ORIENT PAPER & INDUSTRIES LIMITED
(CIN: L21011OR1936PLC000117)
Registered Office: Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha)
Ph: (0674) 2396930, Fax: (0674) 2396364
E-mail: cosec@orientpaperindia.com, Website: www.orientpaperindia.com

Notice

TO
THE SHAREHOLDERS,

NOTICE is hereby given that the 81st Annual General Meeting (AGM) of the Shareholders of Orient Paper & Industries Limited will be held on Wednesday, the 9th August, 2017 at 11.00 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 Financial Statements of the Company for the year ended 31st March 2017, together with the Report of the Board of Directors and Auditors thereon.

2. To declare final dividend of Re. 0.50 (50%) and to approve interim dividend of Re. 0.50 (50%) per equity share.

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 appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution.

   "Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E-300009) of Plot No. 56 & 57, Block DN, Sector V, Salt Lake, Kolkata 700091 be and is hereby appointed as the Auditors of the Company, to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting to the conclusion of the sixth consecutive Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting) and that the Board of Directors be and is hereby authorised to fix such remuneration in addition to taxes and reimbursement of out of pocket expenses incurred by them, as determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

SPECIAL BUSINESS

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

   "RESOVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 1,00,000/- (Rupees one lakh only) plus applicable tax, and reimbursement of actual travel and out of pocket expenses, to be paid to Shri Somnath Mukherjee, Cost Accountant (Membership No. 5343), for the financial year 2017-18, as approved by the Board of Directors of the Company, at its meeting held on 16th May, 2017, be and is hereby ratified and confirmed."

6. 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 Article 95 of the Articles of Association of the Company and Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and subject to such approvals as may be required, Shri M.L. Pachisia (DIN 00065431) be and is hereby re-appointed as the Managing Director of the Company with effect from 1st April 2017 to 31st March, 2018, with liberty to either party to terminate the appointment on three months' notice in writing to the other at a remuneration and on terms set out below.

I.	Basic Salary	Rs. 10,50,000/- per month
II.	House Rent Allowance	Rs. 6,30,000/- per month
III.	Other Allowances	Rs. 1,90,000/- per month

IV. Other reimbursements/Perquisites

a) Medical Reimbursement : Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year.

b) Leave : In accordance with the rules framed by the Company.

c) Leave Travel Assistance : In accordance with the rules framed by the Company, subject to a maximum of one months' salary in a year

d) Club Fees : Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.

e) Personal Accident Insurance : Premium not to exceed a sum of Rs. 4000/- per annum.

f) Contribution to Provident Fund and Superannuation/ Annuity Fund will be as per Scheme of the Company.

g) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.

h) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.

i) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for Private purpose shall be billed by the Company to the Managing Director. If the Managing Director engages a driver, he will be reimbursed Rs. 10,000/- per month on account of Driving charges.

V. In addition to the above, the Board may at its discretion pay to the Managing Director other allowances, benefits, perquisites and ex-gratia amount not exceeding Rs.75,00,000/- per financial year.

VI. Minimum Remuneration: The remuneration as specified at Sl. Nos. I to V above subject to the approval of the Shareholders and such other approvals as may be required shall continue to be paid to Shri M.L. Pachisia as and by way of minimum remuneration notwithstanding inadequacy of profit during the tenure of his office.

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

By Order of the Board

For ORIENT PAPER & INDUSTRIES LTD.

P.K. Sonthalia

Kolkata, the 5th July, 2017 President (Finance) & CFO

Notes:

1. **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.

2. 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.

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

4. Details 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.

5. The Share Transfer Books and the Register of Members of the Company will remain closed from 5th August, 2017 to 9th August, 2017 (both days inclusive) for the purpose of payment of final dividend on Equity Shares.

6. The instruments of Share transfer complete in all respects should be sent to M/s. MCS Share Transfer Agents Ltd., 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.

7. Dividend on equity shares, when approved at the AGM, will be paid to those members:

   a) whose names appear as Beneficial Owners as at the end of business hours on 4th August, 2017, in the list to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

   b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 4th August, 2017

8. Shareholders who have not so far encashed their Dividend Warrants for the financial years ended 31st March, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 may immediately approach the Company for revalidation of unclaimed Dividend Warrants.

   Information in respect of the unclaimed dividend as on the date of the previous AGM of the Company held on 22nd August, 2016 has been uploaded on the website of the Ministry of Corporate Affairs (www.iepf.gov.in) and on the website of the Company (www.orientpaperindia.com).

9. The Annual Report 2016-17 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 aforesaid documents are being sent in the permitted mode.

10. Members may also note that the Notice of the AGM and the Annual Report 2016-17 will also be available on the Company's website 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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 Agents Ltd. at 12/1/5, Manoharpukur Road, Ground floor, Kolkata 700026, Tel No. 033-40724051-4053, email: mcssta@rediffmail.com

    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 Agents Ltd. quoting their folio number.

    d. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.

16. The route map to the venue of the meeting is attached herewith for convenience of the members.

17. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013 and rules made thereunder and in terms of regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 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 Polling 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 polling 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 Saturday, 5th August, 2017 (9:00 am) and ends on Tuesday, 8th August, 2017 (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 2nd August, 2017, 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 Participants(s)] :

            (i) Open email and open the attached PDF file "OPIL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password 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 and Click Login.

            (v) Password change menu appears. Change the password 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, NRI 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 with a copy marked to 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) Initial password is provided at the bottom of the Attendance slip for the AGM.

ii) Please follow steps from sl. no. (ii) to (xi) under heading A above to vote through e-voting platform.

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 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 for casting your vote. In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID) and in case shareholders are holding shares physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. 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 2nd August, 2017.

IX. 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. 2nd August, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cosec@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 or contact NSDL at the following toll free no.: 1800-222-990.

X. 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 Polling paper.

XI. Mr. Atul Kumar Labh, Practicing Company Secretary (ICSI CP Registration No. 3238) has been appointed as a Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. 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 Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. 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.

XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 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.

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

RESOLUTION NO. 5

The Board of Directors of the Company at their meeting held on 16th May, 2017 has, on the recommendations of the Audit Committee, appointed Shri Somnath Mukherjee, Cost Accountant (M. No. 5343), as Cost Auditor of the Company for the financial year 2017-18 at a remuneration of Rs. 1,00,000 (Rupees one lakh only) plus applicable taxes and out of pocket expenses in connection with the audit.

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. 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.

RESOLUTION NO. 6

It may be noted that pursuant to the resolution adopted by the Shareholders at the AGM held on 22nd August, 2016, Shri M.L. Pachisia was re- appointed as the Managing Director of the Company from 23.09.2015 to 31.03.2017 at a remuneration and on the terms and conditions as stated in the said resolution.

On expiry of his term, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 20.01.2017 decided to re-appoint Shri M.L. Pachisia as the Managing Director of the Company from 01.04.2017 to 31.03.2018 on the terms and conditions as stated in the Resolution subject to the approval of the Shareholders by Special Resolution and such other approvals as may be required.

Shri M L Pachisia, has an experience of over 50 years and is highly experienced and controls the affairs of the Company as whole. He has successfully and in a sustained way contributed significantly towards improvement in performance of the Company leading to its successful turnaround since his appointment as Managing Director of the Company in the year 2002. The remuneration payable to the Managing Director is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.

Given his expertise, knowledge and experience, the Board considers that although Mr. Pachisa has attained the age of seventy two years, his re-appointment will be in the interest of the Company and recommends the resolution contained in item no. 6 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 respective relatives is in any way concerned or interested in the said Resolution except Shri M.L. Pachisia being an appointee.

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 (Odisha), Kolkata (West Bengal), Faridabad (Haryana), Noida (Uttar Pradesh) and Guwahati (Assam). 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	2014-15	2015-16	2016-17
Paid up Capital	20.49	20.49	21.22
Reserve & Surplus	378.87	393.72	486.12
Revenue from Operations	1668.85	1820.36	1875.19
Other Income	20.15	17.39	25.33
Total Revenue	1689.00	1837.75	1900.52
Total Expenses	1731.14	1816.40	1832.98
Profit before Taxation	(42.14)	21.35	67.54
Tax Expenses/(Income) including Deferred Tax	(13.49)	(0.33)	16.94
Profit after Tax	(28.65)	21.02	50.60

(v) Foreign investments or collaborations, if any Nil

II. INFORMATION ABOUT THE APPOINTEE

(i) Background details

Shri M.L. Pachisia, aged about 72 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.

(Amount in Rupees)

	2014-15	2015-16	2016-17
Salary & Allowances	2,36,10,000	2,36,10,000	2,36,10,000
Perquisites	66,91,472	66,70,846	80,85,390
Total (A)	3,03,01,472	3,02,80,846	3,16,95,390
Contribution to:			
Provident Fund	15,12,000	15,12,000	15,12,000
Superannuation Fund	18,90,000	18,90,000	18,90,000
Total (B)	34,02,000	34,02,000	34,02,000
Grand Total (A)+(B)	3,37,03,472	3,36,82,846	3,50,97,390

(iii) Recognition or awards

Shri M. L. Pachisia, Managing Director, has been instrumental in getting various awards for the Company. Under his stewardship, the during the FY 2016-17, the Company has received various national/international awards:

Its Electric Division has been awarded for excellence in different category, viz.

- National Energy Conservation Award 2016
- Awarded one of the "Asia's Greatest Brands 2016"
- ASSOCHAM National Brand Summit & Excellence Award
- Business Super brand 2016

- Rashtra Vibhushan Award 2016-17 in platinum category for excellence in health & safety of workers in Faridabad plant.

  The Paper division has been awarded Responsible Care certification for Caustic unit, NABL certification for Research Lab, OHSAS certification and EMS Certification during the financial year 2016-17. Further the Company has been declared as winner of 'GREENTECH Environment Award 2016' in 'GOLD' category, ECO-innovation golden peacock award and 'Special Export award' by CAPEXIL.

(iv) Job profile and his suitability

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

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

(v) Remuneration proposed

As stated in resolution no. 6 to the notice convening AGM.

(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 37,948 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

During the year, the Company has adequate profits in terms of the provisions of the Companies Act, 2013.

ii. Steps taken or proposed to be taken for improvement

The company is very confident to continue to achieve a sustained good performance in the years ahead.

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.

CK BIRLA GROUP | ORIENT PAPER

ORIENT PAPER & INDUSTRIES LIMITED

(CIN: L21011OR1936PLC000117)

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

Ph: (0674) 2396930, 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 No.*..

I/We, being the Member(s) of .... shares of Orient Paper & Industries Limited, 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 Wednesday, 9th August, 2017 at 11.00 a.m. at UNIT-VIII, PLOT NO. 7, BHOINAGAR, BHUBANESWAR – 751012 (Odisha) and at any adjournment thereof in favour of/against the Resolutions as are indicated below:

Resolution No.	Description
Ordinary business	1. Consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2017, together with the Report of the Board of Directors and Auditors thereon.
	2. Declaration of final dividend of Re. 0.50 (50%) per equity share and approval of the interim dividend of Re. 0.50 (50%) per equity share.
	3. Re-appointment of Shri C. K. Birla who retires by rotation.
	4. Appointment of Auditors and fixing their remuneration.
Special business	5. Approval of the Remuneration of the Cost Auditor.
	6. Re-appointment of Shri M. L. Pachisia, Managing Director of the Company for the period from 01.04.2017 to 31.03.2018.

* Applicable for members holding shares in electronic form.

Signature of Member (s)..

Signature of Proxy holder(s)..

Affix Revenue Stamp

Signed this.. day of 2017

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.

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Attendance Slip

Name and address of the Member(s): (including Joint holders, if any)

Folio No./ DP ID & Client ID:* :
No. of share(s) held:

Full Name of the Member/ Proxy attending the meeting	

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 Wednesday, 9th August, 2017 at 11.00 a.m.

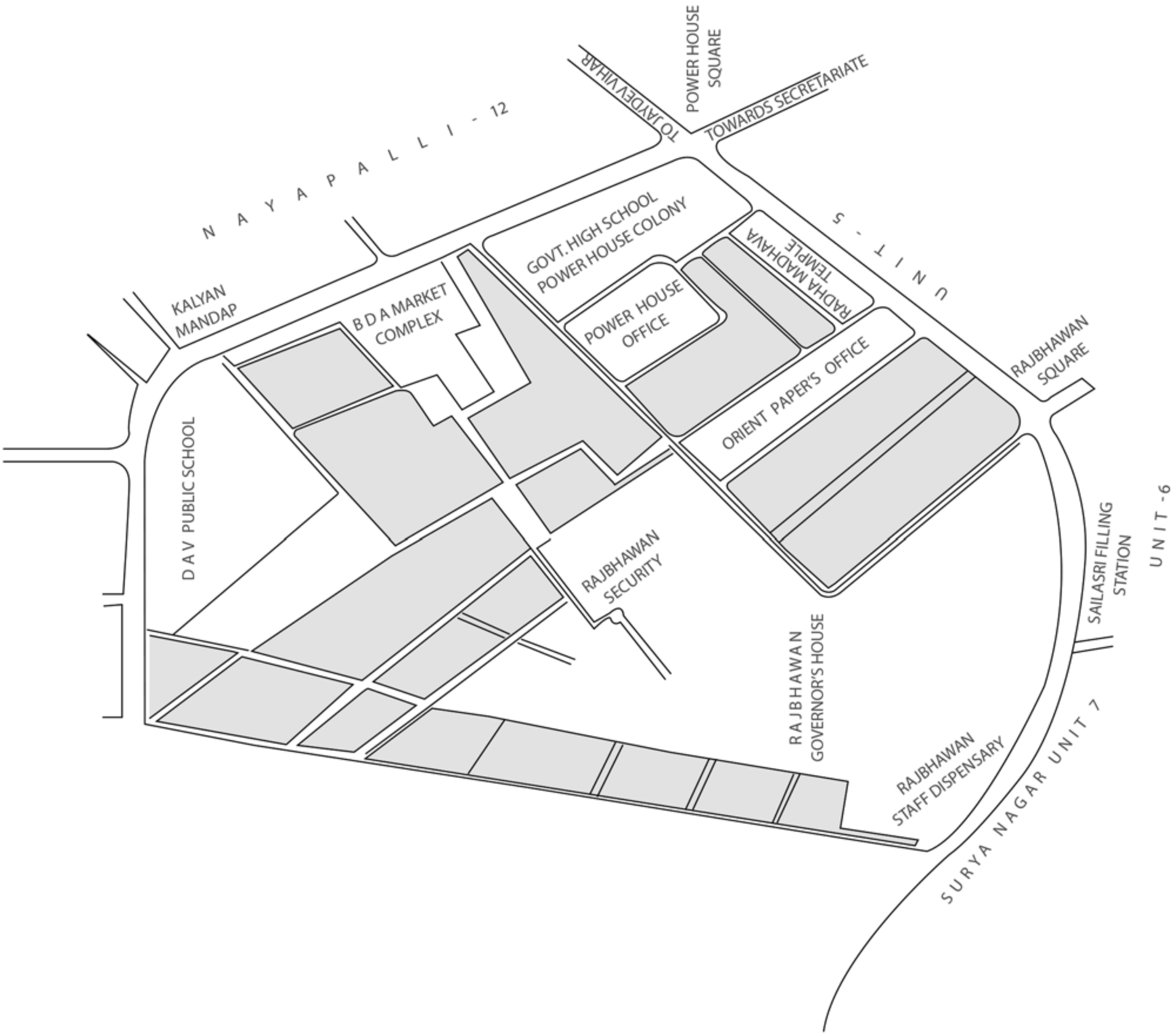
Signature of the attending Member/Proxy

* Applicable for members holding shares in electronic form.

Notes:

1. Please complete this attendance slip, sign and hand it over at the entrance of the meeting hall.
2. Member/Proxyholder is requested to bring their copies of the Annual Report and Accounts with them to the Meeting.

Route map for AGM venue



Evolve. Excite.

Orient Paper & Industries Limited
Annual Report 2016-17

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 2016-17.

Inside the report

"Evolution is the secret for the next step."

Dear shareholders,

The year under review has been most eventful for our country as well as our Company.

Our country went through one of the boldest reforms by way of demonetization and still grew at over 7%. The long-awaited GST received the required approvals and is slated to come into force shortly. These steps should help our economy to grow faster.

Our Company also registered impressive performance in both our businesses and took several far reaching initiatives to consolidate its financial strength and unlock value for all stakeholders. Our decisions to make a Rights issue and demerge the Electric business are aimed at achieving these objectives with equitable treatment for every shareholder.

Our Electric business continued to grow its market share in all its product groups i.e. fans, lighting, appliances and switchgears. The demerger of the Electric business will provide a further boost for an accelerated growth of these businesses.

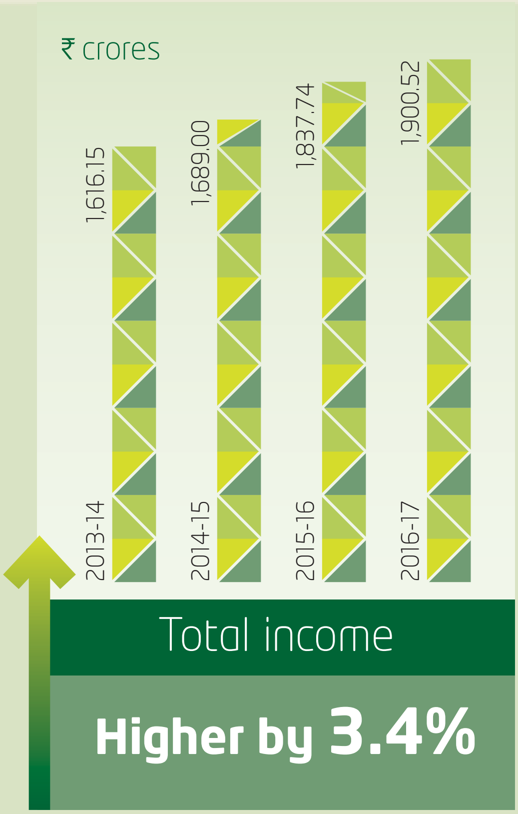
Our Paper business also achieved its best-ever results despite a setback during the first quarter due to water scarcity, which has also since been addressed by building another water reservoir to increase our water storage capacity to be sufficient for over 100 days. The improved results have been achieved mainly due to significant cost reduction and efficiency enhancement efforts and should therefore be sustainable in the long run also. Additionally, we have recently commissioned our new Tissue paper project, which will double our capacity for Tissue papers. Therefore, the paper business is also well positioned for a healthy and sustainable growth.

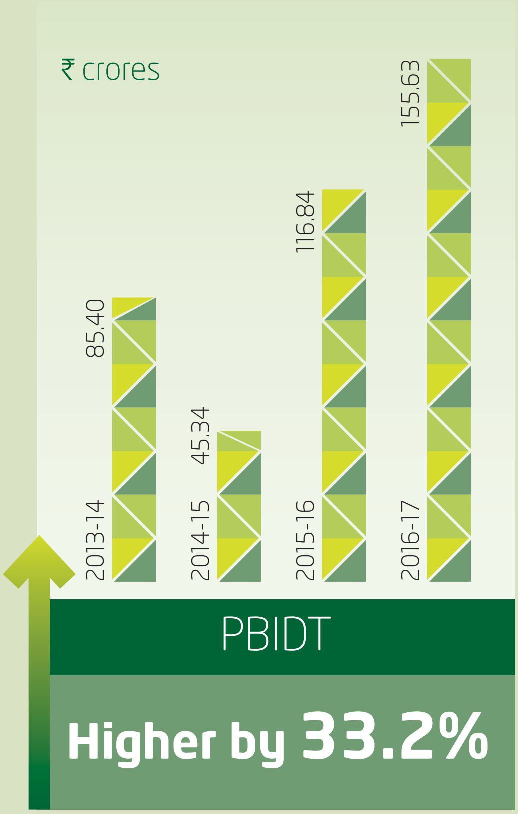
I do believe that your Company is now at another inflection point and look forward to an exciting future with your continued support.

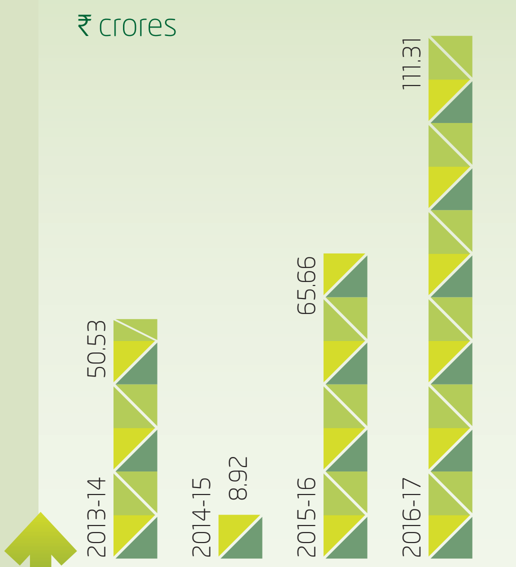
With best wishes,

C.K. Birla
Chairman

Financial highlights







Cash profit

Higher by 69.5%

Net profit before tax

Higher by 316.3%

Value creation

- Announced full-year dividend of 100% including 50% interim dividend
- Achieved higher market capitalization by 142% to ₹1,716 crores, reflecting improving shareholder perception of our prospects
- Completed a rights issue of ₹49.75 crores and utilized the proceeds for reduction of debt to achieve a healthier financial position to enable both businesses to pursue aggressive growth.
- Decided to demerge Orient Electric to enhance focus, accountability and shareholder value.

Review by the Managing Director

Dear Shareholders,

It is a momentous time.

