary in practice as the Scrutinizer for postal ballot and e-voting process. The Scrutinizer submitted his Report on 10th December, 2014. The details of the voting results (aggregate of physical and electronic voting system) of the postal ballot as per the Scrutinizer's Report are:

- Special Resolution for Approval for creation of Charge/Mortgage on the Assets of the Company:

Sr. No.	Votes casted	By Physical Ballot	By Electronic Voting	Total No. of Votes / Shares	%
1.	Favour	93300050	23321455	116621505	99.96
2.	Against	41251	8176	49427	0.04
			<b>Total</b>	<b>116670932</b>	<b>100.00</b>

- b) Special Resolution for waiver of recovery of the remuneration paid to the Managing Director for the period from 01.04.2013 to 31.03.2014

Sr. No.	Votes casted	By Physical Ballot	By Electronic Voting	Total No. of Votes / Shares	%
1.	Favour	93223126	1343031	94566157	97.26
2.	Against	131605	2534379	2665984	2.74
<b>Total</b>				<b>97232141</b>	<b>100.00</b>

## 15. 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.

## 16. MEANS OF COMMUNICATION

- 16.1** Half-yearly report sent to each household of shareholders: No
- 16.2** 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](http://www.orientpaperindia.com)
- 16.3** Whether Management Discussion and Analysis is a part of the Annual Report - yes.

## 17. GENERAL SHAREHOLDER INFORMATION

- 17.1** Annual General Meeting
- Day & Date: Thursday, 20th August, 2015
- Time: 10.00 a.m.
- Venue: Unit - VIII, Plot No. 7, Bhoingar, Bhubaneswar - 751012 (Odisha)
- 17.2** The Company follows 1st April to 31st March as Financial year.

- 17.3** Dividend Payment Date: Dividend shall be paid to all eligible shareholders on or after 20th August 2015

### 17.4 Financial calendar 2015-16

First quarterly results	Before 14 August 2015
Second quarterly results	Before 14 November 2015
Third quarterly results	Before 14 February 2016
Audited yearly results for the year ending 31 March 2016	Before end of May 2016

- 17.5** Dates of book closure Friday, 14th August 2015 to 20th August 2015 (both days inclusive).

### 17.6 Listing on stock exchanges

The equity shares of the Company are listed at the following stock exchanges:

- (i) BSE Ltd,  
Phiroze Jeejeebhoi Towers,  
Dalal Street, Fort, Mumbai - 400001
- (ii) 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 has been paid to BSE Ltd and The National Stock Exchange of India Ltd for the year 2015-16.

### 17.7 Stock code

The stock code for the equity shares of the Company are as follows:

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



## 17.8 Market price data

The details of monthly highest and lowest closing quotations of the Company's equity shares on National Stock Exchange of India Ltd (NSE) and BSE Ltd. during financial year 2014-15 are as under:

Month	NSE		BSE	
	High	Low	High	Low
April 2014	23.20	15.35	23.20	15.40
May 2014	30.45	21.20	30.40	20.80
June 2014	35.95	25.70	35.50	25.50
July 2014	33.85	25.95	33.90	26.05
August 2014	29.75	23.30	30.00	23.25
September 2014	35.30	27.00	35.35	27.00
October 2014	34.00	28.20	34.10	28.20
November 2014	33.50	27.85	33.50	28.20
December 2014	31.00	21.45	31.00	23.00
January 2015	27.90	23.15	27.90	23.10
February 2015	25.90	21.05	25.45	21.00
March 2015	24.70	19.00	24.75	19.00

## 17.9 Performance in comparison to broad based indices:

Company's share price on BSE vis-à-vis BSE Sensex

Month	BSE Sensex		Company's share price on BSE	
	High	Low	High	Low
April 2014	22,939.31	22,197.51	23.20	15.40
May 2014	25,375.63	22,277.04	30.40	20.80
June 2014	25,725.12	24,270.20	35.50	25.50
July 2014	26,300.17	24,892.00	33.90	26.05
August 2014	26,674.38	25,232.82	30.00	23.25
September 2014	27,354.99	26,220.49	35.35	27.00
October 2014	27,894.32	25,910.77	34.10	28.20
November 2014	28,822.37	27,739.56	33.50	28.20
December 2014	28,809.64	26,469.42	31.00	23.00
January 2015	29,844.16	26,776.12	27.90	23.10
February 2015	29,560.32	28,044.49	25.45	21.00
March 2015	30,024.74	27,248.45	24.75	19.00

Company's share price on NSE vis-à-vis SGP CNX Nifty

Month	SGP CNX Nifty		Company's share price on NSE	
	High	Low	High	Low
April 2014	6780.15	6656.80	23.20	15.35
May 2014	7272.50	7118.45	30.45	21.20
June 2014	7623.65	7531.60	35.95	25.70
July 2014	7791.85	7711.15	33.85	25.95
August 2014	7967.80	7939.20	29.75	23.30
September 2014	8030.90	7923.85	35.30	27.00
October 2014	8330.75	8198.05	34.00	28.20
November 2014	8617.00	8516.25	33.50	27.85
December 2014	8291.00	8243.75	31.00	21.45
January 2015	8996.60	8775.10	27.90	23.15
February 2015	8941.10	8751.35	25.90	21.05
March 2015	8550.45	8454.15	24.70	19.00

#### 17.10 Registrar and Transfer Agent (RTA)

The Company has changed its RTA from M/s. MCS Ltd. to M/s. MCS Share Transfer Agent Ltd. The details of RTA are as follows:

M/s MCS Share Transfer Agent Limited

12/1/5, Manoharpukur Road, Ground floor, Kolkata-700 026 (WB)

Tel. No.: 033 4072 4051/4052/4053, Fax No. 033 4072 4050, Email:mcssta@rediffmail.com

Name of the contact person :Mr. Subhas Bhattacharya, Compliance Officer.

#### 17.11 Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Shares under objection are returned within two weeks. The Officers of the Registrars were authorised to approve transfers.

#### 17.12 Distribution of shareholding

The shareholding distribution of equity shares as on 31 March 2015 is given below:

Serial number	Number of equity shares held	Number of folios	Number of shares	% of shareholding
1	1 - 500	12992	2184612	1.07
2	501 - 1,000	2407	2096311	1.02
3.	1,001 - 2,000	1493	2385699	1.16
4.	2,001 - 3,000	607	1623083	0.79
5.	3,001 - 4,000	329	1218677	0.60
6.	4,001 - 5,000	352	1686834	0.82
7.	5,001 - 10,000	583	4517082	2.21
8.	10,001 - 50,000	499	10641073	5.19
9.	50,001 - 1,00,000	86	6061833	2.96
10.	1,00,001 and above	105	172453556	84.18
	<b>Total</b>	<b>19453</b>	<b>204868760</b>	<b>100.00</b>





### 17.13 Shareholding pattern as on 31 March 2015

Sl No	Category	Number of folios	% of folios	Number of shares	% of shareholdings
1	Promoters	18	0.09	78329922	38.23
2.	Mutual funds and UTI	12	0.06	27049572	13.20
3.	Banks, financial institutions, insurance companies (central and state government institutions/non-government institutions)	16	0.08	15540015	7.59
4.	Pvt. corporate bodies	601	3.09	38808843	18.94
5.	Indian public	18519	95.20	37433123	18.28
6.	NRIs/OCBs/FIIs	287	1.48	7707285	3.76
	<b>Total</b>	<b>19453</b>	<b>100.00</b>	<b>204868760</b>	<b>100.00</b>

### 17.14 Dematerialisation of equity shares

As on 31 March 2015, 20,23,89,570 equity shares of the company, forming 98.79% of the share capital of the company stand dematerialised .

### 17.15 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 31.03.2014	171	7,36,910
No. of shareholders who approached the company for transfer of shares from the said unclaimed suspense account during the period 01.04.14 to 31.03.15.	2	2,500
No. of shareholders to whom shares were transferred from the unclaimed suspense account during the said period	2	2,500
Aggregate No. of shareholders and the outstanding shares lying in the said unclaimed suspense account as on 31.03.2015	169	7,34,410

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

### 17.16 Plants (manufacturing units):

1.	Orient Paper Mills, P.O. Amlai Paper Mills, Dist. Shahdol - 484117 (MP)
2.	Orient Paper Mills, P.O. Brajrajnagar, Dist. Jharsuguda -768216 (Orissa)
3.	Orient Electric, 6, Ghore Bibi Lane, Kolkata - 700 054 (WB).
4.	Orient Electric, 11, Industrial Estate, Sector 6, Faridabad - 121006 (Haryana)
5.	Orient Electric, 17, Taratalla Road, Kolkata-700088 (WB)
6.	Orient Electric, C-130, Sector 63, Noida 201301 (UP)
7.	Orient Electric, D-209, Sector 63, Noida 201301 (UP)

**17.17 Address for correspondence:**

Orient Paper & Industries Ltd

Birla Building, 13th Floor, 9/1, R. N. Mukherjee Road, Kolkata – 700001 (WB)

Email ID: cosec@orientpaperindia.com

The above report was placed before the Board at its meeting held on 11th May, 2015 and was approved.

**C.K. Birla**  
Chairman

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# Declaration Regarding Code of Conduct

The Board of Directors  
**Orient Paper & Industries Ltd.**

This is to confirm that the Company has received affirmation of compliance with “The Code of Conduct for Directors and Senior Executives” from all the Directors and Senior Executives of the Company to whom the same is applicable, for the year ended 31st March, 2015.

New Delhi, 11th May, 2015

**M.L. Pachisia**  
*Managing Director & CEO*



# CEO/CFO Certificate

The Board of Directors  
**Orient Paper & Industries Ltd.**

We hereby certify that:-

- a) We have received financial statement and the cash flow statement for the financial year 2014-15 and that to the best of our knowledge and belief:-
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements, present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
  - i) Significant changes in internal control during the said financial year
  - ii) Significant changes in accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Thanking you,

**M.L. Pachisia**  
*Managing Director & CEO*

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

New Delhi, 11th May, 2015

# Auditors' Certificate

To  
The Members of  
**Orient Paper and Industries Limited**

We have examined the compliance of conditions of corporate governance by ORIENT PAPER AND INDUSTRIES LIMITED, for the year ended 31st March 2015, 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 except for the fact that Chairman of the Audit Committee has not attended the Annual General Meeting held on 22nd August, 2014, as informed, due to illness.

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: 11th May, 2015



# Auditor's Report

# 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, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 of the state of affairs of the Company as at March 31, 2015, of its loss, and its cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note 35 regarding non provision of water tax demand amounting to Rs.37248.55 lacs (including interest and penalty of Rs. 35835.62 lacs) against which the Company has filed writ petition with the Hon'ble High Court and obtained an interim stay on the recovery, as more fully described therein. Pending final decision in the matter, its impact on the financial



statements is presently not ascertainable and accordingly no adjustments are considered necessary at this stage.

Our opinion is not qualified in respect of the above matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it 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) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company, in case of an unfavourable decision;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34, 35 and 37 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by 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: 11th May, 2015

## 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, 2015)

- (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 Rs.735.46 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.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year except for the value of Rs.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) 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 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) 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 a 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) The Company has not accepted any deposit from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess 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, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were 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	25.32	1996-97 to 2013-14	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, value added tax & 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, 2000-2014	435.42	Deputy/Assistant Commissioner/Commissioner/High Court/ CESTAT
	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.	1975 to 1977, 1978 to 1985, 1993-97, 2000-01, 2002-03 & 2005-07	81.74	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	54.23	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	262.41	Asst. Commissioner/ Deputy Commissioner/ Sales Tax officer / Sales Tax Appellate Tribunal/ High court/ Supreme Court
Income Tax Act, 1961	Disallowance of certain Expenditure, Tax deducted at source & Interest thereon	2005-06 to 2012-13	163.54	Commissioner (Appeals)
M.P. Upkar Adhinium, 2004	Energy development cess on consumption of Captive power including surcharge	2001-2002 to 2011-12	4,925.53	Supreme Court

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash loss in the current year and in the immediately preceding financial year.

(ix) 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 financial institutions, banks or debenture holders.

(x) 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

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

(xii) 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 material 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

Place: New Delhi  
Date: 11th May, 2015

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

## Balance sheet as at 31 March 2015

₹ In lacs

	Notes	31-Mar-15	31-Mar-14
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,048.79	2,048.79
Reserves and surplus	4	37,886.61	41,245.76
		<b>39,935.40</b>	<b>43,294.55</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	8,735.29	4,000.00
Deferred Tax Liabilities (Net)	14	-	741.07
Other long-term liabilities	6	3,352.12	3,351.42
Long-term provisions	7	1,978.00	1,884.42
		<b>14,065.41</b>	<b>9,976.91</b>
<b>Current liabilities</b>			
Short-term borrowings	8	26,517.22	28,716.29
Trade payables	9	30,222.92	30,490.17
Other current liabilities	9	9,830.17	7,390.76
Short-term provisions	7	1,760.92	1,893.70
		<b>68,331.23</b>	<b>68,490.92</b>
	<b>TOTAL</b>	<b>122,332.04</b>	<b>121,762.38</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	50,600.76	51,770.74
Intangible assets	11	863.08	76.30
Capital work-in-progress		277.15	174.14
Expenditure on Expansion/New projects (pending allocation)	12	-	71.29
Non-current investments	13	869.35	890.24
Long-term loans and advances	15	1,762.25	2,450.58
Trade receivables	16.1	389.35	616.82
Other non-current assets	16.2	453.73	357.43
		<b>55,215.67</b>	<b>56,407.54</b>
<b>Current assets</b>			
Inventories	17	22,866.09	16,290.67
Trade receivables	16.1	36,289.90	42,332.75
Cash and bank balances	18	2,773.83	2,534.60
Short-term loans and advances	15	4,087.22	3,454.85
Other current assets	16.2	1,099.33	741.97
		<b>67,116.37</b>	<b>65,354.84</b>
	<b>TOTAL</b>	<b>122,332.04</b>	<b>121,762.38</b>
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: 11th May, 2015

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 2015

₹ In lacs

	Notes	31-Mar-15	31-Mar-14
<b>Income</b>			
Revenue from operations (gross)	19	179,671.72	169,150.59
Less: excise duty		12,786.32	11,487.17
<b>Revenue from operations (net)</b>		<b>166,885.40</b>	<b>157,663.42</b>
Other income	20	2,014.99	3,951.12
<b>Total revenue (I)</b>		<b>168,900.39</b>	<b>161,614.54</b>
<b>Expenses</b>			
Cost of raw material & components consumed	21	76,536.35	64,299.22
Purchase of traded goods	22	26,378.83	35,864.60
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	22	(4,044.74)	(1,774.48)
Employee benefits expense	23	16,518.25	14,553.71
Other expenses	24	48,977.23	40,131.94
<b>Total (II)</b>		<b>164,365.92</b>	<b>153,074.99</b>
<b>Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>4,534.47</b>	<b>8,539.55</b>
Depreciation and amortization expense	25	4,370.05	4,721.94
Less: Recoupment from revaluation reserve		-	40.69
Net depreciation and amortization expense		4,370.05	4,681.25
Finance costs	26	4,377.99	3,712.35
<b>Profit / (Loss) before tax</b>		<b>(4,213.57)</b>	<b>145.95</b>
<b>Tax expenses</b>			
Current tax		-	26.50
Less: Income tax refund in respect of earlier years (net)		(735.32)	(69.89)
MAT Credit (Entitlement) / Reversal		-	(182.05)
Net Current Tax Expense / (Credit)		(735.32)	(225.44)
Deferred tax charge / (Credit)		(613.23)	(52.25)
<b>Total tax expense / (Credit)</b>		<b>(1,348.55)</b>	<b>(277.69)</b>
<b>Profit / (Loss) for the year</b>		<b>(2,865.02)</b>	<b>423.64</b>
<b>Basic &amp; Diluted Earnings per equity share</b>	<b>27</b>	<b>(1.40)</b>	<b>0.21</b>
<b>[nominal value of share ₹1 (31 March 2014: ₹1) (Rs.)</b>			
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

R.P. Dutta

P.K. Sonthalia

C.K. Birla Chairman

Date: 11th May, 2015

Secretary

President Finance & CFO

M.L. Pachisia Managing Director

## Cash Flow Statement for the year ended 31 March 2015

₹ In lacs

	2014-2015	2013-2014
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/ (Loss) before Tax	(4213.57)	145.95
<b>Non-cash Adjustment to reconcile profit before tax to Net Cash Flows</b>		
Depreciation and Amortisation Expenses	4,370.05	4,681.25
Interest Expenses	4,108.17	3,452.54
Other Borrowing Cost	269.82	259.81
Loss on Sale of Fixed Assets (Net)	133.40	11.49
Irrecoverable debts & advances written off	49.62	7.99
Provision for Doubtful Debts & Advances	178.26	167.15
Provision for Diminution in value of Investments Written back	-	(2.63)
Unrealised Foreign Exchange Loss/(Gain) (Net)	2.77	24.78
Interest & Dividend Income	(620.54)	(531.40)
	<b>4,277.98</b>	<b>8,216.93</b>
<b>Operating Profit before Working Capital Changes :</b>		
Increase /(Decrease) in Trade Payables	(267.25)	9,116.75
Increase in Long Term Provisions	93.58	11.30
Increase /(Decrease) in Short Term Provisions	(138.92)	178.75
Increase/(Decrease) in Other Current Liabilities	559.96	(277.92)
Increase in Other Long Term Liabilities	0.70	72.54
(Increase) / Decrease in Trade Receivables	6,092.06	(10,259.36)
(Increase) in Inventories	(6,575.42)	(2,968.89)
(Increase) in Long Term Loans & Advances	(4.45)	(11.02)
(Increase)/Decrease in Short Term Loans & Advances	(502.48)	750.83
(Increase) in Other Long Term Assets	(96.30)	(80.00)
(Increase) in Other Current Assets	(357.29)	(264.11)
<b>CASH GENERATED FROM / (USED IN) OPERATIONS:</b>	<b>3,082.17</b>	<b>4,485.80</b>
Direct Taxes Paid (Net)	555.81	(729.21)
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>3,637.98</b>	<b>3,756.59</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	55.28	23.07
Interest Received	396.60	319.26
Dividend Received	223.87	211.07
Purchase of Fixed Assets	(3,666.19)	(2,915.37)
Fixed Deposits made (Net)	(38.47)	(5.27)
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(3,028.91)</b>	<b>(2,367.24)</b>



## Cash Flow Statement (contd.) for the year ended 31 March 2015

₹ In lacs

	2014-2015	2013-2014
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Long Term Loans	(1,000.00)	-
Proceeds from Long Term Loan	7,500.00	5,000.00
Proceeds /(Repayment) from Short Term Borrowings (Net)	(2,201.83)	(1,812.55)
Interest Paid	(4,180.34)	(3,348.67)
Other Borrowing Cost	(269.82)	(259.81)
Dividend Paid	(221.50)	(210.32)
Dividend Tax Paid	(34.82)	(34.82)
<b>NET CASH FROM /(USED IN) FINANCING ACTIVITIES</b>	<b>(408.31)</b>	<b>(666.17)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>200.76</b>	<b>723.18</b>
* <b>Cash &amp; Cash Equivalents - Opening Balance</b>	<b>2,487.79</b>	<b>1,764.61</b>
<b>Total Cash &amp; Cash Equivalents - Opening Balance</b>	<b>2,487.79</b>	<b>1,764.61</b>
* <b>Cash &amp; Cash Equivalents - Closing Balance</b>	<b>2,688.55**</b>	<b>2,487.79</b>

\* Represents Cash and Bank Balances as indicated in Note No 18 and excludes ₹85.28 lacs (₹46.81 lacs) being Fixed Deposits with maturity of more than three months.