Our country is already the fastest growing economy in the world and poised to grow even faster with significant social and economic reforms.

In order to harness the full potential of emerging opportunities, we have decided to demerge our Electric business with effect from 1st March 2017. The principal rationale for the demerger is to unlock shareholder value. It may be recalled that the demerger of cement business has resulted in a combined market capitalisation of the two entities i.e. Orient Paper & Industries Limited and Orient Cement Limited increasing over 3-fold to ₹4,413 crores as on 31 March 2017. The proposed 1:1 share ratio will provide all shareholders with an equal opportunity to participate in the expected value creation.

The demerger of the Electric business will also permit both businesses to pursue their independent growth strategies with even greater vigour.

Rights issue

Earlier, we had given our shareholders an opportunity to increase their exposure to our stock through a rights issue at a 17% discount to the average traded share price. The proceeds from the issue were utilized to further moderate debt in order to provide both businesses with a platform to grow aggressively.

Paper business – core highlights

As you will see from this report, our Paper business has achieved a smart turnaround, mainly as a result of our sustained efforts towards cost reduction and efficiency improvements. This is clearly reflected in our PBIDT from Paper business increasing by 63% from ₹34.93 crores in 2015-16 to ₹56.97 crores in 2016-17 despite the impact of a 35-day shutdown due to water scarcity during the first quarter of the year,

We are continuing these cost reduction efforts with even greater determination and expect not only to sustain the benefits already accrued but to maintain this momentum going forward.

The water shortage issue has also been addressed by constructing another reservoir to increase our water storage capacity by a further 130 million gallons, which enhances our total storage capacity to 720 million gallons to overcome this problem altogether.

We also completed our Tissue paper expansion project and have started commercial production with effect from 1st May 2017. This will double our Tissue paper capacity and further consolidate our position as the largest producer and exporter of Tissue papers from India. This will also contribute to increasing volumes and profitability of the paper business.

Electric business – core highlights

Our Electric business also achieved close to 5% growth in turnover to ₹1,363.70 crores, despite a temporary setback during the demonetization period. This reflects the core strength of the Orient brand in the consumer segment.

Some of the highlights of this business include the launch of several premium models of fans including the Aeroquiet range, significant growth in LED lighting making us the third largest producers of LED lamps in India and an impressive increase in our appliance business.

As a result, PBIDT of our Electric business also increased by 16.2% from ₹90.78 crores in 2015-16 to ₹105.48 crores in 2016-17.

Going into 2017-18

We have set ourselves aggressive targets for profitable growth for both our Paper and Electric businesses and feel that our Country's current emphasis on growth of infrastructure, housing and education, coupled with our decision to demerge the Electric business, will provide us with exciting opportunities to realize those targets.

With my best wishes,

M.L. Pachisia
Managing Director

"We also completed our Tissue paper expansion project and have started commercial production with effect from 1st May 2017. This will double our Tissue paper capacity and further consolidate our position as the largest producers and exporters of Tissue papers from India. This will also contribute to increasing volumes and profitability of the paper business."

Segmental review Paper

The new Tissue paper machine

ORIENT PAPER

Range: **Tissue papers and writing and printing papers**

Revenues

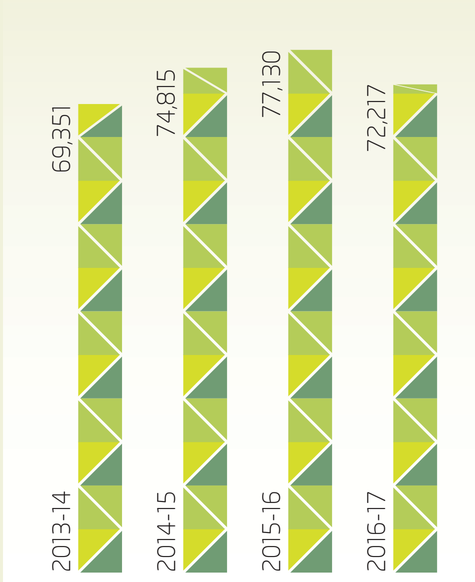
₹503.28 crores

marginally lower by 3%

PBIDT

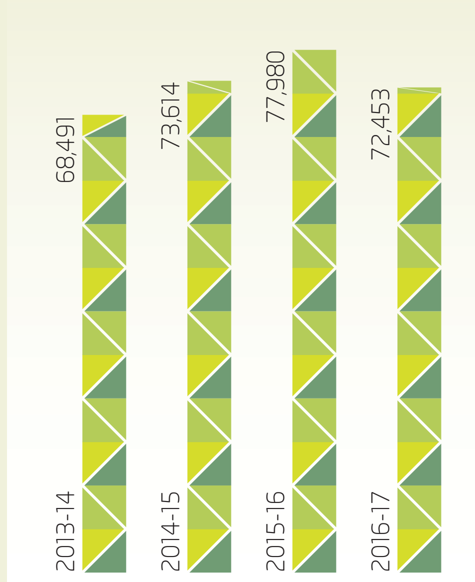
Higher by **63%**

Manufacturing facility:
Amlai, Madhya Pradesh



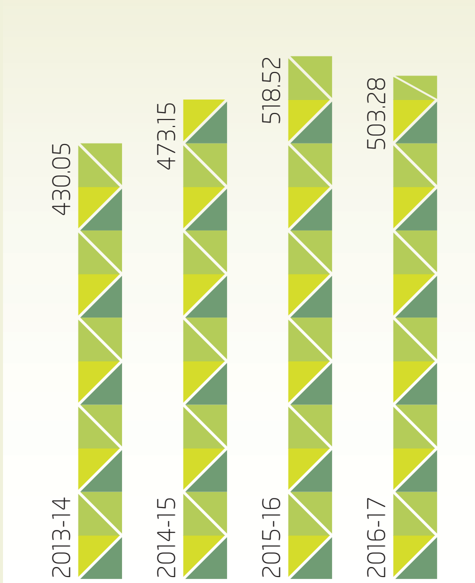
Paper production (MT)

Lower by **6.4%**



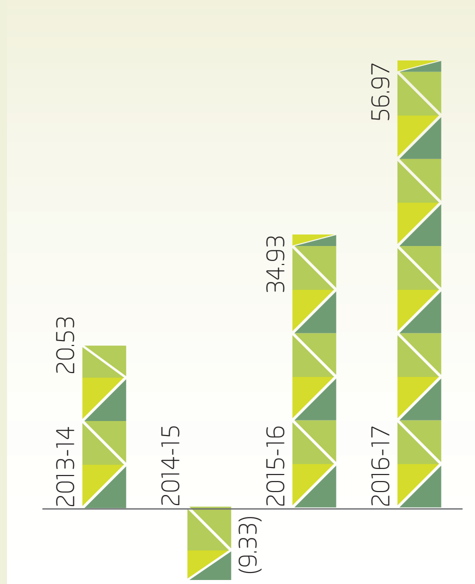
Paper sales (MT)

Lower by **7.1%**



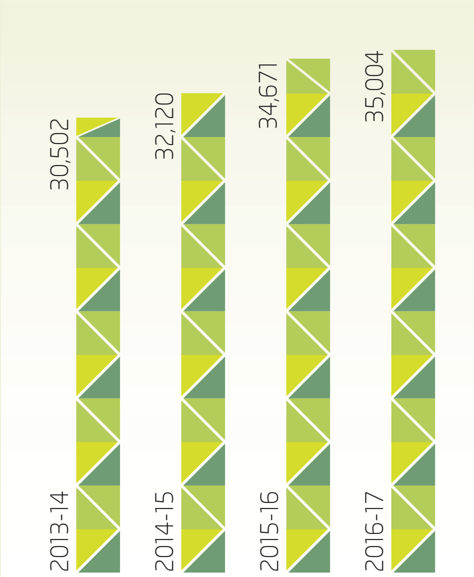
Revenues (₹ crores)

Lower by **3%**



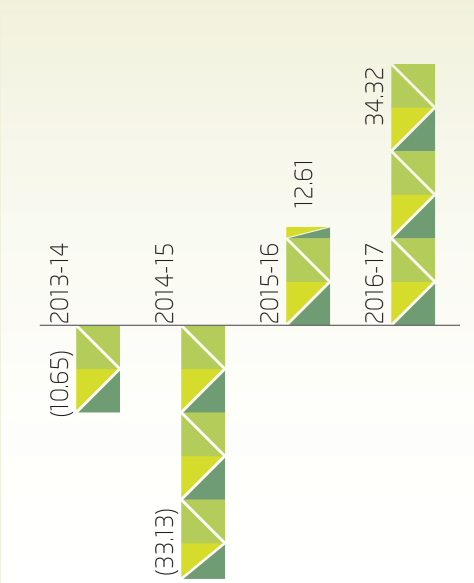
PBIDT (₹ crores)

Higher by 63%



Caustic soda production (MT)

Higher by 1%



PBIT (₹ crores)

Higher by 272%

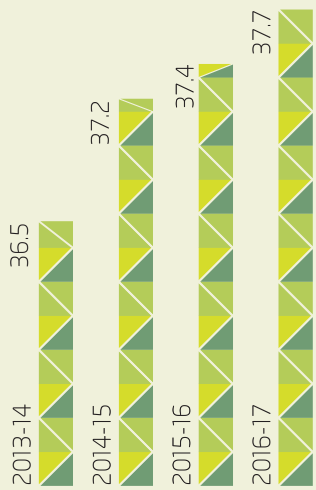
Overview

The year 2016-17 represented a watershed for Orient's paper division.

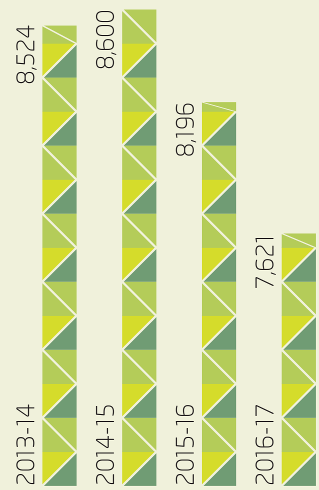
- Achieved best-ever profitability
- Completed the Tissue paper expansion project, commissioned on 1st May 2017
- Achieved production of 72,217 MT despite a shutdown for 35 days in the first quarter due to water shortage. This was the best-ever production in the last three quarters of any financial year.
- Added a 130 million gallon capacity water reservoir. The total water storage is now sufficient to cater to more than 100 days of production.
- Reduced water consumption by nearly 40%
- Exported 51% of total Tissue paper production
- Achieved zero liquid discharge
- Obtained additional coal linkage sufficient to meet our total coal requirement
- Achieved a significant reduction in costs and improvement in efficiencies
- Increased pulpwood plantation covering 2,026 Ha. to achieve enhanced raw material security

Highlights of our cost reduction and efficiency improvement achievements

(These ratios represent average for the year including aberrations of the 1st quarter and have been even better for the last 3 quarters)

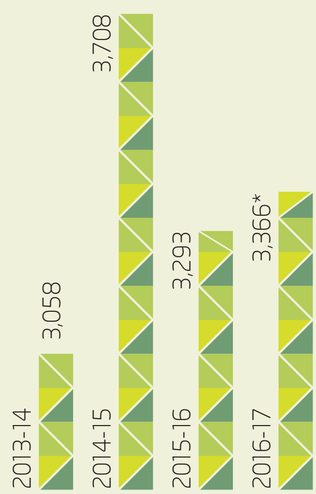


Best-ever bleached raw material yield
(%)



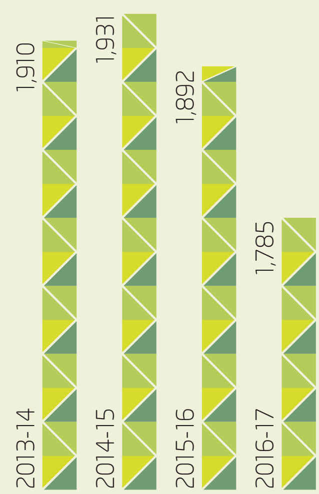
Significant reduction in average cost of pulpwood
(₹ per ton)

Lowest-ever coal consumption per ton of paper
(MT)

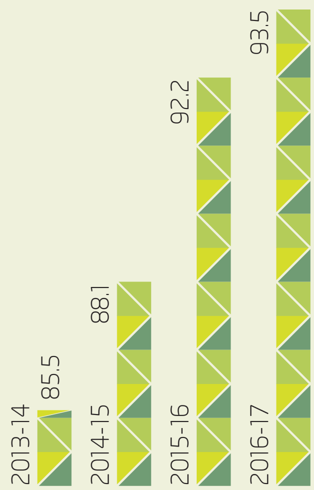


Significant reduction in coal cost per ton (₹)

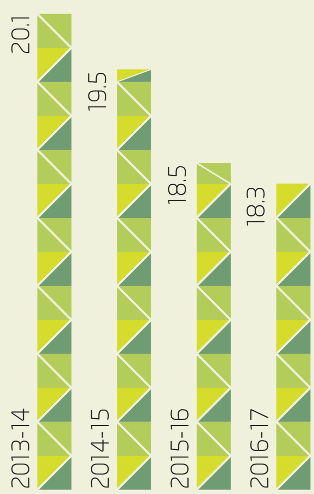
* Including additional coal cess of ₹200 per ton



Significant reduction in power consumption
(Kwh per ton of paper)



Best-ever chemical recovery
(%)



Significant reduction in steam consumption
(MT per ton of paper)

ORIENT PAPER

Initiatives going forward

- Continue the momentum in cost reduction and efficiency improvements
- Maximize higher value-added Tissue paper volumes
- Further scale our pulp production
- Increase plantations around our plant by 50%

Segmental review Electric consumer durables

orient electric

Fans, home appliances, lighting and switchgear

Revenues

Higher by **5%**

PBIDT

Higher by **17%**

India's largest exporters of fans

Overview

Orient Electric grew its business in all its product segments.

Commissioned its new plant at Guwahati.

Expanded smart shop network to six.

Also conferred the Business Superbrand status and rated amongst Asia's greatest brands.

Highlights, 2016-17

Fans

Orient consolidated its position in the premium fans segment with the launch of Aeroquiet fans.

Increased its share of the domestic fans market

Maintained its leadership in the export of fans from India

Home appliances

Significantly enhanced product portfolio in terms of premiumness and quality.

Also enhanced the distribution of the width of the range.

Lighting

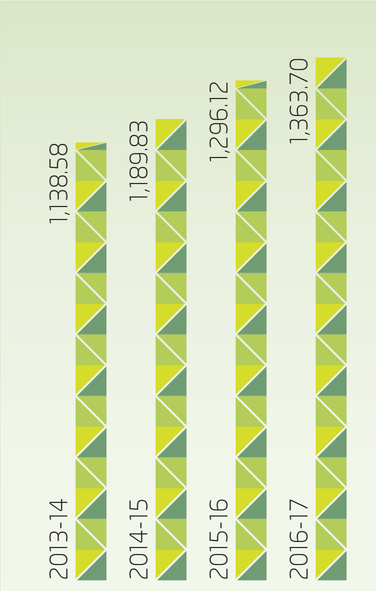
First company to get BEE star rating for its LED bulbs.

Increased market share and emerged a clear number three in the LED bulbs segment.

Switchgear

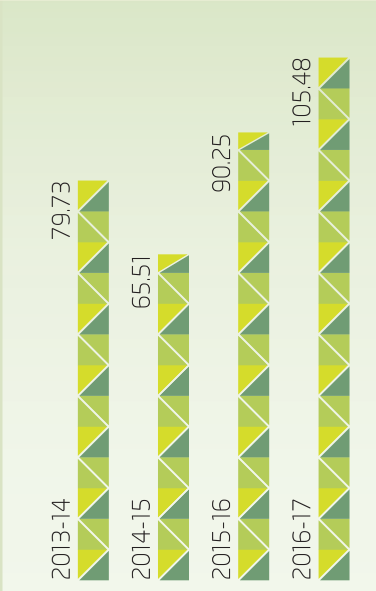
Established the product range at the top end of the market and increased market penetration.

Performance snapshot



Total income (₹ crores)

Higher by 5.2%



PBIDT (₹ crores)

Higher by 16.9%

PBIT (₹ crores)

Higher by 20.2%

Highlights, 2016-17

Fans

'Very Silent, Very Powerful'

- 11.1% value growth in the domestic market, growing faster than the industry average
- Launched the Aero series range aiming to capture a significant share in the super premium segment
- Commissioned a new manufacturing facility at Guwahati, which will help in expanding market reach
- Despite a steep increase in raw material prices, margin levels were maintained around an improved product mix and better price realisations
- Continued to hold 60% market share in exports of fans from India
- In-house R&D unit at Faridabad plant received the prestigious DSIR certification

The new premium range

Highlights, 2016-17

Lighting

Increasing share in LEDs

- Consolidated its position in the LED bulb segment, emerging a clear number 3 now
- Trade sales grew by 13%, higher than the industry average
- Started manufacturing LED street lights with good growth in the tenders business
- Competence centre and the R&D lab for LED lighting upgraded
- Conferred the prestigious 'National Energy and Conservation Award, 2016'

High Light Output
Two times brighter than conventional light sources of similar wattage

Energy Efficient
80%* more savings than conventional lights

Long Maintenance - Free Life
More than 25000 hrs

High Power Factor
Power Factor more than 0.90

Uniform Light Distribution

Highlights, 2016-17

Home appliances

'Enhanced product range'

- Launched new models of air coolers, water heaters, electric irons and wet grinders
- Registered a 35% increase in revenues
- Product performance certified by Intertek, an internationally-acclaimed UK-based certification agency
- Channel reach enhanced across focus markets

Highlights, 2016-17

Switchgears

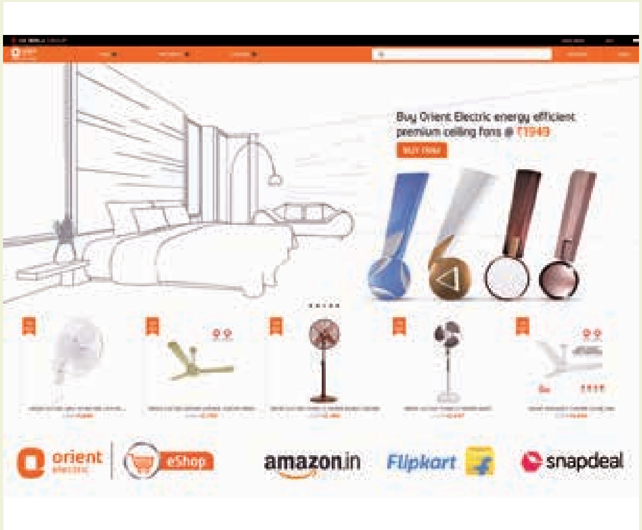
'Focused on market expansion'

- Products launched in new states
- Established product range at the top-end of the market

Marketing and distribution

As part of its ongoing efforts in creating more engagement points to improve consumer experience, Orient Electric opened six exclusive Smart Shops in Karnal, Indore, Ballabhgarh, Kanpur, Raipur and Bengaluru during the year.

Launched the new Orient Aeroquiet ceiling fan, which addresses an important, though latent, need for silence, while ensuring highest ever air delivery, backed by 3D aerodynamic design. Dealer meets were organized across the country to introduce the new fan.



Strengthened e-commerce presence by selling products through Orient's own e-commerce portal as well as through other leading online marketplaces.

Increased digital footprint across channels and surpassed competition with the highest engagement rate.

orient electric

Initiatives going forward

- Introduce disruptive innovation in fans covering unaddressed segments.
- Gain significant share in the premium fans segment.
- Improve market share in the consumer lighting segment and increase brand recall.
- Participate aggressively in the street lighting business.
- Aggressive positioning and acquisition of market share in air-coolers and small appliances segment
- Rationalise warehousing and reduce logistic costs post GST
- Roll out more Orient Electric Smart shops
- Increase e-commerce retailing and presence in modern organised retail
- Increase digitisation and automation in business processes.

Awards and accolades

Mr. Ajay Gupta (CEO) receiving the Eco-innovation Golden Peacock Award from the Hon'ble Minister, Shri Piyush Goyal

Responsible care cetification for Caustic division


QMS certification

Mr. Sushil Atri (General Manager) receiving Greentech Environment Award


OHSAS certification


EMS certificate


Mr. Sandeep Biyani (GM-Marketing) receiving CAPEXIL Award from Hon'ble Minister, Shri Anant Geete

NABL certification for research lab

Awards and accolades

Asia's Greatest Brands 2016

We have been awarded the status of being one of the Asia's Greatest Brands 2016 by URS Media Consulting P. L. and AsiaOne. The award recognizes the most eminent brands and leaders for achieving excellence in their respective industries.

National Energy Conservation Award 2016

Orient Electric was conferred the prestigious National Energy and Conservation Award 2016 for its outstanding energy conservation efforts. The award was given by Shri Piyush Goyal.

Rashtra Vibhushan Award

Our Faridabad plant was conferred the Rashtra Vibhushan Award 2016-17 in the Platinum category for Excellence in Health & Safety of Workers.

Business Superbrand 2016

We have received the globally acclaimed 'Business Superbrand' status for 2016. Orient Electric emerged as a leader in its segment after an intense evaluation process and ranked amongst 20% of all brands across categories in India.

ASSOCHAM National Brand Summit & Excellence Award

National Brand Summit & Excellence Awards 2016 by ASSOCHAM salutes Indian Corporate and Brands working in various sectors for excellence, innovation and their contribution to society.

Corporate social responsibility

Healthcare and sanitation

At Orient Paper, we maintain a 12-bed hospital equipped with modern diagnostic equipment to treat the population of Jaghraha, Bakaho and Bakhi Bargawan villages and other nearby areas. During 2016-17, the hospital provided assistance to 16,017 patients from these communities.