\*\* Includes ₹87.74 lacs (₹104.37 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

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: 11th May, 2015

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 2015

### 1. Corporate information

Orient Paper & Industries Ltd. (the Company) is a public Company domiciled in India. Its shares are listed on National and Bombay 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.

### 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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, except for the change in accounting policy explained below.

#### 2.1 Summary of significant accounting policies

##### Change in Accounting Policy

##### (i) Depreciation on Fixed Assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets, though these rates in certain cases are different from the rates based on the useful lives prescribed under Schedule II.

Further, on application of Schedule II to the Companies Act, 2013, the Company has changed the manner of providing depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset.

Based on transitional provision given in Schedule II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹248.30 Lacs (net of deferred tax of ₹127.85 Lacs) has been charged to opening balance of retained earnings. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been higher by ₹392.62 Lacs.

##### (ii) Accounting for additional depreciation on account of revaluation of assets

The Company had revalued all its land, buildings and plant & machinery existing as on 31 March 1991 and 31 March 1999. Till the year ended 31 March 2014, the Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued amount needs to be charged to the statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the Company has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014. Had the Company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from revaluation assets, loss for the current year would have been lower by ₹40.01 lacs. However, the change in accounting policy did not have any impact on reserves and surplus as at 31 March 2015.

##### (iii) Depreciation on assets costing less than ₹5,000/-

Schedule IV to the Companies Act, 1956, which was applicable till 31st March 2014, prescribed 100% depreciation on assets costing



## Notes to financial statements (contd.) for the year ended 31 March 2015

less than ₹5,000/- in the year of purchase whereas Schedule II to the Companies Act 2013, applicable from the current year, does not prescribe the same. The Company has, however, continued its accounting policy for depreciation of assets costing less than ₹5,000/- which, did not have any material impact on financial statements of the Company for the current year.

### (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 net of accumulated depreciation and accumulated 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 bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

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 ₹696.94 lacs (31st March 2014, ₹680.61 lacs) where Written Down Value method is followed) using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Class of Asset	Useful Lives estimated by the management (years)
Factory Buildings	30
Non-Factory Buildings	5 to 60
Railway Sidings	15
Plant and equipments	3 to 40
Furnitures & Fixtures	8 to 10
Computers (included under plant & equipments)	3
Office Equipments	5
Vehicles	10

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

## Notes to financial statements (contd.) for the year ended 31 March 2015

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipment as 3 to 20 years. These lives are lower than those indicated in schedule II.

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 effect 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 Technical Know how are amortised on a straight line basis over their useful lives 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.

### (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.





## Notes to financial statements (contd.) for the year ended 31 March 2015

### (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.

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.

### (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.

### (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.

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 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 on investment property is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management. The company has used the following rates to provide depreciation on its Investment Property.

Class of Asset	Useful Lives estimated by the management (years)
Non-Factory Buildings	30
Plant and equipments	15
Office Equipments	5

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.

#### 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.



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 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 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.

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 absences 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 settlement 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.

### (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

## Notes to financial statements (contd.) for the year ended 31 March 2015

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".

#### Unallocated items

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



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 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 loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. 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 2015

### 3. Share capital

₹ In lacs

	31-Mar-15	31-Mar-14
<b>Authorised shares (No. in lacs)</b>		
7,500 (31 March 2014: 7,500) Equity Shares of ₹1/- each	7,500.00	7,500.00
25 (31 March 2014: 25) Preference Shares of ₹100/- each	2,500.00	2,500.00
<b>Issued Shares (No. in lacs)</b>		
2,048.88 (31 March 2014 : 2,048.88) Equity Shares of ₹1/- each	2,048.88	2,048.88
<b>Total issued capital</b>	<b>2,048.88</b>	<b>2,048.88</b>
<b>Subscribed and paid-up shares (No. in lacs)</b>		
2,048.69 (31 March 2014: 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
<b>Total subscribed and paid-up share capital</b>	<b>2,048.79</b>	<b>2,048.79</b>

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

Equity shares	31-Mar-15		31-Mar-14	
	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	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>2,048.69</b>	<b>2,048.69</b>	<b>2,048.69</b>	<b>2,048.69</b>

#### (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 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹0.10 per share (31 March 2014: ₹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-15		31-Mar-14	
	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	506.44	24.72
Reliance Capital Trustee Co. Ltd A/c Reliance Growth Fund	136.23	6.65	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 2015

### 4. Reserves and surplus

₹ In lacs

	31-Mar-15	31-Mar-14
<b>Investment Subsidy</b>	15.00	15.00
<b>Revaluation reserve</b>		
Balance as per the last financial statements	599.95	640.64
Less: Amount transferred to the statement of profit and loss as reduction from depreciation [Refer Note 2.1 (ii)]	-	40.69
<b>Closing Balance</b>	<b>599.95</b>	<b>599.95</b>
<b>General reserve</b>		
Balance as per the last financial statements	27,902.82	28,097.87
Add: Amount transferred from surplus balance in the statement of profit and loss	-	500.00
Less: Amount adjusted pursuant to scheme of arrangement *	-	695.05
Less: Adjustment on account of Schedule II of Companies Act, 2013 [Refer Note 2.1 (i)]	248.30	-
<b>Closing Balance</b>	<b>27,654.52</b>	<b>27,902.82</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	12,727.99	13,044.04
Profit / (Loss) for the year	(2,865.02)	423.64
Less: Appropriations		
Proposed equity dividend (amount per share ₹0.10 (31 March 2014: ₹0.10))	204.87	204.87
Tax on proposed equity dividend	40.96	34.82
Transfer to general reserve	-	500.00
<b>Total appropriations</b>	<b>245.83</b>	<b>739.69</b>
<b>Net surplus in the statement of profit and loss</b>	<b>9,617.14</b>	<b>12,727.99</b>
<b>Total reserves and surplus</b>	<b>37,886.61</b>	<b>41,245.76</b>

\* 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.

### 5. Long-term borrowings

₹ In lacs

	Non-current portion		Current maturities	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Term loans (Secured)</b>				
From a Financial Institution	3,000.00	4,000.00	1,000.00	1,000.00
From a Bank	5,735.29	-	1,764.71	-
	<b>8,735.29</b>	<b>4,000.00</b>	<b>2,764.71</b>	<b>1,000.00</b>
Amount disclosed under the head "other current liabilities"(note 9)	-	-	(2,764.71)	(1,000.00)
<b>Net amount</b>	<b>8,735.29</b>	<b>4,000.00</b>	<b>-</b>	<b>-</b>

#### Note:

- Term loan from a Financial Institution is secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar and carries interest @ 12.50% p.a. (31st March 2014: 13% p.a.) and is repayable in 20 equal quarterly installments starting from June 28, 2014.
- Term loan from a Bank is secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar and carries interest @ 11.50% and is repayable in 17 equal quarterly installments starting from May 28, 2015.

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 6. Other long-term liabilities

₹ In lacs

	31-Mar-15	31-Mar-14
Deferred Payment Liabilities (Voluntary Retirement Scheme)	-	35.87
Trade & Other Deposits	3,352.12	3,315.55
	<b>3,352.12</b>	<b>3,351.42</b>

### 7. Provisions

₹ In lacs

	Long-term		Short-term	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Provision for employee benefits</b>				
Provision for gratuity (note 28)	864.72	859.69	585.21	525.74
Provision for leave benefits	670.68	546.28	170.58	155.58
	<b>1,535.40</b>	<b>1,405.97</b>	<b>755.79</b>	<b>681.32</b>
<b>Other provisions</b>				
Provision for warranties	442.60	478.45	759.30	972.69
Proposed equity dividend	-	-	204.87	204.87
Provision for tax on proposed equity dividend	-	-	40.96	34.82
	<b>442.60</b>	<b>478.45</b>	<b>1,005.13</b>	<b>1,212.38</b>
	<b>1,978.00</b>	<b>1,884.42</b>	<b>1,760.92</b>	<b>1,893.70</b>

#### 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-15	31-Mar-14
At the beginning of the year	1,451.14	1,366.22
Arising during the year	977.50	1,283.75
Utilized during the year	(1,226.74)	(1,198.83)
<b>At the end of the year</b>	<b>1,201.90</b>	<b>1,451.14</b>
Current portion	759.30	972.69
Non-current portion	442.60	478.45





## Notes to financial statements (contd.) for the year ended 31 March 2015

### 8. Short-term borrowings

₹ In lacs

	31-Mar-15	31-Mar-14
Cash credit / Packing Credit ( including Working Capital Demand Loans) from banks (secured)	13,104.44	18,533.47
<b>Other Loans &amp; Advances:-</b>		
Secured :		
Term Loan from Others	3,793.75	-
Unsecured :		
Term Loans		
From a Bank	4,000.00	4,000.00
From Others	5,000.00	5,000.00
Buyers Credit	619.03	1,182.82
	<b>26,517.22</b>	<b>28,716.29</b>

- Cash credit / Packing Credit ( including Working Capital Demand Loans) from banks are 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 are repayable on demand. The above loans carry interest @ 10.25% p.a. to 11.35% p.a. (31st March 2014 10.50 % p.a. to 11.10% p.a)
- Secured loan from Others is secured against pledge of shares held as investments by the Company. The above loan carries interest 11.25% p.a. and is repayable after 180 days.
- Unsecured Term Loans from Banks / Others carry interest @ 10.25% & 11.00% p.a.(31st March 2014 10.75% & 11.50%) and are repayable in 90 days to 180 days .
- Buyers Credit carries interest @ 0.86 % to 1.16% (31st March 2014 1.13 % p.a. to 1.54 % ) p.a and is repayable after 90 days to 180 days.

### 9. Other current liabilities

₹ In lacs

	31-Mar-15	31-Mar-14
Trade payables (including acceptances of ₹71.09 lacs (31 March 2014: ₹557.60 lacs)) (refer note 39 for details of dues to micro and small enterprises)	30,222.92	30,490.17
<b>Other liabilities</b>		
Payables against purchase of Fixed Assets	1,831.25	1,627.71
Current maturities of long-term borrowings (note 5)	2,764.71	1,000.00
Advance against Sales	532.63	446.31
Interest accrued but not due on borrowings	85.30	157.47
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	87.74	104.37
Others		
Trade & Other Deposits	333.44	343.82
Current portion of Deferred Payment Liabilities (Voluntary Retirement Scheme)	2.79	11.23
Statutory dues payable	4,164.54	3,671.79
Other Miscellaneous	22.59	22.88
	<b>9,830.17</b>	<b>7,390.76</b>
	<b>40,053.09</b>	<b>37,880.93</b>

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 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
<b>Cost or valuation</b>										
<b>At 1 April 2013</b>	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
<b>At 31 March 2014</b>	<b>223.03</b>	<b>202.45</b>	<b>5,996.34</b>	<b>3,358.09</b>	<b>96.89</b>	<b>77,836.71</b>	<b>1,289.75</b>	<b>663.80</b>	<b>469.05</b>	<b>90,136.11 (a)</b>
Additions	-	-	91.85	-	-	3,797.81	166.28	178.56	72.73	4,307.23
Disposals / Deductions	-	-	58.86	1.33	-	1,023.49	3.45	1.09	58.00	1,146.22
<b>At 31 March 2015</b>	<b>223.03</b>	<b>202.45</b>	<b>6,029.33</b>	<b>3,356.76</b>	<b>96.89</b>	<b>80,611.03</b>	<b>1,452.58</b>	<b>841.27</b>	<b>483.78(d)</b>	<b>93,297.12 (a)</b>
<b>Depreciation</b>										
<b>At 1 April 2013</b>	-	106.13	1,704.63	933.41	63.00	30,157.58	530.44	322.97	237.83	34,055.99
Charge for the year	-	4.03	176.05	65.25	2.11	4,199.59	83.34	46.49	42.45	4,619.31 (e)
Disposals / Deductions	-	-	-	-	-	281.17	1.35	0.80	26.61	309.93
<b>At 31 March 2014</b>	<b>-</b>	<b>110.16</b>	<b>1,880.68</b>	<b>998.66</b>	<b>65.11</b>	<b>34,076.00</b>	<b>612.43</b>	<b>368.66</b>	<b>253.67</b>	<b>38,365.37</b>
Charge for the year	-	4.03	160.52	77.98	3.40	3,732.19	138.00	113.68	39.27	4,269.07 (e)
Charge to general reserve	-	-	24.12	10.13	0.01	258.43	17.52	60.27	0.48	370.96
Disposals / Deductions	-	-	13.45	-	-	278.04	0.67	0.55	16.33	309.04
<b>At 31 March 2015</b>	<b>-</b>	<b>114.19</b>	<b>2,051.87</b>	<b>1,086.77</b>	<b>68.52</b>	<b>37,788.58</b>	<b>767.28</b>	<b>542.06</b>	<b>277.09</b>	<b>42,696.36</b>
<b>Net Block</b>										
<b>At 31 March 2014</b>	<b>223.03</b>	<b>92.29</b>	<b>4,115.66</b>	<b>2,359.43</b>	<b>31.78</b>	<b>43,760.71</b>	<b>677.32</b>	<b>295.14</b>	<b>215.38</b>	<b>51,770.74</b>
<b>At 31 March 2015</b>	<b>223.03</b>	<b>88.26</b>	<b>3,977.46</b>	<b>2,269.99</b>	<b>28.37</b>	<b>42,822.45</b>	<b>685.30</b>	<b>299.21</b>	<b>206.69</b>	<b>50,600.76</b>

- Includes assets held in Joint Ownership ₹1,344.72 lacs (31st March 2014, ₹1,344.72 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.
- Includes assets held in Joint Ownership ₹ Nil (31st March 2014, ₹20.00 lacs).
- Includes ₹79.87 lacs (31st March 2014, ₹79.87 lacs) in respect of flats whose registration in the Company's name is pending.
- 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.
- Includes depreciation ₹197.06 lacs (31st March 2014: ₹218.22 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 2015

### 11. Intangible assets

₹ In lacs

	Computer Software	Technical Know How	Total
<b>Gross block</b>			
At 1 April 2013	502.08	-	502.08
Additions	62.86	-	62.86
At 31 March 2014	564.94	-	564.94
Additions	121.09	750.97	872.06
At 31 March 2015	686.03	750.97	1,437.00
<b>Amortization</b>			
At 1 April 2013	395.83	-	395.83
Charge for the year	92.81	-	92.81
At 31 March 2014	488.64	-	488.64
Charge for the year	71.08	14.20	85.28
At 31 March 2015	559.72	14.20	573.92
<b>Net block</b>			
At 31 March 2014	76.30	-	76.30
At 31 March 2015	126.31	736.77	863.08

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

₹ In lacs

	31-Mar-15	31-Mar-14
<b>a) Pre-Operative &amp; Trial Run Expenses:</b>		
Salary & Wages	141.28	0.05
Contribution to Provident & other Fund	5.82	-
Gratuity Expenses	2.62	-
Staff welfare expenses	2.10	-
Project Consultancy charges	-	11.08
Rent	150.00	-
Miscellaneous Expenses	46.50	2.93
	<b>348.32</b>	<b>14.06</b>
b) Add: Balance brought forward from previous year	71.29	57.90
c) Less: Allocated to Fixed Assets during the year	(419.61)	(0.67)
d) Balance carried to Balance Sheet	-	71.29

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 13. Non-current investments

₹ In lacs

	31-Mar-15	31-Mar-14
<b>Investment property (at cost less accumulated depreciation)</b>		
Cost of land and building given on operating lease (a)	809.61	809.61
Less: Accumulated depreciation	131.66 *	110.77
<b>Net block</b>	<b>677.95</b>	<b>698.84</b>
* includes Rs. 5.20 lacs charged to General Reserve during the year.		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
Unquoted equity instruments		
<b>Investment in joint venture</b>		
173.99 lacs (31 March 2014: 173.99 ) Equity shares of 20 K.Sh each fully paid-up in Panafrikan 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 2014 ₹413.92 lacs)	-	-
<b>Government securities (unquoted)</b>		
6 Years National Savings Certificates (b)	0.90	0.90
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (quoted)</b>		
0.25 lac (31 March 2014: 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 2014: ₹0.77 lac)	-	-
200 (31 March 2014: 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 2014: ₹0.02 lac)	-	-
9.06 lacs (31 March 2014: 9.06 lacs) equity shares of ₹10 each fully paid-up in Hyderabad Industries Ltd.	127.12	127.12
15.45 lacs (31 March 2014: 15.45 lacs) equity shares of ₹10 each fully paid-up in Century Textiles & Industries Ltd. (c)	6.73	6.73
<b>Investment in equity instruments (unquoted)</b>		
0.30 lac (31 March 2014: 0.30 lac) equity shares of ₹10 each fully paid-up in Birla Buildings Ltd.	3.01	3.01
0.06 lac (31 March 2014: 0.06 lac) equity shares of ₹10 each fully paid-up in GMMCO Ltd.	53.64	53.64
	<b>191.40</b>	<b>191.40</b>
	<b>869.35</b>	<b>890.24</b>
Aggregate amount of quoted investments (Market value: ₹15381.36 lacs (31 March 2014: ₹8307.65 lacs))	133.85	133.85
Aggregate amount of unquoted investments	57.55	57.55
Value of investment property	677.95	698.84
Aggregate provision for diminution in value of investments	414.71	414.71

- a) 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 2014: ₹432.94 lacs) in the name of the Company is still pending.
- b) Government Securities of the Face Value of ₹0.90 lac (31 March 2014: ₹0.90 lac) are lodged with Government Departments as Security Deposits.
- c) Pledged as security against short term loan taken from a Bank (Refer Note 8)



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 14. Deferred tax liability (net)

₹ In lacs

	31-Mar-15	31-Mar-14
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,673.82	7,626.48
<b>Gross deferred tax liability</b>	<b>7,673.82</b>	<b>7,626.48</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,269.86	1,207.45
Provision for doubtful debts and advances	199.87	178.49
Provision for warranties	408.52	493.24
Unabsorbed depreciation and carried forward business loss	5,795.57	5,006.23
<b>Gross deferred tax asset</b>	<b>7,673.82</b>	<b>6,885.41</b>
<b>Net deferred tax Liability</b>	<b>-</b>	<b>741.07</b>

During the year, the Company has recognised deferred tax assets on business losses to the extent of deferred tax liability.