Promoting education

The Higher Secondary School established by us promotes education in the adjacent areas in both Hindi and English medium. Apart from our employees' children, 468 students from the nearby communities were provided this facility.

Supply of free water under the Company's rural development plans

The villages around our Amlai plant suffer from water scarcity. To counter this, the Company regularly supplies water to these villages through water tankers throughout the year, apart from providing water points in some locations. During the year under report, as many as 3,777 trips of such water tankers were undertaken.

Supply of eucalyptus clones at subsidised rates

We have been providing high-yielding clonal saplings to farmers with guaranteed buyback. Saplings supplied during the year covered over 2,000 Ha, most of which was lying fallow. We are also promoting agro-forestry by demonstrating inter-cropping techniques and providing assistance through the mechanical ploughing of land to improve yields.

Assistance during mass marriage

Orient Paper contributed to the social cause of mass marriage through blankets distribution at Village Bhatia on 7 March 2017.

OPM-sponsored district NCC camp

Orient Paper sponsored the district-level NCC camp during which around 400 NCC cadets participated and camped for 15 days in our premises.

Participation in National Programmes

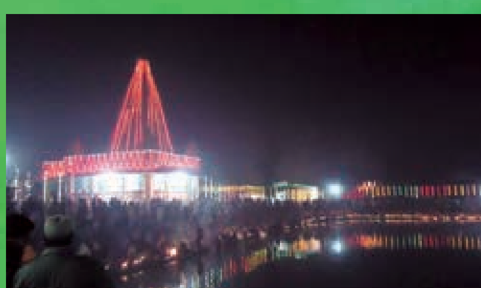
Female toilet built by Orient Paper

OPM senior team, including the CEO, participating in the clean-up campaign

OPM senior team participating in the World Environment day

OPM senior team, participating in the World Yoga Day

Sponsorship of festivals and events



Chhat Puja sponsored by Orient

Water fountain installed at Amarkantak

Durga Puja sponsored by Orient

Republic Day, 26th January, 2017

Proposed demerger – its objectives and structure

The primary rationale behind the demerger of the electric business

The nature of risk and competitive dynamics involved in each of the paper and consumer electric businesses are distinct, necessitating different management approaches and focus. This is particularly so in view of the recent diversification of the Electric business by addition of several new product lines.

We believe that the proposed demerger will ensure management focus and enhanced accountability of these distinctly different businesses leading to unencumbered growth of both businesses independently.

The demerger will also provide investors with the opportunity to take investment calls on either of the businesses.

Most importantly, this should create significant value for all our shareholders as the sum-of-parts is expected to be greater than the whole, as amply demonstrated by the earlier demerger of the cement business.

How earlier the demerger of cement business created significant value.

Demerger of the cement business from Orient Paper and Industries came into effect on 1st April, 2012.

The pre-demerger market cap of Orient Paper & Industries Limited stood at ₹1,210 crore. In just five years since, the combined market cap of Orient Paper & Industries Limited and Orient Cement Limited had increased by 365% to ₹4,413 crore as at 31st March 2017.

Shareholder value creation through the demerger of the cement business (₹ in crores)

In addition, both companies have grown significantly with substantial addition to capacities and product offerings.

The broad contours and status of the proposed demerger of the electric business

It is proposed to demerge the Electric business from Orient Paper and Industries Limited (OPIL) with effect from 1st March 2017, subject to required statutory approvals.

Under the proposed scheme, each shareholder of OPIL will receive one share of Orient Electric Limited for every share held in OPIL. Thus, the demerger is proposed in a most fair and transparent manner, providing each shareholder with an equal opportunity to participate in the expected value creation.

The proposed demerger has already received in-principle approval from SEBI and Stock exchanges and is now awaiting a final approval from National Company Law Tribunal (NCLT). On receipt of the final clearance from NCLT, Orient Electric Limited will seek approval for getting listed on the stock exchanges.

Prospects of Orient Electric following the demerger

Orient Electric is already a leading player in consumer electric products and has added Lighting, Appliances and Switchgears to its product portfolio in the last 3-4 years. As shown elsewhere in this report, Orient's market share has been increasing in each of these products within a short time since launch. Fans remain its stronghold with an increasing presence in premium categories. Each of these product groups also provide huge market potential and scope for accelerated growth.

Orient Electric enjoys strong brand equity with a pan-India distribution network and significant presence in export markets as well.

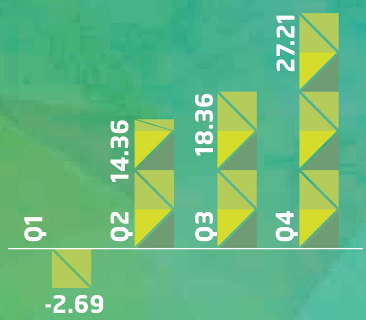
Therefore, there is abundant opportunity and scope for Orient Electric to grow multi-fold with dedicated management focus and strong cash flows.

Standalone sustainability of the paper business

Orient's paper business has already achieved a strong turnaround with impressive increases in its profitability in the last two years with PBIDT for 2016-17 going up to ₹56.97 crore despite a 35-day shutdown during the first quarter due to water shortage. Additional water reservoir built during year should also eliminate any future water shortage.

The extent of improvement becomes even more evident when we look at the quarter-on quarter increase in profitability as shown below:

Quarter-on quarter improvement in PBIDT of paper division (₹ in crores)



The transformation journey that commenced a few years ago started bearing fruit in 2015-16 and has achieved further momentum in 2016-17.

As shown elsewhere in this report, most of this transformation has happened as a result of intense focus on internal cost reduction and efficiency improvements. Such efforts have now become a way of life at Orient Paper and several new initiatives currently in the pipeline should provide further momentum going forward.

Another major milestone achieved at Orient Paper is the recent commissioning of the Tissue paper expansion project, which has doubled our Tissue paper capacity and made us the largest producers and exporters of Tissue papers in India. It is significant that this expansion has been completed at an investment, which is substantially lower than industry benchmark for such projects. Besides, this investment was mobilized mostly through internal accruals and is being operated without any addition to the work force. Therefore, it will not attract any increase in finance or manpower costs. Moreover, the state-of-the-art machine can produce premium grade tissue papers of better softness and higher bulk, making it possible for Orient to cater to higher realization categories like Facial grades etc.

We are convinced that improvements in performance of the Paper business are sustainable in the long-term as they have been primarily achieved by internal efforts towards cost optimization. In addition, the new Tissue paper capacity should provide a further boost to the business.

Some other reassuring factors for our paper business

It is important to mention that only the Electric business is being demerged and all other assets of the company, including its substantial investments and properties, shall be retained within the existing company.

The debt-equity ratio of the residual company will also be quite favourable with aggregate debt of less than ₹150 crore being allocated to the Paper business as on the date of demerger.

Profile of Board of Directors

Particulars	Age	Date of joining	Other directorship
Shri Chandra Kant Birla 24, Aurangzeb Road New Delhi 110 011 Chairman Industrialist, Indian	62	29-09-1978	National Engineering Industries Ltd. AVTEC Ltd. HIL Ltd. Birla Brothers Pvt. Ltd. Birlasoft (India) Ltd. NeoSym Industry Ltd. Orient Cement Ltd. Birla Associates Pvt. Ltd. (Singapore) Birlasoft Inc., USA Birlasoft (U.K.) Ltd., London ASS AG, Switzerland
Shri Basant Kumar Jhawar 51/F, Gariahat Road, Kolkata - 700 019 Director Industrialist, Indian	82	21-07-1983	Usha Martin Ltd. KGVK Agro Ltd. KGVK Social Enterprises Ltd.
Shri Amitabha Ghosh Flat No. 32, Mehernaz, 91, Cuffe Parade, Mumbai - 400 005 Director Consultant, Indian	86	23-10-2001	Shreyas Shipping & Logistics Ltd. Shreyas Relay Systems Ltd. Zenith Fibers Ltd. Kesoram Industries Ltd.
Shri Michael Bastian Cecilia, 1186, 22nd Cross, 14th Main, H.S.R. Layout, Sector - III, Bangalore - 560 034 Director Consultant, Indian	72	27-10-2009	Artson Engineering Ltd.

Particulars	Age	Date of joining	Other directorship
Shri Narendra Singh Sisodia 403 Pearl Bossam B-30 Joyti Marg, Bapu Nagar Jaipur - 302015 Director IAS (Retired), Indian	72	31-10-2012	Carrier Air Conditioning & Refrigeration Ltd. IISS India Organisation
Ms. Gauri Rasgotra 6B, HUDCO Place Andrews Ganj Extention Behind Ansal Plaza New Delhi 110 049, Director Advocate, Indian	49	26-09-2014	HIL Limited
Shri Manohar Lal Pachisia 4, Alipore Park Place, 3rd floor Kolkata - 700 027 Managing Director Service, Indian	72	23-9-1997	Birla Buildings Ltd. GMMCO Ltd. National Engineering 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. Orient Electric Ltd. Nigeria Engineering Works Ltd., Nigeria

Directors' Report

Dear Shareholders,

We are pleased to present the annual report along with the audited accounts of your company for the year ended 31st March, 2017.

Financial results

The financial performance of the Company for the year ended 31st March 2017 is summarised below:

(₹ in crores)

Particulars	2016-17	2015-16
Gross sales	2032.22	1967.17
Total Revenue (net of excise)	1900.52	1837.74
Earnings before interest, depreciation, amortisation & taxation	**155.63**	**116.85**
Interest/Finance costs	44.32	51.19
Profit/(Loss) before depreciation and taxation	**111.31**	**65.66**
Depreciation	43.78	44.31
Net profit/(Loss) before taxation	**67.53**	**21.35**
Taxation	16.94	0.33
Net profit/(Loss)	**50.59**	**21.02**
Profit brought forward from last year	111.03	96.17
Profit available for appropriations	**161.62**	**117.19**
Appropriations		
Transfer to General Reserve	30.00	–
Dividend on Equity shares	–	5.12
Corporate dividend tax	–	1.04
Balance carried to Balance Sheet	131.62	111.03
Total	**161.62**	**117.19**
EPS (₹)	**2.45**	**1.02**

Share Capital

During the year, the Company issued 73,16,742 equity shares of face value of Re. 1 each at a price of ₹68 per share on rights basis to the shareholders for an aggregate amount of ₹49.75 crores. As a result, your Company's paid-up capital has increased from ₹20.49 crores to ₹21.22 crores. Amount raised from the equity issue was utilized for the objects specified in the Letter of Offer.

Dividend

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of final dividend of Re. 0.50 (50%) per equity share of Re. 1 each. This is in addition to the Interim Dividend of Re. 0.50 (50%) per equity share of Re. 1 each declared on 17th April 2017 by the Board of Directors of the Company, bringing the total dividend for the year Re. 1 (100%).

Economic climate and our performance

The year under review has been quite eventful for the Indian economy with far reaching positive developments like passage of GST bills and demonetization. On the political front also there is growing stability, which should encourage the Government to undertake further economic reforms. The fact that the Indian economy grew by 7.1% for the year, despite the temporary setback during demonetization, has demonstrated the underlying resilience of our economy.

Your Company's performance has also been quite encouraging.

Our Paper business has done particularly well with several cost reduction and efficiency improvement efforts and has achieved significantly higher profitability. We also completed our Tissue expansion project and started commercial production with effect from 1st May 2017. This will further boost the future performance of our Paper business.

Our Electric business continues to achieve steady growth increasing its market share in all its verticals i.e. Fans, Lighting, Appliances and Switchgears.

Our decision to demerge Electric business from the Company is aimed at further unlocking value for our stakeholders as also to provide greater focus to both businesses for respective growth and development. We expect this demerger to become effective soon.

We are therefore quite excited about your Company's future prospects.

Sustainable Development and Environment

We consider sustainable development and environment protection as integral part 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 Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the cash flow statement for the year ended 31 March 2017 is included in the annual accounts.

Corporate Governance

Your Company is in full compliance with the Corporate Governance requirements in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance and a certificate from the auditors confirming compliance with the Corporate Governance requirements are attached.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

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 and 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.

Directors and Key Managerial Personnel

Directors

(i) Re-appointment of Shri M. L. Pachisia as Managing Director of the Company

The term of appointment of Shri M. L. Pachisia (DIN: 00065431) as the Managing Director of the Company ended on 31st March 2017. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 20th January, 2017 approved the re-appointment of Shri M. L. Pachisia as Managing Director (a Key Managerial Personnel) from 1st April 2017 to 31st March, 2018, subject to the approval of shareholders of the Company and such other approvals as may be required. Accordingly, the approval of the shareholders is being sought for his re-appointment as Managing Director of the Company.

(ii) 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 being eligible offers himself for re-appointment.

(iii) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of its various Committees. The manner in which the evaluation has been carried is explained in the Corporate Governance Report.

(iv) Board Meetings

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

None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013.

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

Auditors

(i) Statutory Auditors

The Shareholders of the Company at the 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 and the term of the Auditors at the conclusion of the forthcoming Annual General Meeting of the Company.

Accordingly, the Board of Directors has decided to appoint M/s. Price Waterhouse & Co. Chartered Accountants, LLP (LLP Regn. No. 304026E/E300009) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the forthcoming Annual General Meeting subject to ratification at each Annual General Meeting. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for 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 2017 to conduct cost audit for the products covered under the said rule. The Board of Directors of the Company, on the recommendation of the Audit Committee has further appointed Shri Somnath Mukherjee, Cost Accountant as Cost Auditor for auditing the cost accounts of the Company for the financial year 2017-18. The Auditor has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Cost Auditors of the Company.

(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 (CP Regn. No. 3238) to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Report of the Secretarial Auditor is annexed to this report as Annexure III. The comments mentioned in the Secretarial Audit Report are self-explanatory.

The Board of Directors of the Company has further appointed Shri A. K. Labh, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

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 attached herewith as Annexure IV.

Directors' responsibility statement

Directors' responsibility statement pursuant to section 134(3)(c) of the Companies Act, 2013 is attached herewith as Annexure V.

Note Nos. 28 and 38 appearing in the Notes to Financial Statements referred to in the Auditors' Report are 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 .

Demerger of Electric business

During the year, the Company decided to demerge its Consumer Electric Business into a separate company "Orient Electric Limited" with a view to unlock value for shareholders and allow a focused growth strategy, which would be in the best interest of the Company, its shareholders, creditors and other stakeholders. Applications have been filed before the National Company Law Tribunal, Kolkata for necessary orders.

Subsidiary Company

During the year, Orient Electric Limited (OEL) was formed as a wholly owned subsidiary of the Company for the purpose of de-merger of Company's Consumer Electric Business as per the Scheme of Arrangement between the Company and OEL. After the Scheme being effective, shares held by the Company in the said subsidiary will stand cancelled in terms of the Scheme of Arrangement.

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 a 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

Remuneration Policy

The Board has, on the recommendation of its 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, the Company has adopted a risk management policy. The policy comprises of a robust business risk management framework to identify, evaluate and mitigate potential 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 instances of fraud and mismanagement.

Details of the Whistle Blower Policy are stated in the Corporate Governance Report. Weblink for the policy in the website is http://orientpaperindia.com/codes-policies

Prevention of Sexual Harassment of Women at Workplace

It has been an endeavor of your Company to support women professionals through a safe, healthy and conducive working environment by creating and implementing proper policies to tackle issues relating to safe and proper working conditions for them.

The Company as required under the provisions of the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

The Company has not received any complaint under the said policy during the year. Weblink for the policy in the website is http://orientpaperindia.com/codes-policies

Internal Financial Controls with reference to Financial Statements

The Company has adequate internal financial control procedures commensurate with its size and nature of business. The Company has identified and documented all key internal financial controls, which impact the financial statements, as part of its Standard Operating Procedures (SOP). The SOPs are designed for all critical processes across all its plants and offices wherein financial transactions are undertaken. The Financial controls are tested for operating effectiveness through ongoing monitoring and review process by the management and independently by the Internal Auditors. In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

Material Changes and Commitment Affecting Financial Position of the Company

There are no material changes and commitment affecting financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March 2017 and the date of this 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 operations.

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, co-operation and support in the Company's endeavors to achieve continuous growth and progress.

By Order of the Board of Directors

C. K. Birla
Chairman
(DIN: 00118473)

New Delhi, 16th May, 2017

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.**
   ₹ (–)7.29 crores

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

5. **Details of CSR spent during the financial year:**
   (a) Total amount to be spent for the financial year: ₹ 22.94 lacs

   (b) Amount unspent, if any : Nil

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

Sl. 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 (₹ in lacs)	Amount spent Direct or through implemen-ting agency
1	Maintenance of Hospital	Promoting preventive healthcare and sanitation	Amlai, MP (Local Area)	60.00	55.40	149.99	Directly
2	Supply of Free Water	Rural Development	Amlai, MP (Local Area)	15.00	13.11	25.12	Directly
3	Contribution towards maintenance of School	Promoting Education	Amlai, MP (Local area)	15.00	8.67	52.16	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	6.88	14.85	Directly
5	Contribution to Namami Devi Narmada Programme (cleaning of River Narmada)	Rural community development in collaboration with the State Govt.	Shahdol district, MP (Local area)	–	1.98	1.98	Directly
	Total			**100.00**	**86.04**	**244.10**	**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.**

   Not applicable

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	N S Sisodia
New Delhi, 16th May, 2017	*Managing Director*	*Chairman CSR Committee*

Annexure II

Extract of Annual Return

as on the financial year ended 31st March 2017

[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	L21011OR1936PLC000117
(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 Contact details	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, (Odisha) 0674-2396930
(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, Manohar Pukur Road, Kolkata – 700026 Phone : (033) 4072-4051-53, Fax: (033) 4072-4054 E-mail: mcssta@rediffmail.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name & description of main products/services	NIC Code of the product/ service	% to total turnover of the Company
(i)	Pulp & Paper	1701	26.83
(ii)	Electric Lighting equipments	2740	14.53
(iii)	Electrical Fans	2750	57.84

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Orient Electric Limited* Unit VIII, Plot No7, Bhoinagar, Bhubaneshwar 751012 (Odisha)	U311000R2016PLC025892	Subsidiary	100	2(87)(ii)

*During the year, Orient Electric Limited (OEL) was formed as a wholly owned subsidiary of the Company for the purpose of demerger of Company's Consumer Electric Business as per the Scheme of Arrangement between the Company and OEL.

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	
A. Promoters									
(1) Indian									
(a) Individual/HUF	7371250	–	7371250	3.5980	7952945	–	7952945	3.7482	0.1502
(b) Central Govt.	–	–	–	–	–	–	–	–	–
(c) State Govt.	–	–	–	–	–	–	–	–	–
(d) Bodies Corp.	70958672	–	70958672	34.6360	74060349	–	74060349	34.9036	0.2676
(e) Banks/FI	–	–	–	–	–	–	–	–	–
(f) Any Other	–	–	–	–	–	–	–	–	–
Sub-Total(A)(1)	78329922	-	78329922	38.2340	82013294	-	82013294	38.6518	0.4178
(2) Foreign									
(a) NRIs-Individual	–	–	–	–	–	–	–	–	–
(b) Other-Individual	–	–	–	–	–	–	–	–	–
(c) Bodies-Corporate	–	–	–	–	–	–	–	–	–
(d) Banks/FI	–	–	–	–	–	–	–	–	–
(e) Any Other	–	–	–	–	–	–	–	–	–
Sub-Total (A)(2)		-	-	-	-	-	-	-	-
Total shareholding of Promoters (A)=(A)(1)+(A)(2)	78329922	-	78329922	38.2340	82013294	-	82013294	38.6518	0.4178
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI	27765821	2000	27767821	13.5540	26651617	2000	26653617	12.5615	-0.9925
(b) Banks/FI	70410	93460	163870	0.0800	160605	875900	1036505	0.4884	0.4084
(c) Central Govt.	–	–	–	–	–	–	–	–	–
(d) State Govt.	–	4000	4000	0.002	–	4000	4000	0.0020	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	11874164	–	11874164	5.7960	10305888	–	10305888	4.8570	-0.939
(g) FIIs/Foreign Portfolio Investor	1110782	–	1110782	0.5422	8090883	–	8090883	3.8131	3.2709
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Other (specify)	–	–	–	–	–	–	–	–	–
Sub-total(B)(1)	40821177	99460	40920637	19.9742	45208993	881900	46090893	21.7219	1.7477