### 15. Loans and advances

₹ In lacs

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>(Unsecured)</b>				
<b>Capital advances</b>				
Considered good	206.77	899.55	-	-
Doubtful	1.80	15.00	-	-
	<b>208.57</b>	<b>914.55</b>	-	-
Provision for doubtful Capital Advances	1.80	15.00	-	-
<b>(A)</b>	<b>206.77</b>	<b>899.55</b>	<b>-</b>	<b>-</b>
<b>Trade &amp; Other Deposits</b>				
Considered good	960.87	973.95	36.69	96.54
Doubtful	-	-	10.00	10.00
	<b>960.87</b>	<b>973.95</b>	<b>46.69</b>	<b>106.54</b>
Provision for doubtful Trade & Other Deposits	-	-	10.00	10.00
<b>(B)</b>	<b>960.87</b>	<b>973.95</b>	<b>36.69</b>	<b>96.54</b>
<b>Advances recoverable in cash or in kind or for value to be received or pending adjustments</b>				
Considered good	106.78	99.32	2,191.05	1,797.57
Doubtful	-	-	-	1.00
	<b>106.78</b>	<b>99.32</b>	<b>2,191.05</b>	<b>1,798.57</b>
Less: provision for doubtful advances	-	-	-	1.00
<b>(C)</b>	<b>106.78</b>	<b>99.32</b>	<b>2,191.05</b>	<b>1,797.57</b>

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 15. Loans and advances (contd.)

₹ In lacs

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Other loans and advances (Considered Good)</b>				
Deposits against demand under dispute	481.99	474.28	157.25	157.25
Prepaid Expenses	5.84	3.48	227.77	200.48
Advance payment of Income tax, tax deducted at source & refunds receivable etc. (after adjusting provisions)	-	-	507.86	328.35
Balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	966.60	874.66
<b>Other loans and advances (Considered Doubtful)</b>				
Balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	-	48.81
	<b>487.83</b>	<b>477.76</b>	<b>1,859.48</b>	<b>1,609.55</b>
Less: provision for doubtful balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	-	48.81
(D)	<b>487.83</b>	<b>477.76</b>	<b>1,859.48</b>	<b>1,560.74</b>
<b>Total (A+B+C+D)</b>	<b>1,762.25</b>	<b>2,450.58</b>	<b>4,087.22</b>	<b>3,454.85</b>
<b>Advances due by officers of the Company.</b>				
Advances due by officers of the Company	-	-	-	0.90

### 16. Trade receivables and other assets

#### 16.1. Trade receivables

₹ In lacs

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Secured, considered good	-	-	25.50	26.61
Unsecured, considered good	-	-	500.41	111.13
Doubtful	-	-	469.49	362.04
	-	-	<b>995.40</b>	<b>499.78</b>
Provision for doubtful trade receivables	-	-	469.49	362.04
(A)	-	-	<b>525.91</b>	<b>137.74</b>
<b>Other receivables</b>				
Secured, considered good	-	-	2,437.64	2,361.07
Unsecured, considered good	389.35	616.82	33,326.35	39,833.94
Doubtful	-	-	106.74	65.44
	<b>389.35</b>	<b>616.82</b>	<b>35,870.73</b>	<b>42,260.45</b>
Provision for doubtful trade receivables	-	-	106.74	65.44
(B)	<b>389.35</b>	<b>616.82</b>	<b>35,763.99</b>	<b>42,195.01</b>
(A)+(B)	<b>389.35</b>	<b>616.82</b>	<b>36,289.90</b>	<b>42,332.75</b>



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 16. Trade receivables and other assets (contd.)

#### 16.2. Other Current Assets

₹ In lacs

	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Unsecured, considered good</b>				
Interest accrued on Loans, Debts, Deposits etc.	-	-	3.51	3.44
Export Benefit Receivable	-	-	684.66	560.62
Claims & Refunds Receivable	346.38	277.43	376.16	158.13
Unamortised ancillary cost of borrowings	107.35	80.00	35.00	19.78
	<b>453.73</b>	<b>357.43</b>	<b>1,099.33</b>	<b>741.97</b>
<b>Unsecured, (Considered Doubtful)</b>				
Claims & Refunds Receivable	-	-	-	22.83
	-	-	-	<b>22.83</b>
Less: provision for doubtful claims & refunds receivable	-	-	-	22.83
	-	-	-	-
	<b>453.73</b>	<b>357.43</b>	<b>1,099.33</b>	<b>741.97</b>

### 17. Inventories

₹ In lacs

	Note	31-Mar-15	31-Mar-14
<b>Valued at Lower of Cost and Net Realisable Value</b>			
Raw materials & components	21	7,054.42	5,057.43
Work-in-progress	22	924.46	900.09
Finished goods	22	8,772.78	4,926.42
Traded goods	22	3,361.60	2,690.06
Stores, Chemicals and spare parts etc.		2,577.29	2,615.04
<b>At Estimated Realisable Value</b>			
By-Products		4.03	3.40
Scrap		171.51	98.23
		<b>22,866.09</b>	<b>16,290.67</b>
The above includes stock in transit:			
Finished Goods		109.40	167.72
Stores, Chemicals and spare Parts etc.		20.69	29.85
		<b>130.09</b>	<b>197.57</b>

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 18. Cash and bank balances

₹ In lacs

	Current	
	31-Mar-15	31-Mar-14
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts (including ₹5.19 lacs (31st March 2014, ₹5.70 lacs) in earmarked accounts)	2,569.91	2,366.81
- Deposits with original maturity of less than three months	0.09	0.09
- On unpaid dividend account	87.74	104.37
In Post office savings bank account	0.68	0.76
Cheques on hand	1.60	0.40
Unpaid matured deposits	3.60	2.85
Cash on hand	24.93	12.51
	<b>2,688.55</b>	<b>2,487.79</b>
Other bank balances *		
Deposits with original maturity for more than 12 months	8.65	8.03
Deposits with original maturity for more than 3 months but less than 12 months	76.63	38.78
	<b>85.28</b>	<b>46.81</b>
	<b>2,773.83</b>	<b>2,534.60</b>

\* Receipts/Pass Books for ₹77.28 lacs (31 March 2014: ₹46.41 lacs) are lodged with Government Departments/Banks as security.

### 19. Revenue from operations

₹ In lacs

	31-Mar-15	31-Mar-14
<b>Revenue from operations</b>		
Sale of products		
Finished goods	147,262.91	125,906.58
Traded goods	32,945.44	42,570.31
	<b>180,208.35</b>	<b>168,476.89</b>
Less: Cash Discount, Rebates etc.	5,090.19	4,278.18
	<b>175,118.16</b>	<b>164,198.71</b>
Other operating revenue		
Scrap sales	3,321.34	3,587.10
Export Incentives	1,029.42	1,150.47
Other Receipts	202.80	214.31
<b>Revenue from operations (gross)</b>	<b>179,671.72</b>	<b>169,150.59</b>
Less: Excise duty #	12,786.32	11,487.17
<b>Revenue from operations (net)</b>	<b>166,885.40</b>	<b>157,663.42</b>

# Excise duty on sales amounting to ₹12,786.32 lacs (31 March 2014: ₹11,487.17 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/ (decrease) in stock amounting to ₹571.45 lacs (31 March 2014: ₹166.23 lacs) has been considered as (income)/expense as shown in note 22 of financial statements.





## Notes to financial statements (contd.) for the year ended 31 March 2015

### 19. Revenue from operations (contd.)

#### Detail of products sold

	₹ In lacs	
	31-Mar-15	31-Mar-14
<b>Finished goods sold</b>		
Pulp, Paper & Board	42,029.28	37,746.19
C.S.Lye (excluding flake conversion)	4,253.58	3,241.48
C.S.Flakes	2,970.61	2,990.81
Liquid Chlorine	195.59	137.79
Hydrochloric Acid	96.50	52.53
Electrical Fans	79,119.36	66,834.68
Lights & Luminaries	14,277.22	10,848.39
Switchgears	3.26	-
Air Pollution Control Equipments	171.79	168.56
Industrial Blowers	449.84	707.60
Other Miscellaneous Items	193.57	151.80
	<b>143,760.60</b>	<b>122,879.83</b>
<b>Traded goods sold</b>		
Electrical Fans	16,423.23	19,123.16
Lights & Luminaries	7,796.78	7,812.57
Appliances	7,137.55	14,258.48
Exercise Books	-	124.67
	<b>31,357.56</b>	<b>41,318.88</b>
	<b>175,118.16</b>	<b>164,198.71</b>

### 20. Other income

	₹ In lacs	
	31-Mar-15	31-Mar-14
<b>Interest income on</b>		
Debts, deposits, advances etc.	396.67	320.33
<b>Dividend income on</b>		
Current investments	-	9.86
Long-term investments	223.87	201.21
Rental income on Long-term investments	214.38	147.81
Insurance & Other Claims	340.77	26.18
Rent & Hire Charges	254.09	247.89
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	239.82	256.40
Gain on Exchange Rate Fluctuations (net)	131.98	-
Provision for Diminution in the value of Long Term Investments written back	-	2.63
Sale of discarded Machinery Scrap	-	2,506.07
Miscellaneous Receipts	213.41	232.74
	<b>2,014.99</b>	<b>3,951.12</b>

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 21. Cost of raw materials & components consumed

	₹ In lacs	
	31-Mar-15	31-Mar-14
Inventory at the beginning of the year	5,057.43	4,113.95
Add: Purchases & procurement expenses / job charges	78,667.94	65,521.63
	<b>83,725.37</b>	<b>69,635.58</b>
Less: Sales	134.60	278.93
Less: inventory at the end of the year	7,054.42	5,057.43
Cost of raw materials & components consumed	<b>76,536.35</b>	<b>64,299.22</b>

### Details of raw materials & components consumed

	₹ In lacs	
	31-Mar-15	31-Mar-14
Bamboo	8,180.42	10,534.46
Wood	7,972.92	5,036.79
Salt	1,513.24	1,255.43
Copper Wire Road & Strips	8,162.18	7,572.29
CRCA, Silicon Sheets & Plates	9,052.27	7,617.32
Blades for Ceiling Fans	8,569.04	6,816.07
Miscellaneous Items #	33,086.28	25,466.86
	<b>76,536.35</b>	<b>64,299.22</b>

# 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-15	31-Mar-14
<b>Raw materials</b>		
Bamboo	1,307.30	846.17
Wood	842.34	679.69
Salt	180.76	171.13
Copper Wire Road & Strips	193.40	193.22
CRCA, Silicon Sheets & Plates	117.92	86.75
Blades for Ceiling Fans	237.90	201.12
Miscellaneous Items	4,174.80	2,879.35
	<b>7,054.42</b>	<b>5,057.43</b>



## Notes to financial statements (contd.) for the year ended 31 March 2015

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

₹ In lacs

	31-Mar-15	31-Mar-14
Inventories at the end of the year		
Traded goods	3,361.60	2,690.06
Work-in-progress	924.46	900.09
Finished goods	8,772.78	4,926.42
By Products	4.03	3.40
Scrap	171.51	98.23
	<b>13,234.38</b>	<b>8,618.20</b>
Inventories at the beginning of the year		
Traded goods	2,690.06	2,317.21
Work-in-progress	900.09	1,138.89
Finished goods	4,926.41	3,148.65
By Products	3.40	0.87
Scrap	98.23	71.87
	8,618.19	6,677.49
	<b>(4,616.19)</b>	<b>(1,940.71)</b>
(Increase)/decrease of excise duty on inventory	571.45	166.23
	<b>(4,044.74)</b>	<b>(1,774.48)</b>

### Details of purchase of traded goods

₹ In lacs

	31-Mar-15	31-Mar-14
Electrical Fans	14,049.92	17,287.09
Lights & Luminaries	6,520.71	5,988.26
Appliances	5,794.19	12,509.27
Switchgears	14.01	-
Exercise Books	-	79.98
	<b>26,378.83</b>	<b>35,864.60</b>

### Details of inventory

₹ In lacs

	31-Mar-15	31-Mar-14
<b>Traded goods</b>		
Electrical Fans	559.32	649.35
Lights & Luminaries	944.43	487.77
Appliances	1,843.84	1,552.94
Switchgears	14.01	-
	<b>3,361.60</b>	<b>2,690.06</b>
<b>Work-in-progress</b>		
Paper	351.53	368.48
Salt	16.63	15.07
CS Lye	286.59	247.71
Fans & Components	216.61	198.27
Lights & Luminaries	50.75	67.39
Air Pollution Control Equipments	0.24	1.26
Industrial Blowers	2.11	1.91
	<b>924.46</b>	<b>900.09</b>

## Notes to financial statements (contd.) for the year ended 31 March 2015

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

Details of inventory	₹ In lacs	
	31-Mar-15	31-Mar-14
<b>Finished goods</b>		
Pulp, Paper & Board	1,793.58	1,148.38
C.S.Lye (excluding flake conversion)	291.12	203.44
C.S.Flakes	11.90	8.07
Electrical Fans	6,161.98	3,366.54
Lights & Luminaries	451.18	196.91
Switchgears	49.54	-
Air Pollution Control Equipments	9.43	0.56
Industrial Blowers	4.05	2.52
	<b>8,772.78</b>	<b>4,926.42</b>
<b>By-products</b>		
Liquid Chlorine	3.42	3.10
Hydrochloric Acid	0.61	0.30
	<b>4.03</b>	<b>3.40</b>

### 23. Employee benefits expense

	₹ In lacs	
	31-Mar-15	31-Mar-14
Salaries, wages and bonus	13,974.37	12,241.46
Contribution to provident and other funds	890.65	850.19
Gratuity expense (Note 28)	543.81	318.85
Staff welfare expenses	1,109.42	1,143.21
	<b>16,518.25</b>	<b>14,553.71</b>

### 24. Other expenses

	₹ In lacs	
	31-Mar-15	31-Mar-14
Consumption of stores (after adjusting Sales & Claims ₹3.20 lacs (31st March 2014, ₹21.15 lacs)	7,498.64	5,816.70
Handling & Other charges to contractors	1,463.39	1,354.43
Power and fuel	11,998.79	9,993.52
Packing, Freight and forwarding charges	9,643.22	7,965.54
Rent & Hire Charges	1,226.21	1,160.74
Rates and taxes	335.67	347.17
Insurance	216.22	182.80
Repairs and maintenance		
Plant and machinery	2,081.43	2,059.28
Buildings	433.79	360.30



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 24. Other expenses (contd.)

₹ In lacs

	31-Mar-15	31-Mar-14
CSR Expenditure	83.38	-
Advertising and sales promotion	6,847.97	3,898.67
Directors' Sitting Fees	29.80	8.20
Commission on sales	635.56	497.05
Payment to auditor		
As auditor:		
Audit fee	32.50	25.00
Limited review	19.50	15.00
In other capacity:		
Tax audit fee	7.50	7.50
For certificates & other services	3.56	2.50
Reimbursement of expenses	4.37	5.06
Payment to cost auditor	0.53	1.21
Warranty Claims	2,204.97	2,651.81
Less: Utilisation against provision	(1,226.74)	(1,198.83)
	978.23	1,452.98
Exchange Rate Fluctuations (net)	-	139.64
Professional & Consultancy Charges	1,015.85	999.02
Bad debts / advances written off (net of reversals)	49.62	7.99
Sales Tax, Surcharge & Turnover Tax etc.	198.48	191.72
Provision for doubtful debts and advances	178.26	167.15
Loss on sale of fixed assets (net)	133.40	11.49
Miscellaneous expenses	3,861.36	3,461.28
	<b>48,977.23</b>	<b>40,131.94</b>
Above expenses include research and development expenses	<b>78.49</b>	<b>78.65</b>

### 25. Depreciation and amortization expense

₹ In lacs

	31-Mar-15	31-Mar-14
Depreciation of tangible assets	4,269.07	4,619.31
Amortization of intangible assets	85.28	92.81
Depreciation of investment property	15.70	9.82
	<b>4,370.05</b>	<b>4,721.94</b>
Less: recoupment from revaluation reserve	-	40.69
	<b>4,370.05</b>	<b>4,681.25</b>

### 26. Finance costs

₹ In lacs

	31-Mar-15	31-Mar-14
Interest	4,108.17	3,452.54
Other Borrowing Cost	269.82	205.89
Exchange difference to the extent considered as an adjustment to the borrowing	-	53.92
	<b>4,377.99</b>	<b>3,712.35</b>

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 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-15	31-Mar-14
Profit / (Loss) after Tax	(2,865.02)	423.64
Net profit for calculation of basic and diluted EPS	<b>(2,865.02)</b>	<b>423.64</b>
	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 2014: ₹1)] (Rs.)	<b>(1.40)</b>	<b>0.21</b>

### 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-15	31-Mar-14
Current service cost	224.14	206.59
Interest cost on benefit obligation	320.46	283.38
Expected return on plan assets	(250.94)	(220.11)
Past Service Cost	-	-
Net actuarial( gain) / loss recognized in the year	340.70	153.24
<b>Net benefit expense *</b>	<b>634.36</b>	<b>423.10</b>
Actual return on plan assets	219.74	202.24

\* includes ₹90.55 lacs ( ₹104.25 lacs) debited under other head of expenses

#### Balance sheet

Benefit asset/ liability

	₹ In lacs	
	Gratuity	
	31-Mar-15	31-Mar-14
Present value of defined benefit obligation	(4,400.37)	(3,993.85)
Fair value of plan assets	2,950.44	2,608.42
<b>Plan asset / (liability)</b>	<b>(1,449.93)</b>	<b>(1,385.43)</b>



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 28. Gratuity - Defined Benefit Plan (contd.)

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

₹ In lacs

	Gratuity	
	31-Mar-15	31-Mar-14
Opening defined benefit obligation	3,993.85	3,716.19
Current service cost	224.14	206.59
Interest cost	320.46	283.38
Benefits paid	(447.59)	(347.68)
Actuarial (gains) / losses on obligation	309.51	135.37
Past Service Cost	-	-
Closing defined benefit obligation	4,400.37	3,993.85

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

₹ In lacs

	Gratuity	
	31-Mar-15	31-Mar-14
Opening fair value of plan assets	2,608.42	2,277.08
Expected return	250.94	220.11
Contributions by employer	505.79	460.15
Benefits paid	(383.52)	(331.05)
Actuarial gains / (losses)	(31.19)	(17.87)
<b>Closing fair value of plan assets</b>	<b>2,950.44</b>	<b>2,608.42</b>

The Company expects to contribute ₹525 lacs to gratuity fund in the next year (31 March 2014: ₹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-15	31-Mar-14
Investments with insurer	100%	100%

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

	Gratuity	
	31-Mar-15	31-Mar-14
Discount rate	8.00%	8.50%
Attrition rate	Age upto 45 years 5%	Age upto 45 years 5%
	Age above 45 years 1%	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 2015

### 28. Gratuity - Defined Benefit Plan (contd.)

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

	₹ In lacs				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Gratuity</b>					
Defined benefit obligation	4,400.37	3,993.85	3,716.19	4,625.71	4,077.28
Plan assets	2,950.44	2,608.42	2,277.08	2,641.20	2,292.21
Surplus / (deficit)	(1,449.93)	(1,385.43)	(1,439.11)	(1,984.51)	(1,785.07)
Experience adjustments on plan liabilities*	(36.89)	21.32	(330.80)	(228.95)	(197.21)
Experience adjustments on plan assets*	(31.19)	(17.87)	(13.99)	(23.59)	(20.48)

\* The management has relied on the overall actuarial valuation conducted by the actuary.