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	
(2) Non-Institutions									
(a) Bodies Corporate	37185098	341850	37526948	18.3176	12468834	341420	12810254	6.0372	-12.2804
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	31322706	11168050	32490756	15.8593	34151579	1079772	35231351	16.6040	0.7447
ii) Individual shareholders nominal share capital in excess of ₹ 2 lakh	9636129	782440	10418569	5.0855	8481247	-	8481247	3.9971	-1.0884
(c) Others									
i) NRI	1475188	12000	1487188	0.7259	1911455	12000	1923455	0.9064	0.1805
ii) OCB	3682240	-	3682240	1.7974	3813748	-	3813748	1.7974	-
iii) NBFC registered with RBI	-	-	-	-	357660	-	357660	0.1686	0.1686
iv) Co-operative Society	-	-	-	-	21463600	-	21463600	10.1155	10.1155
v) Trusts	12500	-	12500	0.0061	-	-	-	-	0.0061
Sub-total (B) (2)	**83313861**	**2304340**	**85618201**	**41.7917**	**82648123**	**1433192**	**84081315**	**39.6263**	**-2.1654**
Total Public shareholding (B)=(B)(1)+(B)(2)	**124135038**	**2403800**	**126538838**	**61.7659**	**127857116**	**2315092**	**130172208**	**61.3482**	**-0.4177**
C. Shares held by custodian for GDRs & ADRs	-	-	-	-		-	-	-	-
Grand Total (A)+(B)+(C)	**202464960**	**2403800**	**204868760**	**100**	**209870410**	**2315092**	**212185502**	**100**	**-**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledge/or encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledge/or encumbered to total shares	
1	Central India Industries Ltd.	50643627	24.7198	–	52559648	24.7706	–	0.0508
2	Shekhavati Investments & Traders Ltd.	12320865	6.0140	–	12760895	6.0140	–	–
3	Nirmala Birla	3673680	1.7932	–	3878410	1.8278	–	0.0346
4	Chandra Kant Birla	2897570	1.4144	–	3269893	1.5411	–	0.1267
5	Hindusthan Discounting Co. Ltd.	2231000	1.0890	–	2310678	1.0890	–	–
6	Gwalior Finance Corporation Ltd.	1592500	0.7773	–	1649375	0.7773	–	–
7	Amer Investments (Delhi) Ltd.	1422000	0.6941	–	1422000	0.6702	–	–0.0239
8	Universal Trading Co. Ltd.	844280	0.4121	–	844280	0.3979	–	–0.0142
9	National Engineering Industries Ltd.	537400	0.2623	–	537400	0.2533	–	–0.0090
10	Rajasthan Industries Ltd.	504000	0.2460	–	690035	0.3252	–	0.0792
11	Shyam Sundar Jajodia	280000	0.1367	–	280000	0.1367	–	–
12	Ashok Investment Corporation Ltd.	260000	0.1269	–	683038	0.3219	–	0.1950
13	Amita Birla	260000	0.1269	–	260000	0.1269	–	–
14	Jaipur Finance & Dairy Products Pvt. Ltd.	208000	0.1015	–	208000	0.0980	–	–0.0035
15	India Silica Magnesite Works Ltd.	200000	0.0976	–	200000	0.0943	–	–0.0033
16	Bengal Rubber Co. Ltd.	195000	0.0952	–	195000	0.0952	–	–
17	Avani Birla	130000	0.0635	–	130000	0.0635	–	–
18	Avanti Birla	130000	0.0635	–	134642	0.0635	–	–
	Total	78329922	38.2340	-	82013294	38.6517	-	0.4177

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Share	% of total shares of the company	No. of Share	% of total shares of the company
1	At the beginning of the year	78329922	38.2340	78329922	38.2340
2	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	3683372 equity shares allotted on Rights basis on 17.02.2017	1.7359
3	At the end of the year	78329922	38.2340	82013294	38.6517

iv) Shareholding pattern of top ten shareholders (Other than Directors, Promorers 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 Company	No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co. Ltd.	18122856	8.8461	19157534	9.0286
2	Life Insurance Corporation of India	6055144	2.9556	5556793	2.6188
3.	HSBC Global Investment Funds – Asia ex Japan equity	–	–	3705320	1.7463
4	Birla Institute of Technology & Science	3519850	1.7181	3519850	1.6589
5	Rukmani Birla Educational Society	3472140	1.6948	3472140	1.6364
6	Shree Jagannath Educational Institute	3170000	1.5473	3170000	1.4940
7	Sri Govinddeo Educational Institute	3005000	1.4668	3005000	1.4162
8	Param Capital Research Private Ltd.	–	–	2914496	1.3736
9	Shri Venkateshwara Educational Institute	2851860	1.3920	2851860	1.3440
10	Siddharth Iyer	–	–	2700000	1.2725

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	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.	Shri C.K. Birla, Director				
	At the beginning of the year	2897570	1.4144	2897570	1.3655
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	–	–	372323 equity shares allotted on Rights basis on 17.02.2017	0.1755
	At the end of the year	2897570	1.4144	3269893	1.5410
2.	Shri A. Ghosh, Director				
	At the beginning of the year	7000	0.0034	7000	0.0033
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	–	–	400 equity shares allotted on Rights basis on 17.02.2017	0.0001
	At the end of the year	7000	0.0034	7400	0.0034
3.	Shri M. Bastian, Director				
	At the beginning of the year	24000	0.0117	24000	0.0113
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	–	–	2733 equity shares allotted on Rights basis on 17.02.2017	0.0013
	At the end of the year	24000	0.0117	26733	0.0126
4.	Shri B. K. Jhawar, Director				
	At the beginning of the year	–	–	–	–
	Date wise 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	–	–	–	–
5.	Shri N. S. Sisodia, Director				
	At the beginning of the year	–	–	–	–
	Date wise 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	–	–	–	–

Sl. No.	Particulars	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
6.	Ms. Gauri Rasgotra, Director				
	At the beginning of the year	–	–	–	–
	Date wise 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	–	–	–	–
7.	Shri M. L. Pachisia, Managing Director				
	At the beginning of the year	36640	0.0179	36640	0.0173
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	–	–	1308 equity shares allotted on Rights basis on 17.02.2017	0.0006
	At the end of the year	36640	0.0179	37948	0.0179
8.	Shri P. K. Sonthalia, President (Finance) & CFO				
	At the beginning of the year	14920	0.0073	14920	0.0070
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	–	–	1000 equity shares allotted on Rights basis on 17.02.2017	0.0005
	At the end of the year	14920	0.0073	15920	0.0075
9.	Shri R P. Dutta, Company Secretary				
	At the beginning of the year	–	–	–	–
	Date wise 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 (₹ in crores)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	347.23	96.27	33.47	476.96
ii) Interest due but not paid	–	–	–	–
iii)Interest accrued but not due	0.78	0.33	–	–
Total (i+ii+iii)	**348.01**	**96.60**	**33.47**	**478.07**
Change in Indebtedness during the financial year				
Addition	44.21	28.56	0.95	73.72
Reduction	61.22	56.60	–	117.82
Net Change	**(-) 17.01**	**(-) 28.04**	**0.95**	**(-) 44.10**
Indebtedness at the end of the financial year				
i) Principal Amount	330.62	68.45	34.42	433.49
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.38	0.11	–	0.48
Total (i + ii + iii)	**331.00**	**68.56**	**34.42**	**433.97**

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) of the Income tax Act,1961	98.09
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act,1961	–
2.	Stock Options	–
3.	Sweat Equity	–
4.	Commission - As % of profit - Others specify	–
5.	Others, please specify:	–
	Total (A)	**334.19**

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

B. Remuneration to other Directors:

(i) Independent Directors (₹ in lacs)

Sl. No.	Particulars of Remuneration	Shri B.K. Jhawar	Shri A.Ghosh	Shri M. Bastian	Shri N.S. Sisodia	Ms. G. Rasgotra	Total
1.	Fee for attending Board/ Committee meetings	10.50	9.50	11.50	8.00	4.00	43.50
2.	Commission	9.75	9.75	9.75	9.75	9.75	48.75
3.	Others, please specify	–	–	–	–	–	–
	Total (B)	**20.25**	**19.25**	**21.25**	**17.75**	**13.75**	**92.25**

(ii) Other Non-Executive Directors (₹ in lacs)

Sl. No.	Particulars of Remuneration	Shri C. K. Birla
1.	Fee for attending Board/Committee meetings	4.50
2.	Commission	9.75
3.	Others, please specify	–
	Total (C)	**14.25**
	Total Managerial Remuneration (A+B+C)	440.69
	Overall ceiling as per the Act	**647.72**

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD (₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	151.62	17.89	169.51
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	13.58	0.54	14.12
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–
	Total	**165.20**	**18.43**	**183.63**
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	As % of profit			
	Others specify	–	–	–
5.	Others, please specify:			
	Total	**165.20**	**18.43**	**183.63**

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

VII. Penalties /Punishment/Compounding of Offences

There were no penalty/punishment/compounding of offences for the year ended 31st March, 2017.

Annexure III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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. 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 Orient Paper & Industries Limited having its Registered Office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneshwar – 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 31.03.2017 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.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Secretarial Standards (SS–1 and SS-2) as issued by The Institute of Company Secretaries of India;

(iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) 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;

(vi) 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) Regulations, 2015;

(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;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 specifically complied with the provisions of the following Acts:

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 31.03.2017 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

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 (Share Based Employee Benefits) Regulations, 2014 ;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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, if any, 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.

We further report that :

a) The Company's paper plant was shut during 18th May, 2016 to 22nd June, 2016 due to water scarcity and annual maintenance activity.

b) The Company has raised capital by issue of equity shares on right basis during the year under report. Subsequently, the paid-up share capital of the Company stands increased to ₹ 21,21,85,502 divided into 21,21,85,502 equity shares of Re. 1 each.

c) The Board of Directors of the Company has approved a scheme of arrangement for demerger of the consumer electric undertaking of the Company into Orient Electric Limited ("Resulting Entity"), the wholly owned subsidiary of the Company, to be implemented in terms of the scheme of arrangement ("Scheme") between the Company, Resulting Entity and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013, ("Proposed Demerger"), as recommended by the Audit Committee of the Company. The Proposed Demerger shall be subject to the approval / sanction of the Scheme by the High Court of Orissa and such other authorities, as may be necessary.

d) Remuneration paid to the Managing Director for the financial year ended 31st March, 2015 and 31st March, 2016 has exceeded the limits as prescribed under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 178.19 lacs and ₹177.70 lacs respectively. However, we have been informed that the Company has filed applications and made further representation to the Central Government for waiver of excess remuneration as mentioned herein above and for which the approval is still pending with the Central Government.

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

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

Place : Kolkata
Dated : 16th May, 2017

Annexure IV

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

(A) CONSERVATION OF ENERGY

Paper Division

Energy conservation measures taken–

Sr. No.	Description of Proposal Implemented	Qty.
1	Switch over from HT to LT power supply with LT motor @ 400 kw + VFD at ID Fan of Recovery Boiler in order to save power by 70 kWh.	01 No.
2	Installed VFD (75 KW) for Caustic Washer Vat dilution pump motor.	01 No.
3	Installed VFD (75 kW) at CEP-1 of 22 MW STG to save power by 22kWh.	01 No.
4	Installed VFD (75 kW) at CEP-1 of 30 MW STG to save power by 22 kWh.	01 No.
5	New Tapping from CW line for Recovery ID Fan Fluid coupling oil cooling pump (30kW Motor) running hours get reduced by 4 hrs.	01 No.
6	Installed VFD (132 kW) at PA Fan # 1 of AFBC Boiler.	01 No.
7	Installed VFD (75 kW) at Cooling water pump in Clo2 plant	01 No.
8	Installed VFD (55 kW) at Over fire Fan in Power Boiler	01 No.
9	Replacement of 40W Tube light fitting with 18W LED Fittings at Admin Building and Technical Block.	400 Nos.
10	Installed VFD (75 kW) at White Water supply pump to clarifier	01 No.
11	Switch over from HT to LT power supply with LT motor @ 250 kw + VFD at Mill Supply Water Pump # 4.	01 No.
12	Stoppage of vacuum Pump # 7 (337 kW motor) at Main Machine.	01 No.
13	Stoppage of Caustic Screw conveyor motor (7.5 kW) at Pulp Mill.	01 No.
14	500 kVAr Capacitor Bank Installed and charged for PCC No. 3 of Tissue#2.	01 No.
15	Stopped running of Vacuum Pump # 1 & Vacuum Pump#5 at Pilot Machine.	01 No.
16	MC Pump Motor (90kW/1500RPM) replaced with 75 kW/1500 RPM Motor at pulp Mill	01 No.
17	Pre-heater Installation at Digester # 1, Digester # 2,Digester # 4 for reduction in steam Consumption by 09 TPD each & subsequently pulp Quality Improvement .	03 Nos.

Electric Division

1. 100 KW solar power plant has been commissioned in Faridabad plant
2. Orient Ecotech (BLDC motor) fans installed in assembly lines, stores, etc to save the power consumption.
3. Improved Power factor to as high as 0.995 (99.5 %) thereby increasing rebate on energy charges .
4. Hot water temperature setting changed to the extent of 10 degree for better efficiency and saving of PNG .
5. Reduced factory electrical load after eliminating pre-treatment operation (Phosphating) and introduced 5 star rated ACs by replacing old ACs thereby reducing electricity cost per fan.

6. In Lighting Subdivision introduced Baker Machine automatic unloading which was earlier being carried out manually.
7. In Switchgear Sub-Division used 111 CFM Compressure with Auto on /off instead of 361 CFM to reduce energy consumption during Lean Production Hours .

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

Paper Division

Sr. No	Detailed Proposals	Estimated Investment in next 3 years ₹ in Lacs
1	Installation of VFD (55KW) in UTM Pulper pump with level control.	3
2	Installation of VFD (15 kW) in GL storage tank pumps in Causticizing Plant.	1
3	Installation of VFD (75 kW) in Holding Chest Pump in Paper Machine.	5
4	Installation of VFD (55 kW) in Hot-Well pumps in Clo2 Plant.	3
5	Reduction of Coal Consumption from 2.2 to 1.8 T/T of Paper by various measures.	100
6	Recovery Boiler ESP upgradation	150
7	Installation of LED light fittings.	2
8	Fixing of transparent sheets in place of asbestos sheets for Utilization of Natural light.	2
	Total	266

Electric Division

In FAN Subdivision installation of Speed Motor Design Software from CD-ADAPCO for improvement in term of efficiency in existing motors, installation of in house ORCAD PCB design professional V 16.6 for complete PCB design ,installation of various instrumentation to improve testing and validation of laboratory set up and installation of LED lights and BLDC fans all around plants.

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

Paper Division

	Unit	2016-17	2015-16	2014-15
Power (Excl. colony,Aux. & export power)	KWH/MT of paper	1805	1838	1876
Steam (excl Own cons.)	MT/MT of paper	18.28	18.37	19.39
Water (excl Own cons.)	M3/MT of paper	84	108	120
Coal	MT/MT of paper	2.3	2.45	2.68

Electric Division

Reduced Energy Consumption and cost of production due to enhanced capacity & productivity.

(D) TECHNOLOGY ABSORPTION

Research & Development

Paper Division

I. Specific area in which R&D carried out by the company.

1. Pulping studies on conventional raw materials in respect of yield and properties of various types of bamboo and wood, pulping studies of silo chips and pulping characteristics of mix formula.
2. Micro-biological analysis of various location in Paper Machine, Tissue Machine #1&2 , Pilot Machine and White Water Clarifier.
3. Evaluation of the existing slime control programme running on Paper Machine, Tissue Machine #1&2 and Pilot Plant.
4. Analysis of scales from Pulp Mill and Soda Recovery Process.
5. Fibre morphology of competitor's Tissue paper sample of various grades
6. Heavy metal analysis of Grade-II & III inlet and outlet effluent..
7. Monthly compilation: Grade II and III effluent discharge analysis report for PCB submission
8. Monthly Analysis of Peizometric sample from surrounding areas.
9. Soil analysis of various location of Mill surrounding.
10. Special samples analysis of water from Upstream and downstream of Sone River and dug well of nearby villages.
11. Special samples analysis of Treated Effluent in different Ratio of Grade II & III of ETP.
12. Monitoring of white water samples & its characteristics
13. Monitoring of Krofta Performance of Tissue Machine # 1& 2.
14. Monitoring of effluent from different drains inside the mill.
15. Monitoring of COD, SS, BOD & Colour for on line discharge effluent sample .
16. Monitoring of DM & RO water.
17. Monitoring of the fibre loss in Tissue Machine # 1, 2 & Pilot plant.
18. Monitoring of the refining treatment of pulp in Tissue machine #1&2.
19. Nitrogen and Phosphorous analysis in Urea and Ammonium Sulphate being used in ETP and activated in Activated sludge pond.
20. Monitoring of Ambient Air and Stack at different locations.
21. Monitoring of Dust emission in Chipper House, Power House, Coal Yard and Soda Recovery area.
22. NABL External Audit of Environmental Lab, Research Division for ISO: 17025-2005 Certification 2015-17 and NABL ISO: 17025-2005 Internal Audit for the year 2016-17 .

Electric Division

In Fan Sub Division introduced various types of fans including 48" ECO QUASAR (Decorative BLDC fan with high efficient DC motor) , Aeroquiet Fans with Aerodynamic profile blade design, Premium Table ,Wall and Pedestal Fans with potential energy saving benefits and aesthetic design suitable for Indian markets.

In Lighting Sub Division introduced 3 STAR rated BEE certified LED Lamps of 5w, 7w and 9w (India's 1st BEE certified LED lamps) . LED bulb production of 23 w started at Faridabad Plant. Started production of 4W/6W Down lighters and High Wattage Led Lamps-40W/50W at Noida Plant. Removed potting from 12 W LED bulb.

II. Benefit derived as a result of R&D

Paper Division

1. Pulping studies on conventional raw materials to suggest optimum raw material procurement mix and furnish mix .
2. Micro-biological analysis of various locations to ascertain the health of machine wet end and smooth running of the machine.
3. Evaluation of the existing slime control programme running helps in optimizing chemical dose and guide to Process people to take appropriate action at machine timely.
4. Weak & thick black liquor analysis to give feedback to process owner for better control in the plant.
5. Analysis of scales from Pulp Mill and Soda Recovery Process feedback given to process owner for better control.
6. Fibre morphology of competitor's tissue sample of various grades for taking advantage for new product development.
7. Heavy metal analysis of Grade-II & III effluent results given to ETP for better control.

8. Monthly compilation: Grade II and III effluent discharge analysis report for PCB submission for liaising purpose.
9. Soil analysis of various location of Mill surrounding helps to determine health of HRTS System.
10. Special samples analysis of water from Upstream and downstream of Sone River and dug well of nearby villages to determine water quality.
11. Special samples analysis of Treated Effluent in different Ratio of Grade II & III of ETP for further modification of ETP as per the requirement.
12. Monitoring of white water samples any abnormal rise in its characteristics is carried out and reported for effective white water utilization in Paper Machine & Pulp Mill.
13. Monitoring of Krofta Performance of Tissue Machine # 1& 2, to save the fibre recovery and to conserve the water.
14. Monitoring of unbleached pulp COD of the composite sample of the 4th press, for optimization of the chemical usage in bleaching section of pulp Mill .
15. Monitoring of COD, SS, BOD & Color for on line discharge effluent sample to Environment department for comparison with On-line instrument for stabilization.
16. Monitoring of DM & RO water is carried out for effective boiler operations.
17. Analysis of Condensate Deposit and Turbine oil deposition sample of Power House for effective boiler operations.
18. Monitoring of the fibre loss in Tissue Machine #1&2 and Pilot plant and feedback given to Process incharge for better control in process to reduce the fibre loss .
19. Monitoring of the refining treatment of pulp in Tissue machine #1&2 for optimization of the refining energy as per the process requirement.
20. Nitrogen and Phosphorous analysis in Activated sludge pond for optimizing chemical dose.
21. Monitoring of Ambient Air and Stack at different locations to comply PCB regulation.
22. Monitoring of Dust emission in Chipper House, Power House, Coal Yard and Soda Recovery area for evaluation of pollution load in plant.

Electric Division

1. In Fan Sub Division increase market penetration in high speed fans, new Aero Series category and energy saving fans .
2. In Lighting Sub Division increase sales with introduction of BEE STAR rated lamp in the market and reduced cost of LED Bulbs.

III. Papers published during the year 2016-2017

One Technical paper published in IPPTA during 2016-17 .

IV. Future plan of action

Paper Division

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

In Fan Sub Division Planning to introduce1300 mm Hugger Fan,1200 mm Aeroquiet with BLDC, 1200mm Revamped Entry level Decorative Fans , High Speed Decorative fan, 1300mm Aerofoil design fan, Anti Dust concept, Low Dia concept fan and Smart fan with unique features like Motion sensor, Temperature and Humidity sensor to control fan speed, Fan control through Remote and Mobile phone, etc.

In Lighting Sub Division planning to install automatic packing machine in LED bulb Production and production of 14w and 23w LED bulb to compete intensively in the market.

V. Expenditure of R&D

S. No.	Details	2016-2017
a)	Capital (₹ In lacs)	1.51
b)	Recurring (₹ In lacs)	25.99
c)	Total R&D (₹ In lacs)	27.50
d)	Total R&D expenditure as percentage to total turnover.	0.01

TECHNOLOGY ABSORPTION AND INNOVATION

A. Efforts in brief made towards absorption, adoption and innovation

1. **Paper Machine:**

I. Installation of 3rd press flexible doctor holder in-place of conventional stationary doctor holder resulted reduction in down time against doctor missing and also reduction in doctor blade consumption.

II. Replacement of chemical dosing centrifugal type pumps to acute screw pumps for better controlling of the chemical dosing yielded consistent dosing of the chemicals with better monitoring, reduction in chemical consumption and quality improvement.

III. Replacement of old design Gould make pumps to energy efficient back pull out design centrifugal pumps in wet end of the machine resulted increased uptime of the plant.

IV. Develop Water mark papers for UP Government tender and for other customers.

V. High quality printing paper established into market.

VI. Replacement of pressure screen basket from hole to slotted design resulted quality improvement and reduction in down time.

VII. Water consumption reduced from 40 to 25 M^3 /MT of paper.

2. **Pulp Mill:**

I. Improved Pulp yield upto 37.7% by minimizing the fibre loss and optimisation of the process parameters.

II. Chemical mixer cum steam mixer (Twin-Rotor) which was corroded badly was changed with Single shaft pulp heater for survival.

III. Clo2 seal box modification done to reduce water consumption.

IV. Caustic washer screw conveyor drive system modified and separate drive installed along with gear box after disconnected with shredder to reduce down time.

V. Press no.4 dilution screw conveyor drive system modified and separate gear box installed with V-belt drive arrangement instead of shaft mounted gear box to avoid frequent failure of screw conveyor.

VI. Digester No.1 to Digester No.7 in bottom circulation line control valve erected to maintain bottom temperature for homogeneous cooking to improve pulp parameters.

VII. CD MC Pump v-belt drive arrangement removed and direct drive system adopted which will reduce down time due to v-belt failure as well as avoid v-belt consumption forever (cost reduction).

VIII. Digester house new spillage collection system installed to reuse back into the system to recover the chemical and to reduce effluent load at ETP and effluent generation.

IX. Water consumption reduced from 40 to 25 M^3 /MT of paper.

3. **Chipper House:**

I. SS bottom perforated plates provided in chips screens instead of MS perforated plates to increase the life and reduce the down time.

II. East side weighbridge lifted by 450 mm and its platform length extended by 90 mm each side to weigh long vehicles also.

III. West side weighbridge platform also extended by 150 mm each side to weigh long size vehicles.

4. **Tissue Plant #1 & 2:**

I. Commissioned new IR Compressor at T #1 & T#2 to enhance the uptime of the Tissue machines.

II. High quality Facial grade, Toilet grade and MG Poster paper developed in Tissue-1.

III. Bulk content increased in Toilet & Napkin grade quality in Tissue -1.

IV. High strength (dry and wet strength) towel mfd. at T#2 to meet out the UAE customer requirement.

V. HRT Torkmatic High Strength tissue paper developed in Tissue-2.

VI. FSC COC certified Towel- 38 gsm mfd. for M/s ABC Australia.

VII. Water consumption reduced from 25 to 15 M^3 /MT of paper.

5. **Pilot plant:**

I. Received License from Bureau of Indian Standard (BIS) for manufacturing the ECO mark paper & labeling on Writing Printing Paper white & Colored.

II. Water consumption reduced from 50 to $25M^3$ /MT of paper.

6. **Effluent Treatment Plant:**

I. To upgrade the existing Effluent Treatment Plant (ETP), including tertiary treatment system to meet the pollution parameters set by Central Pollution Control Board (CPCB) and MP Pollution Control Board charter norms.

II. New on- line air monitoring system installed at Recovery boiler and Power House boiler stacks

7. **In-house water conserved measures:**

I. New 70 MGD water reservoir constructed to meet out the water shortage of water in the lean season.

II. The Mill water consumption has been minimized substantially from 100 m3/t of paper to 50 m3/t of paper keeping in view the concept '3R's i.e. Reduce, Reuse & Recycle and to meet out the CPCB charter of 50 m3/t of paper.

8. **Chemical Recovery , Chlorine Dioxide plant & Lime Kiln:**

I. Improved Overall Recovery Efficiency to 93.5 % by minimizing the Alkali loss and optimisation of the process parameters.

II. Lime plant new conveyor belt installed on D.D. tank to feed powder lime and save lime losses.

III. New absorption tower installed in ClO2 plant to increase efficiency of ClO2 plant.

IV. In mud filter (RLK plant) snap blow system installed to increase efficiency of filter as well as dryness of mud to reduce furnace oil consumption.

9. **Energy Conservation Initiatives**

I. Coal Consumption reduced to 2.29 MT/T of paper by introducing energy efficient pump, VFDs, to save the power and steam.

II. 6MW,16MW of Turbine ,turbo-feed pump # 2 & 3 isolated from headers for saving of steam.

III. Overhauling of Power boiler # 1 for enhancing the reliability.

IV. Pump motor and pipeline erection from south plantation to spray pond for saving mill water.

V. Replacement of damaged Mill water line 46" by 30"inside the plant.

ELECTRIC DIVISION

In Fan Sub Division introduction of Wi Fi technology in fans for Small home automation, IoT concept in Fans, DC ceiling fan motor for operation on solar power, Automatic cleaning unit for components cleaning in paint shop, Automatic lubrication system for conveyer in powder coating paint shop and Assembly set up for Brushless DC Fan / Air Circulator / Exhaust Fan.

In Lighting Sub Division introduction of Automatic packing machine for improvement in productivity and enhanced the Manufacturing Capacity of SMD Section & MI Section

In Switchgear Sub Division Development of DP 63A RCCB Core at lower cost compared to ETI.

B. Benefit derived as a result of above efforts i.e. product improvement, cost reduction, product development, and import substitution

Paper Division

1. Improved paper quality with cost reduction.
2. Pulping studies for better decision making for procurement of raw materials
3. Optimize the Raw material furnish mix for cost reduction and sustainability.
4. Micro-biological analysis of various water and waste water samples to ascertain the health of machine wet end and for smooth running of the machine.
5. WBL (weak black liquor) and TBL (thick black liquor) analysis from recovery and pulp mill for controlling of intermediate process control.
6. Analysis of scales from Soda Recovery and Pulp Mill Process for better process control.
7. Better Monitoring of DM & RO water for effective boiler operation.
8. Soil analysis of various location of Mill surrounding helps to determine health of HRTS System.

9. Monitoring of Ambient Air and Stack at different locations to comply PCB regulation.

10 Internal audit of NABL ISO: 17025-2005 of environmental lab was conducted for the year 2016-17 for compliance of NABL requirement.

Electric Division

1. New innovative designs like Smart Fan; Blue tooth/Wifi enabled fan, different concept fans like under light fan with LEDs.
2. Improved quality assessment system and key components enabling to offer reliable product i.e., high speed TPW Fans.
3. Reduction in wastages in the process & reduced inventory levels

Awards & Certification- Paper Division

1. Received IMS (ISO 9001:2015. ISO: 14001:2015, OHSAS18001:2008), FSC CW & COC, EnMS
2. Received award in Gold Category from Green Tech Foundation award FY 2016 in Environment & Safety Management
3. Received CAPEXIL award FY 15-16
4. Received Golden Peacock Eco-Innovation award for Year 2016

Foreign Exchange Earnings & Outgo

The Foreign Exchange earned during the year is ₹18061.91 lacs and the Foreign Exchange outgo during the year is ₹13575.64 lacs.

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	Not applicable
(b).	Year import	
(c).	Has technology been fully absorbed	
(d).	If not absorbed, areas where this has not taken place	

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 2017, 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 had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 ;

(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; and

(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 2017.

(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.	Baishakhia P.S	(a) MBA (b) SBU Head(Appliances) - Electric Division (c) 43 (d) 11189358 (e)19 (f) 5 October 2015 (g) LG Electronics India Pvt Ltd – Business Head
2.	Dugar M.K.	(a) CA (b) Vice President (Finance)- Electric Division (c) 46 (d) 9049384 (e) 22 (f) 1 May1994 (g) None
3.	Dhawan P.	(a) MBA -Sales & Marketing (b) SBU Head (Lighting) – Electric Division (c) 49 (d) 10449548 (e) 26 (f) 9 September 2013 (g) Crompton Greaves Ltd. - GM Sales (Consumer Business Unit)
4.	Gupta A .	(a) B.Tech (Pulp & Paper) (b) Chief Executive Officer – Amlai Paper Mills (c) 52 (d) 10026106 (e)28 (f) 22 January 2014 (g) Ballarpur Industries Ltd, Assistant Vice President (Operations)
5.	Khanna R.	(a) MBA - Marketing (b) Chief Executive Officer – Electric Division (c) 54 (d) 23041020 (e) 34 (f)1 December 2014 (g) Jumbo Electronic-Head Sony & IT Products, UAE
6.	Mullick G .	(a) B.Sc. (H), MBA (b) Sr. Vice President (Paper Marketing) (c) 60 (d) 8270911 (e) 37 (f) 7October 1998 (g) The Andhra Pradesh Paper Mills Ltd, General Manager (Marketing)
7.	Pachisia M.L.	(a) B.Com (b) Managing Director (c) 72 (d) 35097390 (e) 56 (f) 1 April 1991 (g) Hindustan Motors Ltd., President (Corporate Projects)
8.	Saha N.K.	B.E.(Chem), MS (Pulp & Paper) (USA), M.I.E. (India) (b) Sr. Vice President (Projects & Development)-Paper (c) 66(d) 8607733 (e) 44 (f) 11 March 1982 (g) The Titagarh Paper Mills Co. Ltd., Sr. Engineer (Projects)
9.	Sonthalia P.K.	(a) B.Com(H), FCA, FCMA (b) President (Finance) & CFO (c) 59 (d) 17622462 (e) 37 (f) 15 April 1980 (g) None
10	Singh A.K.	(a) B.Tech (Elect.) (b) SBU Head (Switchgear) – Electric Division (c) 53 (d) 8880583 (e) 27 (f) 24 June 2015 (g) Havells India Pvt. Ltd.- Vice President – Industrial

B. Employed for part of the financial year

1.	Chopra R	(a) Masters-HRM (b) Vice President-Human Resources - Electric Division (c) 42 (d) 7021215 (e)18 (f) 25 July 2016 (g) Samsung India Electronics Pvt Ltd – General Manager - HR
2.	Singh A K	(a) B.E. (Mech) (b)Vice President &Head – Manufacturing (Fans) – Electric Division (c) 51 (d) 11570033 (e) 28 (f) 2 May 2016 (g) Hero Cycles Ltd –Executive Director – Operations
3	Tandon S	(a) B.E.(Mech) (b) Sr .Vice President & BU Head (Fans) - Electric Division (c) 47 (d) 8742346 (e) 24 (f) 1 April 2016 (g) Escorts Ltd – Chief-International Business

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.

Other Details pertaining to remuneration

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2016-17 (₹ in Lacs)	% increase in remuneration in the financial year 2016-17	Ratio of remuneration of Each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Shri C.K. Birla, Chairman	14.25	713%	2.70	-
2	Shri B.K. Jhawar, Director	20.25	1013%	3.84	-
3	Shri A. Ghosh, Director	19.25	770%	3.65	-
4	Shri Michael Bastian, Director	21.25	304%	4.02	-
5	Shri Narendra Singh Sisodia, Director	17.75	273%	3.36	-
6	Ms. Gauri Rasgotra, Director	13.75	688%	2.60	-
7	Shri M.L. Pachisia, Managing Director	350.97	4%	66.47	5.20% of the net profit
8	Shri P.K. Sonthalia, President (Finance) & CFO	176.22	11%	N.A.	2.61% of the net profit
9	Shri R.P. Dutta, Company Secretary	19.56	14%	N.A.	0.29% of the net profit

(ii) The median remuneration of employees of the Company during the financial year was ₹5.28 lacs p.a.

(iii) In the financial year, there was an increase of 16.81% in the median remuneration of employees.

(iv) There were 2694 permanent employees on the rolls of Company as on March 31, 2017.

(v) Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year i.e., 2016-17 was 17.28% whereas the percentile increase in the managerial remuneration for the same financial year was 6.68%.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

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/ transactions	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 transactions	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
				Nil			

2. Details of material contracts or arrangements or transactions at arm's length basis

(₹ in Lacs)

Name(s) of the related party and nature of relationship	Nature of contracts or arrangements or transactions	Duration of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Origami Enterprises (Relative of a Director is a partner)	Rent received	01.04.2016 to 31.03.2017	Premises let out	2.22	Not required as all transactions were at arm's length basis and in the course of ordinary business	Nil
Orient Cement Ltd. (A director of the Company is a Director in Orient Cement Ltd. and is holding more than 2%)	Rent received	01.04.2016 to 31.03.2017	Premises let out	12.00		Nil
Birla Brothers Pvt. Ltd. (A director of the Company is a Director in Birla Brothers Pvt. Ltd. and is holding more than 2%)	Rent received	01.04.2016 to 31.03.2017	Premises let out	0.03		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	350.97		Nil
Mr. P. K. Sonthalia, President (Finance) & CFO (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	176.22		Nil
Mr. R. P. Dutta, Company Secretary (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	19.56		Nil

C. K. Birla
Chairman

Management discussion and analysis

1. OVERALL ECONOMY

Indian economy continues to be the world's fastest growing large economy and recorded a 7.1% growth during the year despite a temporary slow down post demonetization in November 2016.

The year also saw passage of GST bills by consensus between all the States and the Centre. Introduction of GST should further boost our economy's growth.

For our Company also this has been an eventful year.

We strengthened our financial position through successful completion of our rights issue of ₹49.75 crores, proceeds from which were largely used to repay part of the loans.

Our Electric business continues to grow both in terms of its turnover and profits. Our decision to demerge Electric business from the Company is aimed at further unlocking value as also providing greater focus to both businesses for accelerated growth and development.

Our Paper business has also done particularly well during the year under review with significant increase in its profitability. Since these improved results have been achieved mostly through our internal cost reduction and efficiency improvement efforts, we expect these to be sustainable in the long run as well.

In addition, we have completed our Tissue expansion project and started commercial production with effect from 1st May 2017. With this expansion, we have become the largest player in the Tissue paper segment in India. Tissue paper is a high growth segment and provides relatively better margins. We are therefore confident that the paper business is also in a healthy state now and should be able to maintain a steady growth.

We are fairly optimistic about the Indian economy's rapid growth and believe that our Company is well primed to take full benefit of the emerging opportunities.

2. SEGMENT-WISE BUSINESS ANALYSIS

2.1 Business Segment - Paper

2.1.1 Industry Structure & Developments

Paper Industry in India, particularly Writing & Printing paper segment performed relatively well during the year with a demand growth of ~4-5 % without any capacity additions. No new capacities are in the offing as well. Therefore the supply / demand imbalance in writing & printing papers experienced in the recent past is now largely corrected.

Domestic demand for Tissue papers also remained healthy despite the temporary impact of demonetization. Realization from exports was however impacted due to strengthening of Indian Rupee of late. However, Tissue papers continue to be amongst the fastest growing paper segments not only in India but other parts of the world as well.

2.1.2 Opportunities & Threats:

India is already one of the fastest growing major economies of the world and the current emphasis on education, skill development and economic reforms should provide a further boost to the Country's growth prospects and resultant demand for Paper.

Writing & Printing Paper market is expected to remain firm in the near future as no major capacity additions are on the anvil. Therefore we expect the current supply /demand equation to further improve during FY 17-18. Improved quality of our Writing & Printing paper and acceptance of same in the printing segment places us in a strong position to take full advantage of growth opportunities.

Tissue paper continues to have a double-digit growth in the domestic market. This trend is expected to gather further momentum with visible changes in the life style of India's vast middle class population.

We have been successful in establishing a meaningful presence in the export markets for Tissue products. Now we shall also be able to cater to the huge demand for Facial and Toilet grade tissues from our new Tissue machine. We had limited presence in these products so far. We are also making inroads in newer markets like South Africa, Australia, Zimbabwe, Tanzania, Democratic Republic of Congo and Ghana, where our Tissue products have already been seeded. Our efforts are towards ramping up capacity utilization from the new facility as fast as possible.

One challenge for the entire Integrated Paper Industry in India continues to be the shortage of Pulp wood from local sources. To overcome this, we have been focusing on promotion of farm forestry in nearby areas by educating farmers on advantages of planting pulpwood trees which can provide them with higher returns from their available land. In financial year 2016-17, we arranged plantations on ~ 2026 hectares of land as against 1800 hectares in the previous year and are targeting increasing this to over 3000 hectares in the coming year. In fact, Madhya Pradesh and Chhattisgarh have some of the largest land areas suitable for growing pulpwood. We are glad that both the State Governments are also pro-actively promoting pulpwood plantations and have set ambitious targets in this regard. In view of good demand for high yielding clonal saplings for these plantations, we are further expanding our state-of-the-art nursery to produce high yielding clones.

The other challenge before the Paper industry is to comply with stringent Environment norms being insisted upon by the Ministry of Environment & Forest (MOEF) and the Central Pollution Control Board (CPCB). We are proud to say we have created required facilities to fully meet the stipulated norms and the same has recently been certified by a joint inspection team of Central pollution control board and Madhya Pradesh Pollution Control Board officials and scientists.

2.1.3 Segmental review & analysis

Our Major focus during the year was on cost reduction and efficiency improvement. As a result, we have been able to record significant improvements in terms of Raw material yield, Recovery Efficiency, Condensate recovery, Power & steam consumption, Power plant performance and Coal Consumption.

These initiatives included installation of New pre-heaters in Digesters, a number of variable frequency drives, stationary slaker & filter press in the chemical recovery area, new Bottom liquor circulation valves, Snap Blow system at Lime Mud filter, Low Tension power supply with variable frequency drives at ID fan of Recovery boiler and Low Tension power supply at Mill water supply pumps.

We secured additional coal linkage of over 100,000 tons per year for our new power plant which has contributed to reduction in Power & Fuel cost & insulated us from fluctuations in cost of coal purchased through auctions.

We were also able to lower the average cost of our basic raw material, i.e. Pulp wood, through maximising sourcing from nearby areas and optimizing our furnish mix. Simultaneously, we have been promoting extensive plantations with high yielding clones in our neighbourhood to ensure sustainability of this trend. This also contributes to increasing forest cover and farmers' welfare in our area of operations.

We successfully concluded Long term wage agreement with the unions which included several provisions to facilitate significant productivity improvement.

We placed major thrust on complying with the latest environment norms by upgrading our Effluent Treatment plant and reducing our water consumption per ton of Paper by over 35%. Thus, we have become one of the first few integrated pulp & paper manufacturing units to achieve the latest standards as certified by a combined team of Central and State pollution control boards.

In recognition of our efforts, during the year, our Paper vertical was awarded Integrated Management Certification for Quality (ISO 9001-2015), Environment (ISO 14001-2015) and Safety (OSHAS 18001-2007), Golden Peacock award for Eco-innovation-2016, Gold Award from Greentech Foundation for environment management -2016, Gold award from Greentech Foundation for Safety – 2016 & CAPEXIL award for export performance.

Our Caustic Soda unit also achieved its best ever volumes of Caustic (35004 MT), Chlorine (21117 MT) and HCL (33396MT) during the year. The unit also received the prestigious "Responsible care, Environmental, Health, Safety and Security Management System" certificate under RC 14001: 1013 standard.

Primarily as a result of these internal improvements, we could achieve a significant turnaround in our Paper Division's performance. This was achieved despite a set-back during first quarter of the year due to disruption in operations for 35 days caused by acute water shortage arising out of 2 consecutively poor monsoons at the plant location. In this regard also we have taken further concrete steps to avoid such disruptions in future as enumerated separately in this report.

Despite this set-back, our paper division achieved a net sales turnover of ₹493.35 crores, quite close to ₹507.82 crores in the previous year. More importantly, PBIDT for the paper division increased by 63% to ₹56.96 crores as compared to ₹34.93 crores in the previous year. Our PBIT has also been higher by 272% at ₹34.30 crores compared to ₹12.61 crores in the previous year.

As a long-term measure to further eliminate future water scarcity problem during severe drought years, we constructed additional water storage of 140 million gallons during the year, increasing our total water storage capacity to nearly 600 million gallons which should be adequate for nearly 4 months even after accounting for evaporation factor. Steps are also being taken to augment water storage capacity by a further 100 million gallons to safeguard ourselves fully from this vulnerability in future.

We could also achieve a major milestone of completing our Tissue Paper expansion project ahead of schedule and have started commercial production w.e.f. 1st May 2017. This will double our Tissue paper capacity and increase our overall paper capacity by over 30%. Significantly, this project is being operated without any additional manpower.

These developments bode well for the future of our paper business.

2.1.4 Risks & Concerns

One of the major risk has been water scarcity during severe drought years which has largely been taken care of by constructing additional water storage capacity of 140 million gallons. Steps are already in hand to augment this capacity by a further 100 million gallons.

Recent strengthening of Indian Rupee has impacted competitiveness of exports from India. Since our Tissue paper volumes have significant export element, this poses a challenge. We are fully conscious of this aspect and are taking steps to safeguard our margins through further cost reduction and increase in higher value added products like Facial tissues.

2.1.5 Outlook

We do believe that the improvements already achieved should be sustainable in the long run since a major part of these improvements have arisen out of internal cost reduction and efficiency enhancement efforts. Further initiatives are also being taken on a continuous basis to ensure that this trend gains further momentum. Coupled with the recent expansion of our Tissue paper capacity, we are indeed looking forward to an exciting future for Orient Paper.

2.2 Business segment - Electric

2.2.1 Industry Structure & Developments

Fans

Fan industry witnessed a volume growth of around 5-6% during the year. While the growth looked promising in the first half, demonetization slowed down growth in the second half of the year. At the same time, there was a steep increase in raw material prices and most companies were forced to pass on only a partial increase in raw material prices.

Despite the challenges, our sales in the domestic market grew by 7.5% by volume and 11% by value, led by growth in the decorative and super premium segments. Our focus on increasing share of these high value and energy efficient models continues.

The organized sector accounts for about 44 million fans worth approximately ₹5,000 crores.

While the market demand for pedestal, wall & Exhaust fans rose at a higher rate, ceiling fans accounted for roughly 70% of the total domestic demand for fans. Orient Electric continued to remain a very strong player in both the sub-segments.

The industry continues to be fiercely competitive with new players entering the market and every major player vying for a greater market share.

Lighting

FY 16-17 was an exceptional year for the Lighting Industry. LED lighting nearly replaced CFLs. Thus LED products became the growth drivers while CFL and other conventional light sources entered last stage of respective product life cycles.

Increased Government spending especially on LED street lighting projects along with further emphasis on UJALA program further expanded the market for LED products.

As a result, LED lighting market is estimated to have grown by 35% to approx. ₹5700 crores and accounted for almost 50% of total Lighting portfolio. However, reduction in conventional Lighting volumes is estimated to have resulted in a decline of around 5% during the year to approx. ₹12000 crores.