### Defined Contribution Plan

	₹ In lacs	
	31-Mar-15	31-Mar-14
Contribution to Provident / Pension Funds	721.00	676.18
Contribution to Superannuation Fund	153.61	160.73

### 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-15	31-Mar-14
Lease payments made for the year	1,226.21	1,160.74
Contingent rent recognized in Profit & Loss Account	-	-
	<b>1,226.21</b>	<b>1,160.74</b>

#### Operating lease: Company as lessor

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 2015

### 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, Appliances & Switchgears.

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 2015

Particulars	₹ In lacs			
	Paper	Electrical Consumer Durables	Others	Total Operations
<b>Revenue *</b>				
External	47,314.73	118,983.26	587.41	166,885.40
Inter segment	-	-	-	-
<b>Total</b>	<b>47,314.73</b>	<b>118,983.26</b>	<b>587.41</b>	<b>166,885.40</b>
<b>Results</b>				
Segment results	(3,776.28)	4,528.75	17.49	769.96
Unallocated Income / (Expenses) (net of unallocable expenses/ income)				(605.54)
<b>Operating profit</b>				164.42
Finance costs				4,377.99
<b>Profit / (Loss) before tax</b>				(4,213.57)
Income tax expense / (credit)				(1,348.55)
<b>Net profit / (Loss)</b>				<b>(2,865.02)</b>
<b>As at 31 March 2015</b>				
Segment assets	52,842.17	65,834.29	308.05	118,984.51
Unallocated assets				3,347.53
<b>Total assets</b>				<b>122,332.04</b>
Segment liabilities	12,505.36	27,374.09	150.28	40,029.73
Unallocated liabilities				42,366.91
<b>Total liabilities</b>				<b>82,396.64</b>
<b>Other segment information</b>				
Capital expenditure:- **				
Tangible assets	567.68	3687.62	0.60	4,255.90
Intangible assets	-	872.05	-	872.05
Depreciation ***	2,577.48	1,642.34	2.34	4,222.16
Amortization	-	85.28	-	85.28

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 31. Segment information (contd.)

Year ended 31 March 2014

Particulars				₹ In lacs
	Paper	Electrical Consumer Durables	Others	Total Operations
<b>Revenue *</b>				
External	43,005.41	113,857.88	800.13	157,663.42
Inter segment	-	-	-	-
<b>Total</b>	<b>43,005.41</b>	<b>113,857.88</b>	<b>800.13</b>	<b>157,663.42</b>
<b>Results</b>				
Segment results	(1,481.09)	6,386.36	40.66	4,945.93
Unallocated Income / (Expenses) (net of unallocable expenses/ income)				(1,087.63)
<b>Operating profit</b>				<b>3,858.30</b>
Finance costs				3,712.35
<b>Profit / (Loss) before tax</b>				<b>145.95</b>
Income tax expense / (credit)				(277.69)
<b>Net profit / (Loss)</b>				<b>423.64</b>
<b>As at 31 March 2014</b>				
Segment assets	53,386.30	64,882.99	278.60	118,547.89
Unallocated assets				3,214.49
<b>Total assets</b>				<b>121,762.38</b>
Segment liabilities	10,739.49	28,701.34	137.70	39,578.53
Unallocated liabilities				38,889.30
<b>Total liabilities</b>				<b>78,467.83</b>
<b>Other segment information</b>				
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

### Geographical segments

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

Year ended 31 March 2015			₹ In lacs
	India	Overseas	Total
<b>Revenue *</b>			
Sales to external customers	144,376.49	22,508.91	<b>166,885.40</b>
<b>Other segment information</b>			
Segment assets	115,814.73	3,169.78 #	<b>118,984.51</b>



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 31. Segment information (contd.)

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

# 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 ₹4.43 lacs (31st March 2014, ₹21.50 lacs) being unallocated corporate/other assets.

\*\*\* Excluding ₹62.61 lacs (31st March 2014, ₹65.82 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 & Industries Ltd
Key management personnel	Mr. M.L. Pachisia (Managing director) Mr. P. K. Sonthalia (President Finance & CFO) (w.e.f. 1st April, 2014) Mr. Rakesh Khanna (w.e.f. 1st December 2014) Mr. Manoj Verma (upto 31st July 2014 ) Mr. Ajay Gupta (w.e.f. 4th February 2015) Mr. N. K. Saha (upto 3rd February 2015 ) Mr. B.S. Gilra Mr. S.B. Bhaiya (upto 2nd April 2013) Mr. R.P. Dutta (Company Secretary) (w.e.f. 1st April, 2014)
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

	Year ended	Sale of goods	Miscellaneous Receipts	Amount owed by related parties*
Enterprises owned or significantly influenced by key management personnel or their relatives				
Origami Tissues	31-Mar-15	19.00	-	-
	31-Mar-14	-	-	0.08
Origami	31-Mar-15	-	-	-
	31-Mar-14	14.74	-	0.64
Origami Ventures	31-Mar-15	-	-	-
	31-Mar-14	-	-	0.31

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 32. Related party disclosures (contd.)

#### a. Sale of goods

₹ In lacs

	Year ended	Sale of goods	Miscellaneous Receipts	Amount owed by related parties*
Origami Products	31-Mar-15	3.64	-	-
	31-Mar-14	14.29	-	0.06
Origami Cellulo Pvt Ltd	31-Mar-15	29.03	-	-
	31-Mar-14	84.61	-	4.05
Origami Enterprises	31-Mar-15	-	3.78	0.16
	31-Mar-14	-	3.42	0.16
<b>Total</b>	<b>31-Mar-15</b>	<b>51.67</b>	<b>3.78</b>	<b>0.16</b>
	<b>31-Mar-14</b>	<b>113.64</b>	<b>3.42</b>	<b>5.30</b>

\* 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
<b>Associate</b>				
Central India & Industries Ltd	31-Mar-15	50.64	-	-
	31-Mar-14	50.64	-	-
<b>Key management personnel</b>				
Mr. M.L. Pachisia	31-Mar-15	0.04	-	-
	31-Mar-14	0.04	-	-
<b>Total</b>	<b>31-Mar-15</b>	<b>50.68</b>	<b>-</b>	<b>-</b>
	<b>31-Mar-14</b>	<b>50.68</b>	<b>-</b>	<b>-</b>

#### 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 (Managing Director)	31-Mar-15	337.03	-	65.00
	31-Mar-14	282.32	-	65.00
Mr. P. K. Sonthalia (President Finance & CFO)	31-Mar-15	137.01	-	-
	31-Mar-14	-	-	-
Mr. Rakesh Khanna	31-Mar-15	76.33	-	-
	31-Mar-14	-	-	-
Mr. Manoj Verma	31-Mar-15	115.23	-	-
	31-Mar-14	187.54	-	-
Mr. S.B. Bhaiya	31-Mar-15	-	-	-
	31-Mar-14	21.58	-	-
Mr. Ajay Gupta	31-Mar-15	9.94	-	-
	31-Mar-14	-	-	-
Mr. B.S. Gilra	31-Mar-15	25.92	-	-
	31-Mar-14	22.47	-	0.20
Mr. N. K. Saha	31-Mar-15	56.27	-	-
	31-Mar-14	61.42	-	-
Mr. R.P. Dutta (Company Secretary)	31-Mar-15	14.80	-	-
	31-Mar-14	-	-	-
<b>Total</b>	<b>31-Mar-15</b>	<b>772.53</b>	<b>-</b>	<b>65.00</b>
	<b>31-Mar-14</b>	<b>575.33</b>	<b>-</b>	<b>65.20</b>

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 2015

### 33. Capital and other commitments

- (a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹353.20 lacs (31 March 2014: ₹1482.26 lacs).
- (b) For commitments relating to lease arrangements, please refer note 29.

### 34. Contingent liabilities

₹ In lacs

	31-Mar-15	31-Mar-14
a) Outstanding bank guarantees	1,476.59	1,527.13
b) Bills Discounted under channel finance facilities	2,278.02	2,276.69
c) Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company: (*)		
Excise Duty	1,741.90	1,588.30
Sales Tax	547.30	505.96
Income Tax	163.53	24.89
Water Tax	6,496.46	5,086.23
Cess on Captive Power consumption	4,377.63	3,625.66
Krishi Upaj Mandi Fees	1,229.56	1,229.56
Others	2,983.73	2,892.63
	<b>17,540.11</b>	<b>14,953.23</b>
Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	<b>639.24</b>	<b>631.53</b>
(*) 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.		
d) Outstanding claims from employees not acknowledged as debts, including Bonus claims under adjudication and wages for suspension period at Brajrajnagar Unit.		Amount unascertainable

**35.** In October 1963, the paper division of the Company had applied to the Public Work Department (Irrigation) of the Madhya Pradesh State Government for drawing water without any charge from Sone River upto 1165 Million Cubic Feet (MCF) with the provision for increase upto 2500 MCF on full development of paper mill, the permission for which was granted by the State Government. In August 2000, the Madhya Pradesh State Government issued a notification and decided to levy charges on water consumption from river resources for industrial purposes with retrospective effect from June, 1998, the constitutional validity of which was challenged by the Company by way of a writ petition in the High Court of Madhya Pradesh. During the pendency of the said writ petition, the Water Resource Department (WRD) of the State Government started raising the bill for consumption of water on the basis of assumption of total quantum of water allowed to be drawn by the Company at 2500 MCF whereas, as per the Company, the quantum of water allowed to be drawn was 1165 MCF and the Company had never drawn the water even upto the initial quantity of 1165 MCF since it had not attained full development of the paper mill. One of the major reasons for not being able to achieve full development was frequent perennial shortage of water. Based on an interim order passed by the Madhya Pradesh High Court in the aforesaid writ petition, the Company started paying water charges based on actual consumption of water (less than 1165 MCF), while the WRD of the State Government continued to raise bills on the basis of assumed consumption of 2500 MCF plus interest and penalty thereon. In January 2009, the High Court of Madhya Pradesh upheld the constitutional validity of August 2000 notification. After the aforesaid judgement, the Company paid Rs. 908.47 lacs being the difference amount between the assumed quantity of 1165 MCF and the actual consumption, while the WRD of the State Government continued to raise the bills on the basis of assumed quantity of water consumption of 2500 MCF till April 2009, when the Company entered into a new agreement with the WRD of the State Government for water consumption of only 440 MCF effective from May 2009. The total balance demand for

## Notes to financial statements (contd.) for the year ended 31 March 2015

the aforesaid period amounts to Rs. 37,248.55 lacs (including interest and penalty of Rs. 35,835.62 lacs) as at 31st March 2015, for which no provision has been made in the books. The WRD of the State Government issued a notice for recovery of aforesaid demand in February 2015, against which the Company filed a writ petition in the Madhya Pradesh High Court and obtained an interim stay on the recovery. Also, Madhya Pradesh High Court has set aside demand for penal interest in a similar case for another Company. The Company has been legally advised that it has a fit case for quashing the present demand.

- 36.** (a) Reappointment of Managing Director with effect from 23rd September 2014 and remuneration of ₹178.19 lacs paid during the year ended 31st March, 2015 as in excess of the limit prescribed under Schedule V of the Companies Act, 2013 is subject to approval of the Central Government.
- (b) Similarly, reappointment of Managing Director with effect from 23rd September 2013 and remuneration of ₹203.54 Lacs paid during the year ended 31st March, 2014 as in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956 is subject to approval of the Central Government.
- 37.** Trade Payable, Payable against Purchase of Fixed Assets and Statutory Dues includes ₹244.71 lacs, ₹387.31 lacs and ₹.977.55 lacs respectively in respect of cases where litigations are pending.

### 38. 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\$ Nil (US\$ 15 lacs) to hedge foreign currency sales.
- (b) Particulars of unhedged foreign currency exposure as at the reporting date
- (i) Trade Receivables ₹3169.78 lacs (USD 50.51 lacs) (Euro 0.18.lacs) [31st March 2014 ₹3549.43 lacs (USD 59.06 lacs)], (Euro Nil).
- (ii) Trade Payables ₹1766.21 lacs (USD 14.59 lacs), (Euro 11.71 lacs) (JPY 109.38 lacs) [31st March 2014 ₹771.76 lacs (USD 12.84 lacs), (Euro Nil)(JPY Nil)].
- (iii) Buyers Credit ₹619.03 lacs (USD 9.87 lacs) [ 31st March 2014 ₹1182.82 lacs (USD 19.68 lacs)].

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

₹ In lacs

	31-Mar-15	31-Mar-14
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	1,126.05	1,521.41
Interest due on above	0.10	0.07
	<b>1,126.15</b>	<b>1,521.48</b>
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	-	-
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.	2.52	1.10
The amount of interest accrued and remaining unpaid at the end of each accounting year	2.52	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	-	-



## Notes to financial statements (contd.) for the year ended 31 March 2015

### 40. Value of imports calculated on CIF basis (including through canalising agencies)

₹ In lacs

	31-Mar-15	31-Mar-14
Capital goods	1,430.37	277.93
Trading goods	1,036.17	326.41
Raw materials & components	6,600.27	5,602.49
Spares Parts & Chemicals	366.01	295.29
	<b>9,432.82</b>	<b>6,502.12</b>

### 41. Expenditure in foreign currency (accrual basis)

₹ In lacs

	31-Mar-15	31-Mar-14
Sales Commission	14.70	9.35
Miscellaneous	101.37	85.32
	<b>116.07</b>	<b>94.67</b>

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

	%age of total consumption 31-Mar-15	Value (₹ in lacs) 31-Mar-15	%age of total consumption 31-Mar-14	Value (₹ in lacs) 31-Mar-14
Raw Materials & components				
Imported	8.31%	6,361.03	7.78%	4,999.66
Indigenously obtained	91.69%	70,175.33	92.22%	59,299.56
	<b>100.00%</b>	<b>76,536.36</b>	<b>100.00%</b>	<b>64,299.22</b>
Spare parts				
Imported	13.72%	367.36	9.18%	237.22
Indigenously obtained	86.28%	2,309.23	90.82%	2,346.43
	<b>100.00%</b>	<b>2,676.59</b>	<b>100.00%</b>	<b>2,583.65</b>

### 43. Net dividend remitted in foreign exchange

₹ In lacs

Year of remittance (ending on)	31-Mar-15	31-Mar-14
Period to which it relates	1st April 2013 to 31st March 2014	1st April 2012 to 31st March 2013
Number of non-resident shareholders	287	380
Number of equity shares held on which dividend was due	5,183,657	7,964,703
Amount remitted and / or paid in Indian Currency (₹ in lacs)	5.18	7.96

## Notes to financial statements (contd.) for the year ended 31 March 2015

### 44. Earnings in foreign currency (accrual basis)

₹ In lacs

Year of remittance (ending on)	31-Mar-15	31-Mar-14
Exports of goods at F.O.B. Value	19,565.40	15,525.26
Royalty Income	1.94	-
	<b>19,567.34</b>	<b>15,525.26</b>

### 45. Previous year figures

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

As per our report of even date

For and on behalf of the board of directors

For S.R.Batlboi & Co. LLP

Firm Registration Number: 301003E

Chartered Accountants

per Raj Agrawal

Partner

Membership no.: 82028

Place: New Delhi

Date: 11th May, 2015

R.P. Dutta  
Secretary

P.K. Sonthalia  
President Finance & CFO

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





# Corporate information

## Board of Directors

Shri C.K. Birla (*Chairman*)  
Shri B.K. Jhawar  
Shri A. Ghosh  
Shri Michael Bastian  
Shri N.S. Sisodia  
Ms. Gauri Rasgotra  
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  
Ms. Gauri Rasgotra

### Stakeholders Relationship Committee

Shri Michael Bastian (*Chairman*)  
Ms. Gauri Rasgotra  
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 B.K. Jhawar  
Shri M.L. Pachisia

## Auditors

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

## Registered Office

Unit-VIII, Plot No.7  
Bhoinagar  
Bhubaneswar - 751012 (Odisha)

## Plants

Amlai, Madhya Pradesh  
Brajrajnagar, Odisha  
Kolkata, West Bengal  
Faridabad, Haryana  
Noida, U.P.

## Share Transfer Agent

MCS Share Transfer Agent Ltd.  
12/1/15, Manoharpukur Road  
Ground floor, Kolkata 700026 (W.B.)



**Orient Paper & Industries Limited**

9/1, R. N. Mukherjee Road, Kolkata 700001, West Bengal

Phone: +91 33 3057 3700/ 3041 0900

Fax: +91 33 2243 0490

E-mail: [info@orientpaperindia.com](mailto:info@orientpaperindia.com)

**ORIENT PAPER & INDUSTRIES LIMITED**

(CIN: L21011OR1936PLC000117)

**Registered Office:**

Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha)  
 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 **Thursday, 20th August, 2015 at 10.00 a.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
<b>Ordinary business</b>	
1.	Adoption of the Audited Accounts of the Company for the year ended 31st March 2015, together with the Report of the Directors thereon
2.	Declaration of dividend on Equity shares
3.	Re-appointment of Shri C. K. Birla who retires by rotation
4.	Appointment of Auditors and fixing their remuneration
<b>Special business</b>	
5.	Appointment of Ms. Gauri Rasgotra as a Director of the Company
6.	Approval of the Remuneration of the Cost Auditor
7.	Waiver of recovery excess remuneration paid to the Managing Director for the period from 01.04.2014 to 31.03.2015.

\*Applicable for shareholders holding shares in electronic form.

Signed this .....day of .....2015

Signature of Shareholder

Signature of first proxy holder(s)

Affix  
Revenue  
Stamp  
₹ 1

**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 (Odisha)  
Ph: (0674) 2396930/2392947, Fax: (0674) 2396364  
E-mail: cosec@orientpaperindia.com, Website: www.orientpaperindia.com

**ATTENDANCE SLIP**

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

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

I/We hereby record my /our presence at the Annual General Meeting of the Company at UNIT – VIII, PLOT NO. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha) held on Thursday, 20th August, 2015 at 10.00 a.m.

-----  
Signature of the Shareholder/Proxy