Orient's lighting trade business (excluding Govt. Tenders) showed a revenue growth of 12% vis-à-vis estimated negative growth of 5% for the industry. Focus on LED lighting helped us to increase our market share in LED to 11% which places us at the no. 3 position in India in this segment.

Consumer LED Luminaires is another growth area where we tripled our turnover and gained 2% market share.

We were the first company in India to launch BEE – 3 star rated lamps. This was possible due to our best in class design and quality standard achievements.

We were also successful in gaining entry into Streetlighting segment with execution of 20000 streetlights across 4 states in India. Flexible manufacturing at our NOIDA plant helped to make this business profitable despite stiff competition. This experience has created a wide opening for similar projects going forward.

Appliances

The Home Appliances industry witnessed an estimated growth of 5% in FY 2016-17. Major segments like Room coolers grew by 8%, Mixer Grinders by 4%, whereas water heaters and room heaters declined by 3% and 25% respectively during the year under review.

In this scenario, our Appliances SBU achieved a growth of 35% in 2016-17 over last year.

The Company launched appliances in about 100 cities with prime focus on 60 Cities. 5 new SKUs of Air Coolers, 1 new SKU of heating and 3 new SKUs of Kitchen Appliances were added to the product range. We also now have eight models with CB and SASO rating in coolers for the export markets. Nineteen Authorized Service Centers were added during the year taking the tally to 159 service centers spread across the country.

Significant measures taken to ensure consistency in product quality, distribution, accounts receivables and customer service led to ramping up business in the focus markets.

Switchgear

The overall market for MCB, RCCB and DBs in which we are present is estimated to have grown by 5% in FY2016-17 touching close to ₹2100 crores.

We had entered this market in 2015-16 with a clear focus on establishing Orient as the most premium retail brand through product differentiation. Our strategy required us to focus on select markets and gradually expand our presence.

In the second year of operation, our switchgear SBU expanded its business to the states of Uttar Pradesh (UP) and Punjab. With this Orient switchgear has its presence now in Delhi, Haryana, Rajasthan, UP and Punjab. Our switchgears are now available from over 1800 counters spread across many cities in these states. The switchgear BU achieved a domestic revenue growth of 52% over FY 2015-16.

2.2.2 Opportunities & Threats

Fans

The industry is likely to continue to register a growth of around 5-6% year on year. With emergence of informed and aspiring middle class and growing spending power in tier 2 cities, it is expected that the share of the energy efficient, premium and super premium fans will provide opportunities for rapid growth.

With gradual reduction in market share of the un-organized sector and GST coming into effect, Orient Electric sees a good opportunity for strengthening its presence and is re-aligning its strategy and operations to bring in further efficiencies in its distribution network to capture this opportunity.

With several new players making a foray in the fan industry, there is a likely threat of increased competition on pricing and market share.

On the exports front, Orient Electric continued to maintain its healthy market share of around 60% in total fans exported from India. However, due to change in government regulations in Gulf markets which may impact company's exports adversely, special focus is being given on international branding to make Orient recognizable as a strong global lifestyle brand.

Lighting

Going forward, the focus will be on Luminaires business – Both in consumer and professional applications. Apart from that, LED lamps will continue to be an area of strong presence with more than 11% share of the total market.

LED tubes is an emerging segment and Orient Electric plans to be a significant player in this segment. With this in mind, we plan to put up an automatic state of the art manufacturing facility at Noida.

Another focus area will be to expand channels for Luminaires business and to reach small builders, architects, Interior designers and specialized retailers through dedicated manpower in major cities and with the support of advertising and innovative promotions.

The Professional Luminaires business is being strengthened with dedicated teams for Tender and Industry. Key accounts management will be done for major accounts in the fields of Banking, IT and Hospitals. Government Tender business will remain a strategic area in LED products and the team shall be expanded in line with business expansion.

Our Laboratory at NOIDA is well equipped to deliver better product designs, in-house testing, better product performance and life span. We plan to further strengthen this with modern equipment for photometry and surge testing and enhance our capability with induction of more engineers to speed up the product development process.

These actions will further support our plans to increase our lighting business through more efficient manufacturing, better channel management in consumer segment and higher growth in professional lighting.

With more players entering the competition, the market for LED products is expected to become highly competitive which would lead to pressure on margins. The company has to be on constant look out on cost optimization measures.

Home Appliances

Orient Electric is well placed in the Home Comfort segment of appliances. Therefore it is important to invest in this category which is a potential growth driver.

Coolers and water Heaters have a good potential for future growth and the company is looking at investing in these categories for building brand salience. These categories together will provide natural hedge against seasonality.

At the same time, the appliance SBU is focusing on improving channel capability in the high potential markets of West and South for growth.

With fast intensifying competition in Air-cooler and Room heater segment which is weather dependent, the margins may come under pressure.

Switchgear

Orient Electric has successfully established itself as the main challenger to industry price leader in target retail markets. We shall therefore continue to focus on education & incentivization of the retailers and BTL activities to strengthen our position as the price leader to capture the high end market.

Our Switchgear with differentiated technology built for extra safety faces resistance due to high price.

Segment review and analysis

Net Sales turnover of the Electric division increased to ₹1364 crores from ₹1296 crores in the previous year.

Fans

Net Sales turnover of the Fans SBU grew by 6.8% over previous year. This growth was achieved despite the fact exports declined due to change in government regulation in Gulf markets.

Despite steep increase in raw material prices, margins were maintained at healthier levels due to improved product mix and higher price realization from the market.

Our Faridabad R&D lab has received accreditation from Department of Scientific and Industrial Research. This will provide further boost to our R&D efforts.

Lighting

In 16-17, Sale of Orient Electric lighting products in trade grew by 12.6% with improvement in market shares of LED lamps and consumer Luminaires.

Continuous technological developments in the LED lighting have been bringing down input costs which are being passed to consumers regularly to induce faster consumer adaptation of LED in place of conventional lighting.

We have also strengthened our R&D department for LED lighting with most of the major testing being done in-house now. Further investment has been committed for Goniometer equipment. This will add to our capabilities in design and testing of Street lighting and other professional luminaires which are the major areas of growth in future.

Home Appliances

Our sales for the appliance SBU increased by 35%. The future business plan of Appliances is based on increased presence in key portfolio of Home Comfort segment which includes room coolers, water heaters and Grinders. The focus is on improving deeper penetration in the market, product availability, service readiness, channel reach and strengthening the sales team (feet on ground) for building channel reach.

Switchgear

This SBU achieved a total revenue growth, including export, of 19% during FY 2016-17 over the previous year.

This SBU has its major potential in the institutional segment, which has currently not been tapped fully. The business plan of Switchgear recognizes this opportunity and plans to introduce new MCB group of products for institutional segment after it has fully exploited the retail opportunity nationally.

New plant at Guwahati

We have successfully commissioned a manufacturing plant in Guwahati to produce fans, lighting and switchgear products. In the initial phase, this manufacturing plant will focus on fans manufacturing and thereafter it will gradually start production of other products. This plant will provide various tax exemptions under excise, VAT and income tax apart from greater access to the north eastern states.

2.2.3 Risks & Concerns

Fans

Government intervention in the fans industry similar to the one in the lighting industry may result in pressure on margins. Sluggish real estate growth could put some pressure on demand growth. Introduction of GST is likely to reduce the channel stocking levels during the initial period. Rise in labor and RM costs are likely to keep margins under pressure. Political instability in Africa and Middle East has adversely impacted our sales in high volume markets like Nigeria/ Iraq /Syria and the situation is likely to remain same for the current year as well.

Lighting

Subdued Reality sector and change in Government policy w.r.t. LED component import and certifications can impact the demand and manufacturing. Also, increase in LED Chip prices in China and Taiwan, quantum increase in labour costs in India and any negative dollar fluctuation may impact margins adversely.

Home Appliances

High dependency on weather & seasonal products could have varying impact on products like air coolers and water/room heaters. While our product range provides for reasonable hedge sales may be skewed in some months of the year.

Switchgear

Technology agreement with ETI posed a major challenge in terms of royalty cost and limitation on export business. The company successfully negotiated with ETI for termination of the agreement removing both the royalty burden and export limitations. Yet establishing the products in the premium category could take longer than planned.

2.2.4 Outlook

Fans

Clear focus of the Fan SBU will be on continuous improvement in product quality, introduction of technologically advanced & aesthetically superior models for emerging segments, improvement in network resulting in deeper penetration, increasing efforts in underperforming geographical areas, stronger connect with retailers and better influencing of sales through sell out model. Manufacturing capacity has improved with the opening of new plant at Guwahati thus enabling better response to the local and peripheral market demand.

In the international markets, development focus is on strengthening core markets with high buying potential like South Asia, Middle East & Africa. Also, a lot of new and premium products are planned to leverage sales in existing markets to reposition "Orient" as global lifestyle brand.

Orient Electric is going digital in a significant way and this coupled with a well laid out marketing plan, including targeted ATL & BTL plan, will help in improving the customer association with the brand. Continued association with our celebrity cricketer and product focused advertisements is expected to result in improvement in mindshare of the consumers. Aggressive stance is being taken to open "Orient Smart Shops" in all major cities to improve customer experience with the brand.

With a strong team, disruptive innovation and strong product line up, fans division is aggressively expanding its distribution base and looking forward to harness future opportunities to gain even stronger foothold in the fans industry.

Lighting

We have been able to register higher than industry average growth for lighting business in the trade. Along with that, we have also been able to improve our margins considerably in FY16-17.

Our strong manufacturing base and Electronics design competency will continue to help us to remain competitive. We have planned for more than 25% growth in topline in FY17-18 with further improvement in margins. We will emerge as a strong player in street lighting and professional lighting business and further strengthen our position in consumer lighting segment.

Appliances

The Appliances BU has set a target to nearly double its sales revenue in financial year 2017-18. It aims to achieve this by optimizing SKU's across focus segments, investing in new designs and moulds to build a strong brand identity and margin improvement. This will be further supported by building a strong and capable sales team in focus towns & re-engineering the business process for quick decision making & response to business needs. Developing a channel on long term loyalty & retail fundamentals would be the focus for Channel development. Expansion to A Class counters, Modern Retail chain stores & Regional specialty outlets would be the key to strengthen the brand to grow going forward.

Switchgear

The Switchgear BU aims to achieve an aggressive growth in

FY 2017-18 by geographical expansion to few more states and deeper penetration in the current geographies. The BU plans to expand to 3,100 retailers during the year.

Demerger of the Orient Electric division

The proposed demerger of the electric business from Orient Paper will provide Orient Electric with further scope for accelerated growth through greater focus on its core business.

3. Company's overall performance and analysis

Sales and profit

Our gross sales increased to ₹2032.22 crores this year from ₹1967.17 crores last year, while net sales increased to ₹1875.19 crores from ₹1820.35 crores.

We achieved a PBIDT of ₹155.63 crores compared to ₹116.84 crores in the previous year and cash profit of ₹111.31 crores as against ₹65.65 crores last year.

Our PBT for the year increased over three times to ₹67.54 crores compared to ₹21.34 crores last year.

Net profit after tax has been ₹50.59 crores this year against ₹21.02 crores last year.

The Company invested ₹87.08 crores on capital projects during the year.

We believe that both businesses of your Company have performed quite well during the year under review and are very well positioned to achieve even better results going forward.

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.

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 because of the efforts put in by the entire team. The total number of permanent employees as on 31 March 2017 was 2694.

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

6. Cautionary statement

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

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

Corporate Governance Report

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 stake¬holders, including shareholders, employees, customers, government and the lenders. In addition to compliance with the regulatory requirements, the Company endeavours to ensure the highest standards of ethical conduct throughout the organization.

2. BOARD OF DIRECTORS

2.1 Board's Composition, Category and other relevant details of Directors

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Non-Executive Directors are eminent professionals with rich experience in business and industry, finance, law and public enterprises. Board's Composition, Category and other relevant details are as under:

Name of the Director	Category of the Director	Number of other Directorship(s) held *	Number of Board Committee (s) of which he/she is a member **	Number of Board Committee (s) of which he is a Chairman *
Shri C. K. Birla (DIN 00118473)	Promoter, Non-Executive Chairman	6	-	-
Shri B. K. Jhawar (DIN 00086237)	Non-Executive Independent	3	1	-
Shri A. Ghosh (DIN 00055962)	Non-Executive Independent	4	4	1
Shri Michael Bastian (DIN 00458062)	Non-Executive Independent	1	4	3
Shri Narendra Singh Sisodia (DIN 06363951)	Non-Executive Independent	1	3	-
Ms. Gauri Rasgotra (DIN 06862334)	Non-Executive Independent	1	4	-
Shri M. L. Pachisia (DIN 00065431)	Executive-Managing Director	10	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

a) The Non-Executive Directors were paid sitting fees of ₹1,00,000/- for attending meeting of the Board/Audit Committee meetings. However, sitting fees of ₹50,000 was paid for attending meeting of other committees.

Sl. No.	Name of the Director	Remuneration paid during 2016-17 for attending meetings of the Board and/or Committees thereof (amount in Rupees)		
		Fee	Commission	Total
1.	Shri C. K. Birla	450000	975000	1425000
2.	Shri B. K. Jhawar	1050000	975000	2025000
3.	Shri A. Ghosh	950000	975000	1925000
4.	Shri Michael Bastian	1150000	975000	2125000
5.	Shri Narendra Singh Sisodia	800000	975000	1775000
6.	Ms. Gauri Rasgotra	400000	975000	1375000

b) The details of remuneration of Shri. M. L. Pachisia, Managing Director:

Particulars	Remuneration (Amount in Rupees)*
Salary	1,26,00,000
Perquisites & other benefits	1,15,95,390
Ex-gratia **	75,00,000
Contributions to P.F./ Superannuation Fund	34,02,000
Total	**3,50,97,390**

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

** As decided by Nomination & Remuneration Committee and Board of Directors of the Company based upon performance.

The appointment of Managing Director is contractual in nature from 1st April 2017 to 31st March 2018, 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 Number of Board Meetings held and attended by Directors

(i) Five meetings of the Board of Directors were held during the year ended 31 March 2017 on 6th May 2016, 4th August 2016, 15th September 2016, 17th October 2016 and 20th January 2017.

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31 March 2017 and of the last Annual General Meeting is as under:

Name of the Director	Number of Board Meeting attended	Attendance at the last AGM
Shri C. K. Birla	5	No
Shri B. K. Jhawar	4	No
Shri A. Ghosh	5	No
Shri Michael Bastian	5	Yes
Shri Narendra Singh Sisodia	4	No
Ms. Gauri Rasgotra	2	No
Shri M. L. Pachisia	5	No

2.4 Disclosure of relationships between directors inter-se

There is no relationship between directors inter-se.

2.5 Details of shares held by Directors

Name of the Director	Number of shares held
Shri C. K. Birla	3269893
Shri B. K. Jhawar	Nil
Shri A. Ghosh	7400
Shri Michael Bastian	26733
Shri Narendra Singh Sisodia	Nil
Ms. Gauri Rasgotra	Nil
Shri M. L. Pachisia	37948

2.6 Familiarisation Programme

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 and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant Acts, Rules and Regulations.With a view to familiarise him with the Company's operations, the Managing Director has a personal discussion with the newly appointed Director.

At various Board meetings during the year, quarterly presentations are made on operations that include information on business performance, operations, projects, market share, financial parameters, working capital management, fund flows etc.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role as a Director of the Company. Details of the familiarisation programme imparted to the Independent Directors are displayed on the website of the Company (www.orientpaperindia.com).

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 Regulation 18 and Part C of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Non-Executive Independent Directors, namely:

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

Mr. Michael Bastian is the Chairman.

3.3 Four Audit Committee meetings were held on 6th May 2016, 4th August 2016, 17th October, 2016 and 20th January, 2017. The attendance of each Audit Committee member was as under:

Name of the member	Number of meetings attended
Shri Michael Bastian	4
Shri A. Ghosh	4
Shri B. K. Jhawar	3
Shri Narendra Singh Sisodia	3
Ms. Gauri Rasgotra	1

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 attend 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 2016-17. Cost audit report for the financial year 2015-16 was filed on 2nd September 2016. The due date for filing cost audit report for the financial year 2016-17 is 27th September, 2017.

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.

Three Committee meeting was held during the year on 27th June 2016, 7th October 2016 and 14th March 2017 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 work and/or responsibility as the senior management.

5.2 The Nomination & Remuneration Committee of the Directors of the Company comprises four Independent Directors namely (1) Shri B. K. Jhawar, (2) Shri Michael Bastian, (3) Shri A. Ghosh and (4) Shri N. S. Sisodia. Shri B. K. Jhawar is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

5.3 Two Nomination & Remuneration Committee meetings were held during the year on 6th May 2016 and 20th January 2017.

The attendance of each Committee member was as under:

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

5.4 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

5.5 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 Shri Michael Bastian and Ms. Gauri Rasgotra and an Executive Director Shri M. L. Pachisia. Shri 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 2017, 8 numbers of complaints received from the shareholders and were attended in time and there were no grievances pending as on 31 March 2017. There were no share transfers pending for registration for more than 15 days as on 31 March 2017.

Two Stakeholders Relationship Committee meeting was held on 6th May 2016 and 27th December 2016. The attendance of each

Committee member was as under:

Name of the member	Meetings attended
Shri M. L. Pachisia	2
Shri Michael Bastian	2
Ms. Gauri Rasgotra	1

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. Jhawar, Shri N. S. Sisodia and an Executive Director Shri M. L. Pachisia. Shri B. K. Jhawar is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

One CSR Committee meeting was held on 5th May 2016. All the members except Shri B. K. Jhawar 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 it 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.

I. 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 programs will be undertaken by the Company by itself or with joint and collaborative efforts of other companies.

(d) The CSR projects and programs 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.

II. 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.

i. 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.

ii. 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.

iii. Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

III. 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.

IV. 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.

The policy is also posted on the website of the Company www.orientpaperindia.com.

8. RIGHTS ISSUE COMMITTEE

During the year, the Board constituted a Rights Issue Committee of Directors of the Company to monitor issue of Rights shares for an aggregate amount of ₹49.75 crores. The Rights Issue Committee consists of Shri B. K. Jhawar, Shri Michael Bastian, Independent Directors and Shri M. L. Pachisia, Managing Director. Shri B K Jhawar is the Chariman of the Committee.

Three Rights Issue Committee meetings were held on 8th November 2016, 12th January 2017 and 17th February 2017. The attendance of each Committee member was as under:

Name of the member	Meetings attended
Shri B K Jhawar	3
Shri Michael Bastian	2
Shri M. L. Pachisia	3

9. MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors held on 27th December, 2016, 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.

All the Independent Directors attended the meeting.

10. 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.

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.

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

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 person was denied access to the Audit Committee.

11. APPOINTMENT/RE-APPOINTMENT OF DIRECTOR(S)

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

Shri Chandra Kant Birla, aged 62 (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, 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.

He holds 3269893 no. of equity shares in the Company. He has no relationship with any other directors of the Company.

(ii) Re-appointment of Shri M. L. Pachisia as Managing Director of the Company

Shri M. L. Pachisia, aged 72 (DIN: 00065431), 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 turnaround.

List of other Directorship held (excluding Directorship in Private Limited and Foreign Company) (i) Birla Buildings Ltd. (ii) GMMCO Ltd. (iii) National Engineering Industries Ltd. (iv) National Bearing Co. (Jaipur) Ltd. (v) Soorya Vanijya & Investment Ltd. (vi) Birlasoft (India) Ltd. (vii) Gwalior Finance Corporation Ltd. (viii) Orient Electricals Ltd. (ix) Special Engineering Services Ltd. (x) Orient Electric Ltd.

He is a Member in the Audit Committee of National Engineering Industries Ltd.

He holds 37948 no. of equity shares in the Company. He has no relationship with any other directors of the Company.

12. GENERAL BODY MEETINGS

12.1 The details of the last three Annual General Meetings of the Company and the Special Resolution passed thereat are given below:

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

Year	Day	Date	Time	Venue	Whether Special Resolution passed
2013-14	Friday	22nd August 2014	12.30 p.m.	Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha)	Yes
2014-15	Thursday	20th August 2015	10.00 a.m.	-do-	Yes
2015-16	Monday	22nd August 2016	11.30 a.m.	-do-	Yes

12.2 Postal Ballot

The Company has not passed any special resolution through Postal Ballot during the Financial year 2016-17. Special resolution(s), if any requiring postal ballot shall be placed on or before the ensuing Annual General Meeting.

13. MEANS OF COMMUNICATION

13.1 Quarterly results are normally published 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

13.2 Half-yearly result sent to each household of shareholders: No

13.3 Whether Management Discussion and Analysis is a part of the Annual Report: Yes

13.4 The Financial and other information filed by the Company are also available on the websites of the Stock Exchanges i.e. BSE Ltd. and NSE Ltd.

14. FINANCIAL CALENDAR 2017-18

First quarterly results	Before 14 August 2017
Second quarterly results	Before 14 November 2017
Third quarterly results	Before 14 February 2018
Audited yearly results for the year ending 31 March 2018	Before end of May 2018

15. 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.

16. CEO/CFO Certificate

The Managing Director & CEO and Chief Financial Officer have issued certificate pursuant to the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 herewith.

17. COMPLIANCE CERTIFICATE

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

18. GENERAL SHAREHOLDER INFORMATION

18.1 Annual General Meeting

Day & Date : Wednesday, 9th August 2017

Time : 11.00 A.M.

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

18.2 Financial Year

The Company follows 1st April to 31st March as Financial year.

18. 3 Dividend Payment Date

Dividend, if declared shall be paid to all eligible shareholders on or after 9th August 2017.

18.4 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,
Mumbai – 400001

(ii) The National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

The Annual Listing fee for the year 2016-17 has been paid to the aforesaid stock exchanges.

18.5 Stock code

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

Dates of book closure 5th August 2017 to 9th August 2017 (both days inclusive).

18.6 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 2016-17 are as under:

	NSE		BSE	
Month	High	Low	High	Low
April 2016	42.95	32.50	42.95	32.05
May 2016	50.55	38.15	50.60	38.50
June 2016	52.25	43.70	52.20	43.60
July 2016	64.95	50.10	64.95	50.10
August 2016	76.65	56.10	76.70	56.10
September 2016	84.55	67.20	84.50	65.10
October 2016	89.25	79.10	92.60	79.05
November 2016	88.05	56.60	89.90	56.55
December 2016	74.90	67.20	74.80	67.40
January 2017	79.80	68.50	79.75	65.00
February 2017	81.80	71.00	81.80	70.00
March 2017	83.90	71.55	84.00	72.00

18.7 Performance in comparison to broad based indices:

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

	BSE Sensex		Company's share price on BSE	
Month	High	Low	High	Low
April 2016	26100.54	24523.20	42.95	32.05
May 2016	26837.20	25057.93	50.60	38.50
June 2016	27105.41	25911.33	52.20	43.60
July 2016	28240.20	27034.14	64.95	50.10
August 2016	28532.25	27627.97	76.70	56.10
September 2016	29077.28	27716.78	84.50	65.10
October 2016	28477.65	27488.30	92.60	79.05
November 2016	28029.80	25717.93	89.90	56.55
December 2016	26803.76	25753.74	74.80	67.40
January 2017	27980.39	26447.06	79.75	65.00
February 2017	29065.31	27590.10	81.80	70.00
March 2017	29824.62	28716.21	84.00	72.00

ii. Company's share price on NSE vis-à-vis Nifty 50

	NIFTY 50		Company's share price on NSE	
Month	High	Low	High	Low
April 2016	7992.00	7516.85	42.95	32.50
May 2016	8213.60	7678.35	50.55	38.15
June 2016	8308.15	7927.05	52.25	43.70
July 2016	8674.70	8287.55	64.95	50.10
August 2016	8819.20	8518.15	76.65	56.10
September 2016	8968.70	8555.20	84.55	67.20
October 2016	8806.95	8506.15	89.25	79.10
November 2016	8669.60	7916.40	88.05	56.60
December 2016	8274.95	7893.80	74.90	67.20
January 2017	8672.70	8133.80	79.80	68.50
February 2017	8982.15	8537.50	81.80	71.00
March 2017	9218.40	8860.10	83.90	71.55

18.8 Registrar and ShareTransfer Agent (RTA)

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

18.9 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.

18.10 Distribution of shareholding

The shareholding distribution of equity shares as on 31 March 2017 is given below:

Sl. No.	Number of equity shares held	Number of folios	Number of shares	% of shareholding
1.	1 – 500	16257	2509820	1.1828
2.	501 – 1,000	2504	2085608	0.9829
3.	1,001 – 2,000	1875	2768487	1.3047
4.	2,001 – 3,000	770	1963855	0.9255
5.	3,001 – 4,000	633	2266200	1.0680
6.	4,001 – 5,000	465	2152856	1.0146
7.	5,001 – 10,000	966	6786169	3.1982
8.	10,001 – 50,000	655	12793192	6.0292
9.	50,001 – 1,00,000	72	4769342	2.2477
10.	1,00,001 and above	109	174089973	82.0461
	Total	**24306**	**212185502**	**100**

18.11 Shareholding pattern as on 31 March 2017

Sl No	Category of Shareholder	Number of folios	Number of Shares held	% of shareholdings
I	**Promoter & Promoter Group**			
	A. Indian	18	82013294	38.6518
	B. Foreign	-		-
II	**Public**			
	A. Institution			
	i) Mutual funds	12	26653617	12.5615
	ii) Foreign Portfolio Investors	12	8090883	3.8131
	iii)Financial Institutions/Banks	14	1036505	0.4884
	iv) Insurance Companies	4	10305888	4.8570
	v) Central/State Governments	1	4000	0.0020
	B. Non-Institutions			
	i) Individuals holding nominal share capital upto ₹ 2 lakhs	23009	35231351	16.6040
	ii) Individuals holding nominal share capital in excess of ₹ 2 lakhs	14	8481247	3.9971
	iii) NBFCs registered with RBI	4	357660	0.1686
	iv) Non Resident Indians	497	1923455	0.9064
	v) Bodies Corporate	710	12810254	6.0372
	vi) Co-operative Society	9	21463600	10.1155
	vii) OCB	2	3813748	1.7974
	Total	**24306**	**212185502**	**100**

18.12 Dematerialisation of equity shares and liquidity

As on 31st March 2017, 209870410 equity shares of the Company (98.91%) stand dematerialized with NSDL (89.89%) and CDSL (9.02%), except 2315092 shares were being held in physical form (1.09%).

18.13 Unclaimed Shares

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 lying at the beginning of the year i.e. as on 01.04.2016	168	7,33,410
No. of shareholders who approached the company for transfer of shares from the said unclaimed suspense account during the period 01.04.2016 to 31.03.2017	1	220
No. of shareholders to whom shares were transferred from the unclaimed suspense account during the said period	1	220
Aggregate No. of shareholders and the outstanding shares lying in the said unclaimed suspense account at the end of the year i.e. as on 31.03.2017	167	7,33,190

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.

18.14 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)
8.	Orient Electric, Plot No. 96, Brahmaputra Industrial Park, Amingaon, North, Guwahati – 781031 (Assam)

18.15 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

19. OTHER 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.

iii) The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company and takes steps to rectify instances of non-compliances, if any.

iv) The Company has plans in place for orderly succession for appointment to the Board of Directors and senior management.

v) The Company has disseminated all the information on its website www.orientpaperindia.com in terms of the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi) All the information required to be placed in terms of the Part A of Schedule II to the Regulation are regularly placed before the Board of Directors of the Company.

The above report was placed before the Board at its meeting held on 16th May, 2017 and was approved.

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, 2017.

M.L. Pachisia
Managing Director & CEO
(DIN: 00065431)

New Delhi, 16th May, 2017

CEO/CFO Certificate

The Board of Directors
Orient Paper & Industries Ltd.

We hereby certify that:–

a) We have reviewed financial statement and the cash flow statement for the financial year 2016-17 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 2016-17 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
(DIN: 00065431)

P.K. Sonthalia
President (Finance) & CFO

New Delhi, 16th May, 2017

AUDITORS' CERTIFICATE

To

The Members of Orient Paper & Industries Limited

We have examined the compliance of conditions of corporate governance by Orient Paper & Industries Limited , for the year ended on March 31,2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place: New Delhi
Date: May 16, 2017

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, 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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. 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, 2017, its profit, and its cash flows for the year ended on that date.

Emphasis of Matter

(a) We draw attention to Note 38 to the accompanying Financial Statements regarding remuneration paid to Managing Director during the years ended March 31, 2015 and March 31, 2016 which has exceeded the limit prescribed under Section 197 read with Schedule V to the Companies Act, 2013, by ₹178.19 lacs and ₹177.70 lacs respectively. As informed to us, the Company has filed application / made further representation to the Central Government for the waiver of above excess remuneration and pending receipt of the approval, no adjustments to financial statements have been made.

(b) We draw attention to Note 28 to the financial statements in respect of scheme of arrangement to demerge the consumer electric business undertaking of the Company by transferring the same on a going concern basis to a newly formed wholly owned subsidiary namely "Orient Electric Ltd." with effect from 1st March, 2017 subject to necessary approvals, more fully described therein. Pending such approvals, no adjustment has been made in these accounts.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 and the Companies (Accounting Standards) Amendment Rules, 2016;

   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (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 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.

      iv. The Company has provided requisite disclosures in Note 18 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place: New Delhi
Date: May 16, 2017

Annexure 1

referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Orient Paper & Industries Limited as at and for the year ended March 31, 2017

(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 ₹463.88 lacs at Brajrajnagar unit, due to suspension of production activities) which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification. However, discrepancies, if any, at Brajrajnagar unit are unascertainable due to non-verification of fixed assets for the reasons mentioned above.

(c) According to information and explanations given by the management, the title deeds of immovable properties, included in Fixed Assets and Investment Property are held in the name of the Company except in respect of land valuing ₹432.94 lacs, held in joint ownership and flats valuing ₹86.91 lacs whose registration in the name of the Company is still pending. Further, in respect of land aggregating to ₹150.11 lacs as at March 31, 2017 pertaining to the Company's Electric unit at Faridabad for which original title deeds were not available with the Company and hence we are unable to comment on the same, although the photocopies of the title deeds were made available to us.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year except for the value of ₹32.90 lacs at Brajrajnagar unit, due to suspension of production activities and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.

(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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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

Name of the statute	Nature of the dues	Amount (₹ in lacs)	Period to which the amount relates	Due Date	Date of Payment
Orissa Municipal Act	Industrial Licence Fees	28.13	1996-97 to 2015-16	Beginning of the respective years	Not yet Paid

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty on custom, duty of excise and value added tax 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, 1986-96, 2000-2015	453.53	Deputy/Assistant Commissioner / Commissioner/ High Court/ CESTAT
	Inclusion of interest in Assessable value	1994-96	10.99	CESTAT
	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	62.24	Asst Commissioner/ Commissioner Appeals/ Appelleate Tribunal/ CESTAT
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 to 2001-02	54.23	Asst Commissioner / Appellate Board/High Court
Other State/ Central Sales Tax Acts	Sales tax on stock transfer/export sales, non-submission of forms, penalty etc.	Various	605.36	Asst. Commissioner/ Deputy Commissioner/ Sales Tax officer / Sales Tax Appellate Tribunal/ High court
M.P. Upkar Adhinium, 2004	Energy development cess on consumption of Captive power including surcharge	2001-2002 to 2016-17	6,461.13	Supreme Court

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or banks. The Company did not have any outstanding dues in respect of Government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of right issue of equity shares and term loans for the purpose for which they were raised.

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

(xi) According to the information and explanations given by the management, the Company has paid managerial remuneration for the years 2014-15 and 2015-16 in excess of the limit prescribed under the applicable Companies Act by ₹178.19 lacs and ₹177.70 lacs respectively. The Company has filed application / made further representation to the Central Government for the waiver of above excess remuneration and pending receipt of the approval, no steps have been taken for the recovery of excess amount so paid. Also refer EOM para (a) in the main audit report.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place: New Delhi
Date: May 16, 2017

Annexure 2

to the Independent Auditor's Report of even date on the Financial Statements of Orient Paper & Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orient Paper & Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place: New Delhi
Date: May 16, 2017

Balance Sheet as at 31st March 2017

₹ In lacs

	Notes	31-Mar-17	31-Mar-16
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,121.96	2,048.79
Reserves and surplus	4	48,611.73	39,372.25
		50,733.69	**41,421.04**
Non-current liabilities			
Long-term borrowings	5	11,731.43	15,486.36
Deferred tax liabilities (Net)	14	1,726.80	32.51
Other long-term liabilities	6	3,442.22	3,346.95
Long-term provisions	7	1,008.17	950.26
		17,908.62	**19,816.08**
Current liabilities			
Short-term borrowings	8	24,364.84	25,818.26
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		4,059.02	1,250.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		23,472.73	26,019.48
Other current liabilities	9	11,962.57	11,661.66
Short-term provisions	7	3,020.66	3,953.65
		66,879.82	**68,703.30**
TOTAL		1,35,522.13	1,29,940.42
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	46,831.36	48,323.21
Intangible assets	11	791.61	950.39
Capital work-in-progress		8,631.00	1,661.32
Expenditure on Expansion/New projects (pending allocation)	12	-	210.77
Non-current investments	13	1,904.45	1,933.93
Long-term loans and advances	15	4,173.99	3,811.33
Other non-current assets	16.2	292.21	324.05
		62,624.62	**57,215.00**
Current assets			
Inventories	17	25,631.32	22,295.58
Trade receivables	16.1	38,540.46	38,346.57
Cash and bank balances	18	3,332.88	5,914.62
Short-term loans and advances	15	4,627.86	4,971.94
Other current assets	16.2	764.99	1,196.71
		72,897.51	**72,725.42**
TOTAL		1,35,522.13	1,29,940.42
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 S.R.Batliboi & Co. LLP
Firm registration number: 301003E / E300005
Chartered Accountants

per **Sanjay Kumar Agarwal**
Partner
Membership no.: 060352

Place: New Delhi
Date: 16th May, 2017

For and on behalf of the board of directors

C. K. Birla
Chairman

M. L. Pachisia
Managing Director

P. K. Sonthalia
President (Finance) & CFO

R.P. Dutta
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2017

₹ In lacs

	Notes	31-Mar-17	31-Mar-16
INCOME			
Revenue from operations (gross)	19	2,03,222.41	1,96,716.95
Less: excise duty		15,703.49	14,681.41
Revenue from operations (net)		**1,87,518.92**	**1,82,035.54**
Other income	20	2,533.02	1,738.64
Total Revenue (I)		**1,90,051.94**	**1,83,774.18**
EXPENSES			
Cost of raw material & components consumed	21	76,304.39	76,420.01
Purchase of traded goods	22	31,596.86	29,183.81
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	22	(1,824.97)	567.65
Employee benefits expense	23	21,315.37	18,286.73
Other expenses	24	47,097.57	47,631.56
Total Expenses (II)		**1,74,489.22**	**1,72,089.76**
Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I) - (II)		**15,562.72**	**11,684.42**
Depreciation and amortization expense	25	4,377.56	4,431.00
Finance costs	26	4,431.56	5,118.83
Profit before tax (including ₹6134.74 Lacs (March 31, 2016: ₹4414.86 lacs) for discontinuing operations - Refer Note No. 27)		**6,753.60**	**2,134.59**
Tax expenses			
Current tax		1,441.00	548.66
Less: MAT credit entitlement		(1,441.00)	(548.66)
Net Current tax Expense / (Credit)		-	-
Deferred tax Charge / (Credit)		1,694.29	32.51
Total tax expense / (Credit) (including ₹2081.23 lacs (March 31, 2016: ₹1527.89 lacs) for discontinuing operations - Refer Note No. 27)		**1,694.29**	**32.51**
Profit for the year (including ₹4053.51 lacs (March 31, 2016: ₹2886.97 lacs) for discontinuing operations - Refer Note No. 27)		**5,059.31**	**2,102.08**
Basic & Diluted Earnings per equity share [nominal value of share ₹1 (31 March 2016: ₹1] (₹)	30	**2.45**	**1.02**
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 S.R.Batliboi & Co. LLP
Firm registration number: 301003E / E300005
Chartered Accountants

per **Sanjay Kumar Agarwal**
Partner
Membership no.: 060352

Place: New Delhi
Date: 16th May, 2017

For and on behalf of the board of directors

C. K. Birla
Chairman

M. L. Pachisia
Managing Director

P. K. Sonthalia
President (Finance) & CFO

R.P. Dutta
Company Secretary

Cash Flow Statement for the year ended 31st March 2017

₹ In lacs

	31-Mar-17	31-Mar-16
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit/ (loss) before tax	6,753.60	2,134.59
Non-cash adjustment to reconcile profit		
before tax to net cash flows		
Depreciation and amortisation expenses	4,377.56	4,431.00
Interest expenses	4,093.96	4,711.16
Other borrowing cost	337.60	407.67
(Profit)/ loss on sale of fixed assets (net)	(337.97)	(13.03)
Irrecoverable debts & advances written off	156.82	53.83
Provision for doubtful debts & advances	438.30	119.21
Rental income from investment property	(459.06)	-
Compensation against right to use of asset	(420.95)	-
Provision no longer required written back	(155.75)	(166.86)
Unrealised foreign exchange loss/(gain) (net)	-	95.82
Interest & dividend income	(539.97)	(592.74)
Operating profit before working capital changes :	14,244.14	11,180.65
Increase/ (Decrease) in trade payables	417.77	(2,882.15)
Increase/ (decrease) in long term provisions	57.91	(301.66)
Increase/ (decrease) in short term provisions	(26.51)	806.00
Increase in other current liabilities	129.32	958.21
Increase/ (decrease) in other long term liabilities	95.27	(5.17)
Increase in trade receivables	(784.16)	(1,775.47)
(Increase)/ decrease in inventories	(3,335.74)	570.51
(Increase)/ decrease in long term loans & advances	(1,710.52)	103.07
Increase in short term loans & advances	(43.61)	(721.79)
(Increase)/ decrease in other long term assets	-	196.90
(Increase)/ decerease in other current assets	433.21	(29.01)
Cash generated from operations:	9,477.08	8,100.09
Direct taxes paid (net)	(424.52)	(488.24)
Net cash from operating activities	9,052.56	7,611.85
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of fixed assets	378.82	180.27
Purchase of fixed assets	(8,649.80)	(5,923.95)
Advance against sale of fixed assets	-	618.40
Purchase of Non current investments	(5.00)	-
Rental income from investment property	459.06	-
Compensation against right to use of asset	420.95	-
Interest received	283.24	327.99
Dividend received	268.91	248.10
Fixed deposits made (net)	(10.63)	0.60
Net cash (used in) investing activities	(6,854.45)	(4,548.59)

Cash Flow Statement for the year ended 31st March 2017

₹ In lacs

	31-Mar-17	31-Mar-16
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Right Issue	4,770.66	-
Repayment of long term loans	(3,047.13)	(2,769.19)
Proceeds from long term loans	58.00	9,000.00
Repayment of short term borrowings (net)	(1,453.42)	(698.96)
Interest paid	(4,169.01)	(4,673.10)
Other borrowing cost	(319.43)	(526.61)
Dividend paid	(525.88)	(213.05)
Dividend tax paid	(104.27)	(40.96)
Net cash from /(used in) financing activities	**(4,790.48)**	**78.13**
Net changes in cash & cash equivalents (A+B+C)	**(2,592.37)**	**3,141.39**
Cash & cash equivalents - opening balance *	**5,829.94**	**2,688.55**
Cash & cash equivalents - closing balance *	**3,237.57****	**5,829.94****

* Represents cash and bank balances as indicated in note 18 and excludes ₹95.31 lacs (₹84.68 lacs) being fixed deposits with maturity of more than three months.

** Includes ₹65.85 lacs (₹79.56 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 and Companies (Accounting Standards) Amendment Rules 2016 .

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration number: 301003E / E300005
Chartered Accountants

per **Sanjay Kumar Agarwal**
Partner
Membership no.: 060352

Place: New Delhi
Date: 16th May, 2017

For and on behalf of the board of directors

C. K. Birla
Chairman

M. L. Pachisia
Managing Director

P. K. Sonthalia
President (Finance) & CFO

R.P. Dutta
Company Secretary

Notes to financial statements as at and for the year ended 31st March 2017

1. Corporate information

Orient Paper & Industries Ltd. ("the Company") is a public company domiciled in India. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company is primarily engaged in manufacture and 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 and Guwahati.

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 and Companies (Accounting Standards) Amendment Rules 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) Tangible fixed assets

Tangible 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), taxes (net of VAT / CST), 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 of building and 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 year 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 ₹742.31 lacs (31 March 2016, ₹707.26 lacs) where Written Down Value method is followed) using the rates arrived at based on the useful lives estimated by the management which is in line with Schedule II of the Companies Act, 2013. The Company has used the following rates to provide depreciation on its fixed assets :-

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

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	8 to 10

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

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 to the Companies Act, 2013.

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

(d) (i) 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. Research costs are expensed as incurred.

(d) (ii) Amortisation of Intangible assets

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

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

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

Intangible assets being Specialized Software and Technical Know how are amortised on a straight line basis over their useful lives of 3 years and 10 years respectively.

(e) Leases

Finance Lease:

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

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/ investment property. 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.

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 year they occur.

(g) Impairment of tangible and intangible assets

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

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

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued plant, property and equipment, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(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

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

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.

(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.

(i) (a) 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.

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	60
Plant and equipments	15
Office Equipments	5

On disposal of an investment property, 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, 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, stores, chemicals and spare parts is determined on moving weighted average method.

Work-in-progress, finished goods and traded goods are valued at lower of cost and net realizable value. Cost includes cost of direct materials, labour, 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:

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

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, which usually take place (or happens) on delivery of the goods. The Company collects sales taxes and value added taxes on behalf of the government and, therefore, they are excluded from revenue as these are not economic benefits flowing to the Company. 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.

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 translated 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 year 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 year.

(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 Balance Sheet date. Actuarial gains and losses are recognized in full in the year 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 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.

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

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

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

(o) Segment reporting

Identification of segments

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

Allocation of common costs

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

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

Unallocated items

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

Segment accounting policies

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

(p) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year 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 and 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.

(q) (a) **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 finance costs, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and 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.) as at and for the year ended 31st March 2017

3. Share capital

₹ In lacs

	31-Mar-17	31-Mar-16
Authorised shares (No. in lacs)		
7,500 (31 March 2016: 7,500) Equity Shares of ₹1/- each	7,500.00	7,500.00
25 (31 March 2016: 25) Preference Shares of ₹100/- each	2,500.00	2,500.00
Issued Shares (No. in lacs)		
2,122.05 (31 March 2016 : 2,048.88) Equity Shares of ₹1/- each	2,122.05	2,048.88
Total issued capital	**2,122.05**	**2,048.88**
Subscribed and paid-up shares (No. in lacs)		
2,121.86 (31 March 2016: 2,048.69) Equity Shares of ₹1/- each	2,121.86	2,048.69
Add: Forfeited shares (Amount Originally Paid-Up)	0.10	0.10
Total subscribed and paid-up share capital	**2,121.96**	**2,048.79**

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

Equity shares	31-Mar-17		31-Mar-16	
	No. in lacs	₹ In lacs	No. in lacs	₹ In lacs
At the beginning of the year	2,048.69	2,048.69	2,048.69	2,048.69
Issued during the year	73.17	73.17	-	-
Outstanding at the end of the year	**2,121.86**	**2,121.86**	**2,048.69**	**2,048.69**

(b) Terms/ rights attached to equity shares

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

During the year ended 31 March 2017, the amount of per share dividend recognized as distributions to equity shareholders was Nil (31 March 2016: ₹0.25 per share).

The Board of Directors at its meeting held on 17th April,2017 and 16th May,2017, have declared an interim dividend of ₹0.50 per equity share and proposed a final dividend of ₹0.50 per equity share respectively for the financial year ended 31st March,2017. The proposal is subject to the approval at the forthcoming Annual General Meeting. Total Cash out flow would be ₹2553.82 lacs including corporate dividend tax and the same will be accounted for in the financial year 2017-18 in terms of Revised Accounting Standard -4 notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016 .

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-17		31-Mar-16	
	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	525.60	24.77%	506.44	24.72%
Reliance Capital Trustee Company Ltd A/c Reliance Growth Fund	144.96	6.83%	136.23	6.65%
Shekhavati Investments and Traders Ltd.	127.61	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.) as at and for the year ended 31st March 2017

4. Reserves and surplus

₹ In lacs

	31-Mar-17	31-Mar-16
Investment Subsidy	15.00	15.00
Revaluation reserve		
Balance as per the last financial statements	599.95	599.95
Less: adjusted against fixed assets*	517.32	-
	82.63	**599.95**
Less: Transferred to General Reserve *	82.63	-
	-	**599.95**
Securities Premium Account		
Premium received during the year from right issue of equity shares	4,902.22	-
Less: amount adjusted against right issue expenses	204.73	-
	4,697.49	**-**
General reserve		
Balance as per the last financial statements	27,654.52	27,654.52
Add: transferred from Revaluation Reserve	82.63	-
Add: transferred from surplus balance in the statement of profit & loss	3,000.00	-
	30,737.15	**27,654.52**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	11,102.78	9,617.14
Profit for the year	5,059.31	2,102.08
Less: Appropriations		
Transferred to General reserve	3,000.00	-
Proposed equity dividend (amount per share Nil (31 March 2016: ₹0.25))	-	512.17
Tax on proposed equity dividend	-	104.27
Total appropriations	3,000.00	616.44
Net surplus in the statement of profit and loss	13,162.09	11,102.78
Total reserves and surplus	48,611.73	39,372.25

* Pursuant to Companies (Accounting Standards) Amendment Rules, 2016

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

5. Long-term borrowings

₹ In lacs

	Non-current portion		Current maturities	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Term loans (Secured)				
(a) From a Financial Institution	1,000.00	2,000.00	1,000.00	1,000.00
(b) From Banks	7,205.88	8,970.59	1,764.71	1,764.71
(c) From Others	2,750.00	3,750.00	1,000.00	250.00
Other loans (Secured)				
Finance Lease Obligation	775.55	765.77	45.54	29.74
	11,731.43	**15,486.36**	**3,810.25**	**3,044.45**
Less amount disclosed under the head "other current liabilities"(note 9)	-	-	(3,810.25)	(3,044.45)
Net amount	**11,731.43**	**15,486.36**	**-**	**-**

Notes:

(a) 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 @ 10.95% p.a. (31 March 2016: 12.05 % p.a.) and is repayable in 20 equal quarterly instalments starting from 28 June, 2014 (upto 28 March, 2019).

(b) Term loan from Banks are secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar.Term loan of ₹3970.59 lacs carries interest @ 9.10% p.a (31 March 2016: 11.10% p.a.) and ₹5000 lacs carries interest @ 10.45% p.a. (31 March 2016: @ 10.55% p.a.). The above loans are repayable in 17 equal quarterly instalments starting from 28 May, 2015 and 20 unequal quarterly instalments starting from 08 May, 2018 respectively. (upto 28 May, 2019 and 8 February, 2023 respectively)

(c) Term loan from others is secured by pari-passu first charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and carries interest @11.00% p.a. (31 March 2016: @11.00% p.a) and is repayable in 16 equal quarterly instalments starting from 21 March, 2017 (upto 21 December, 2020).

(d) Finance lease obligation is secured against plant & machinery and computers taken on lease. The gross investments in lease, i.e. lease obligation plus interest, is payable in 117 monthly instalments of ₹13.50 lacs each & 20 quarterly installments of ₹3.96 lacs each respectively.

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

6. Other long-term liabilities

₹ In lacs

	31-Mar-17	31-Mar-16
Trade & Other Deposits	3,442.22	3,346.95
	3,442.22	**3,346.95**

7. Provisions

₹ In lacs

	Long-term		Short-term	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Provision for employee benefits				
Provision for gratuity (note 31)	682.95	653.04	507.23	642.89
Provision for leave benefits	-	-	1,133.08	922.93
	682.95	653.04	1,640.31	1,565.82
Other provisions				
Provision for warranties	325.22	297.22	1,380.35	1,481.35
Provision for Taxation (Net of advance tax Nil (31 March 2016: ₹258.62 lacs))	-	-	-	290.04
Proposed equity dividend	-	-	-	512.17
Provision for tax on proposed equity dividend	-	-	-	104.27
	325.22	297.22	1,380.35	2,387.83
	1,008.17	950.26	3,020.66	3,953.65

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 one or two years. The table below gives information about movement in warranties provisions.

₹ In lacs

	31-Mar-17	31-Mar-16
At the beginning of the year	1,778.57	1,201.90
Arising during the year	736.27	1,717.82
Utilized during the year	(809.27)	(1,141.15)
At the end of the year	**1,705.57**	**1,778.57**
Current portion	1,380.35	1,481.35
Non-current portion	325.22	297.22

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

8. Short-term borrowings

₹ In lacs

	31-Mar-17	31-Mar-16
Cash credit (including Working Capital Demand Loans) from banks (secured)	14,020.19	13,191.54
Other Loans :-		
Secured :		
Term Loan from Others	3,500.00	3,000.00
Unsecured :		
Term Loans		
From a Bank	5,000.00	4,000.00
From Others	-	5,000.00
Buyers Credit	1,844.65	626.72
	24,364.84	25,818.26

Notes:

(a) Cash 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 pertaining to the Paper plants at Amlai & Brajrajnagar of the Company and are repayable on demand. The above loans carry interest @ 8.25% p.a. to 10.35% p.a. (31 March 2016 :@ 9.75% p.a. to 10.80% p.a.)

(b) Loan from Others is secured against pledge of shares held as investments in Century Textiles & Industries Limited by the Company and carries interest @ 9.65% p.a. (31st March 2016: @ 10.50%) and is repayable on 17th March, 2018.

(c) Unsecured Term Loans from a Bank / Others carry interest @ 8.30% to 8.50% p.a.(31 March 2016 : 9.80% to 10.90%) and are repayable in 90 days.

(d) Buyers Credit carries interest @ LIBOR plus spread ranging from 0.30% to 0.65% (31 March 2016: 0.60 % to 0.85%) p.a and is repayable in 88 to180 days.

9. Other current liabilities

₹ In lacs

	31-Mar-17	31-Mar-16
Trade payables (including acceptances of ₹67.43 lacs (31 March 2016: ₹7.85 lacs)) (refer note 40 for details of dues to micro and small enterprises)		
- total outstanding dues of micro enterprises and small enterprises	4,059.02	1,250.25
- total outstanding dues of creditors other than micro enterprises and small enterprises	23,472.73	26,019.48
	27,531.75	27,269.73
Other liabilities		
Payables against purchase of Fixed Assets	1,317.32	1,776.51
Current maturities of long-term borrowings (note 5)	3,764.71	3,014.71
Current portion of finance lease obligations (note 5)	45.54	29.74
Advance against Sale of goods/ fixed Assets	1,537.98	1,526.97
Interest accrued but not due on borrowings	48.31	123.36
Preference Share Redemption Amount	-	5.18
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	65.85	79.56
Others		
Trade & Other Deposits	476.47	390.92
Deferred Payment Liabilities (Voluntary Retirement Scheme)	-	0.24
Statutory dues payable	4,683.73	4,680.55
Other Miscellaneous	22.66	33.92
	11,962.57	11,661.66
	39,494.32	38,931.39

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

10. Tangible assets

₹ In lacs

	Freehold Land	Leasehold Land	Factory Buildings	Non-Factory Buildings (b)	Railway Sidings	Plant and equipment (d)	Furniture and fixtures	Office equipment	Vehicles	Total	
Cost or valuation											
At 1 April 2015	223.03	146.90	6,084.88	2,189.71	96.89	80,611.03	1,452.58	841.27	483.78	92,130.07	
Additions	-	-	285.62	-	-	2,634.23	100.32	191.83	19.76	3,231.76	
Disposals / Deductions	0.04	-	-	8.33	-	546.32	1.30	5.97	96.51	658.47	
At 31 March 2016	**222.99**	**146.90**	**6,370.50**	**2,181.38**	**96.89**	**82,698.94**	**1,551.60**	**1,027.13**	**407.03**	**94,703.36**	(a)
Additions	-	-	0.72	3.00	-	3,036.00	67.24	110.59	31.23	3,248.78	
Disposals / Deductions	0.02	-	3.81	1.86	-	213.29	18.71	1.71	19.35	258.75	
Adjusted against withdrawl of Revaluation Reserve	179.05	121.77	1,002.50	696.93	34.32	3,035.68	-	-	-	5,070.25	
At 31 March 2017	**43.92**	**25.13**	**5,364.91**	**1,485.59**	**62.57**	**82,485.97**	**1,600.13**	**1,136.01**	**418.91**	**92,623.14**	(a)
Depreciation											
At 1 April 2015	-	66.30	2,137.59	1,018.81	68.52	37,767.85	745.09	542.06	282.18	42,628.40	
Charge for the year	-	4.41	232.17	63.21	1.94	3,628.27	164.11	114.21	34.66	4,242.98	(c)
Disposals / Deductions	-	-	-	6.29	-	432.06	1.17	4.74	46.97	491.23	
At 31 March 2016	**-**	**70.71**	**2,369.76**	**1,075.73**	**70.46**	**40,964.06**	**908.03**	**651.53**	**269.87**	**46,380.15**	
Charge for the year	-	2.15	203.12	41.87	1.94	3,590.36	123.15	141.91	31.70	4,136.20	(c)
Adjusted against withdrawl of Revaluation Reserve	-	66.50	802.37	614.06	34.32	3,035.68	-	-	-	4,552.93	
Disposals / Deductions	-	-	-	1.47	-	152.96	0.46	1.57	15.18	171.64	
At 31 March 2017	**-**	**6.36**	**1,770.51**	**502.07**	**38.08**	**41,365.78**	**1,030.72**	**791.87**	**286.39**	**45,791.78**	
Net Block											
At 31 March 2016	**222.99**	**76.19**	**4,000.74**	**1,105.65**	**26.43**	**41,734.88**	**643.57**	**375.60**	**137.16**	**48,323.21**	
At 31 March 2017	**43.92**	**18.77**	**3,594.40**	**983.52**	**24.49**	**41,120.19**	**569.41**	**344.14**	**132.52**	**46,831.36**	

a. Includes assets held in Joint Ownership ₹1,348.84 lacs (31 March 2016, ₹1,344.72 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.

b. Includes ₹86.91 lacs (31 March 2016, ₹79.87 lacs) in respect of flats whose registration in the Company's name is pending.

c. Includes depreciation ₹10.61 lacs (31 March 2016: ₹188.64 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

d. Includes plant and equipment taken on finance lease :- gross block of ₹859.10 lacs (31 March 2016: ₹800 lacs) and Net block ₹794.19 lacs (31 March 2016: ₹787.33 lacs)

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

11. Intangible assets

₹ In lacs

	Computer Software	Technical Know How	Total
Gross block			
At 1 April 2015	686.03	750.97	1,437.00
Additions	240.82	-	240.82
At 31 March 2016	926.85	750.97	1,677.82
Additions	48.07	-	48.07
At 31 March 2017	974.92	750.97	1,725.89
Amortization			
At 1 April 2015	559.72	14.20	573.92
Charge for the year	78.41	75.10	153.51
At 31 March 2016	638.13	89.30	727.43
Charge for the year	138.13	68.72	206.85
At 31 March 2017	776.26	158.02	934.28
Net block			
At 31 March 2016	288.72	661.67	950.39
At 31 March 2017	198.66	592.95	791.61

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

₹ In lacs

		31-Mar-17	31-Mar-16
a)	Pre-Operative & Trial Run Expenses:		
	Salary & Wages	247.78	87.32
	Interest	451.39	51.89
	Power & Fuel	41.71	-
	Insurance	11.88	-
	Inward Freight	19.99	-
	Rates & Taxes	5.69	-
	Miscellaneous Expenses	74.82	71.56
		853.26	210.77
b)	Add: Balance brought forward from previous year	210.77	-
c)	Less: Allocated to Fixed Assets / Capital Work in progress during the year	1,064.03	-
d)	Balance carried to Balance Sheet	-	210.77

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

13. Non-current investments

₹ In lacs

	31-Mar-17	31-Mar-16
Investment property (at cost less accumulated depreciation)		
Cost of land and building given on operating lease (a)	1,976.68	1,976.65
Less: Accumulated depreciation	268.63	234.12
Net block	**1,708.05**	**1,742.53**
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in Subsidiary Company		
5 lac (31 March 2016: Nil) equity shares of ₹1 each fully paid-up in Orient Electric Ltd.	5.00	-
Investment in joint venture		
173.99 lacs (31 March 2016: 173.99 lacs) Equity shares of K.Sh 20 each fully paid-up in Panafrican Paper Mills (E.A) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) (At cost less provision for other than temporary diminution in value ₹413.92 lacs (31 March 2016 ₹413.92 lacs)	-	-
Government securities (unquoted)		
6 Years National Savings Certificates (b)	0.90	0.90
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
0.25 lac (31 March 2016: 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 2016: ₹0.77 lac)	-	-
200 (31 March 2016: 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 2016: ₹0.02 lac)	-	-
9.06 lacs (31 March 2016: 9.06 lacs) equity shares of ₹10 each fully paid-up in Hyderabad Industries Ltd.	127.12	127.12
15.45 lacs (31 March 2016: 15.45 lacs) equity shares of ₹10 each fully paid-up in Century Textiles & Industries Ltd. (c)	6.73	6.73
Investment in equity instruments (unquoted)		
0.30 lac (31 March 2016: 0.30 lac) equity shares of ₹10 each fully paid-up in Birla Buildings Ltd.	3.01	3.01
0.06 lac (31 March 2016: 0.06 lac) equity shares of ₹10 each fully paid-up in GMMCO Ltd.	53.64	53.64
	196.40	**191.40**
Total	**1904.45**	**1933.93**
Aggregate amount of quoted investments (Market value: ₹23380.77 lacs (31 March 2016: ₹12,855.99 lacs))	133.85	133.85
Aggregate amount of unquoted investments	62.55	57.55
Carrying value of investment property	1708.05	1742.53
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 value ₹432.94 lacs (31 March 2016: ₹432.94 lacs) in the name of the Company is still pending.

b) Government Securities of Face Value ₹0.90 lac (31 March 2016: ₹0.90 lac) are lodged with Government Departments as Security Deposits.

c) Pledged as security against short term loans taken (note 8)

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

14. Deferred tax liability (net)

₹ In lacs

	31-Mar-17	31-Mar-16
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,574.63	7,869.23
Gross deferred tax liability	7,574.63	7,869.23
Deferred tax asset		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	1,665.79	1,352.14
Provision for doubtful debts and advances	343.85	240.31
Provision for warranties	590.27	615.53
Unabsorbed depreciation and carried forward business loss	3,247.92	5,628.74
Gross deferred tax asset	5,847.83	7,836.72
Net deferred tax Liability	1,726.80	32.51

15. Loans and advances

₹ In lacs

	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
(Unsecured)				
Capital advances				
Considered good	460.60	1,808.46	-	-
(A)	460.60	1,808.46	-	-
Trade & Other Deposits				
Considered good	963.35	819.21	82.82	24.13
Considered doubtful	-	-	10.00	10.00
	963.35	819.21	92.82	34.13
Less: Provision for doubtful Trade & Other Deposits	-	-	10.00	10.00
(B)	963.35	819.21	82.82	24.13
Loans & Advances to a subsidiary Company (refer Note No.35)				
Considered good	-	-	86.94	-
(C)	-	-	86.94	-
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good	140.66	111.47	2,483.20	2,490.47
Considered doubtful	-	-	25.76	12.86
	140.66	111.47	2,508.96	2,503.33
Less: Provision for doubtful advances	-	-	25.76	12.86
(D)	140.66	111.47	2,483.20	2,490.47

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

15. Loans and advances (contd.)

₹ In lacs

	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Other loans and advances (Considered Good)				
Loan to employees	0.87	-	9.10	2.83
Deposits against demand under dispute	600.95	512.11	97.56	97.56
Prepaid Expenses	17.90	11.42	285.16	290.70
Advance payment of Income tax, tax deducted at source & refunds receivable etc. (Net of provision for tax ₹2016.16 lacs (31 March 2016: ₹26.50 lacs))	-	-	354.64	737.48
MAT Credit Entitlement	1,989.66	548.66	-	-
Balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	1,228.44	1,328.77
(E)	2,609.38	1,072.19	1,974.90	2,457.34
Total (A+B+C+D+E)	4,173.99	3,811.33	4,627.86	4,971.94
Advances due by director/ officer of the Company.				
Advances due by director of the Company	-	-	-	62.43

16. Trade receivables and other assets

16.1. Trade receivables

₹ In lacs

	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	27.84	25.79
Unsecured, considered good	-	-	526.77	409.97
Considered doubtful	-	-	917.53	584.74
	-	-	1,472.14	1,020.50
Less: Provision for doubtful trade receivables	-	-	917.53	584.74
(A)	-	-	554.61	435.76
Other receivables				
Secured, considered good	-	-	2,812.37	2,649.33
Unsecured, considered good	-	-	35,173.48	35,261.48
Considered doubtful	-	-	40.28	99.64
	-	-	38,026.13	38,010.45
Less: Provision for doubtful trade receivables	-	-	40.28	99.64
(B)	-	-	37,985.85	37,910.81
(A)+(B)	-	-	38,540.46	38,346.57

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

16. Trade receivables and other assets (contd.)

16.2. Other Assets

₹ In lacs

	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Unsecured, considered good				
Interest accrued on Loans, Debts, Deposits etc.	-	-	7.98	20.16
Export Benefit Receivable	-	-	302.52	680.12
Claims & Refunds Receivable	149.48	149.48	354.10	409.71
Unamortised ancillary cost of borrowings	142.73	174.57	100.39	86.72
	292.21	324.05	764.99	1,196.71

17. Inventories

₹ In lacs

	Note	31-Mar-17	31-Mar-16
Valued at Lower of Cost and Net Realisable Value			
Raw materials & components	21	8,236.36	7,054.87
Work-in-progress	22	1,064.28	1,007.12
Finished goods	22	9,811.05	8,093.89
Traded goods	22	3,741.35	3,452.15
Stores, Chemicals and spare parts etc.		2,714.34	2,597.82
At Estimated Realisable Value			
By-Products		3.17	1.95
Scrap		60.77	87.78
		25,631.32	22,295.58
The above includes stock in transit:			
Raw Materials & Components			
Finished Goods		936.94	234.58
Traded goods		9.98	34.47
Stores, Chemicals and spare Parts etc.		42.10	20.72
		989.02	289.77

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

18. Cash and bank balances

₹ In lacs

	31-Mar-17	31-Mar-16
Cash and cash equivalents		
Balances with banks:		
– On current accounts (including ₹Nil (31 March 2016 ₹5.18 lacs) in earmarked accounts)	3,154.68	5,728.39
– Deposits with original maturity of less than three months	2.39	0.09
– On unpaid dividend account	65.85	79.56
Cheques on hand	1.00	0.93
Unpaid matured deposits	1.30	3.60
Cash on hand	12.35	17.37
	3,237.57	**5,829.94**
Other bank balances *		
Deposits with original maturity for more than 12 months	0.86	0.86
Deposits with original maturity for more than 3 months but less than 12 months	94.45	83.82
	95.31	**84.68**
	3,332.88	**5,914.62**

* Receipts/Pass Books for ₹95.31 lacs (31 March 2016: ₹77.26 lacs) are lodged with Government Departments/Banks as security.

The details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as below: ₹ In lacs

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08-11-2016 *	15.07	2.33	17.40
(+) Permitted receipts **	-	46.47	46.47
(-) Permitted payments	-	33.92	33.92
(-) Amount deposited in Banks	15.07	-	15.07
Closing cash in hand as on 30-12-2016	-	14.88	14.88

* Excluding ₹0.02 lacs being soiled notes written off.

** Including cash withdrawn from banks ₹30.45 lacs

19. Revenue from operations

₹ In lacs

	31-Mar-17	31-Mar-16
Revenue from operations		
Sale of products		
Finished goods	1,62,107.10	1,60,018.97
Traded goods	41,369.93	37,762.41
	2,03,477.03	**1,97,781.38**
Less: Cash Discount, Rebates etc.	3,952.39	4,864.04
	1,99,524.64	**1,92,917.34**
Other operating revenue		
Scrap sales	2,571.61	2,369.41
Export Incentives	903.97	1,178.36
Other Receipts	222.19	251.84
Revenue from operations (gross)	**2,03,222.41**	**1,96,716.95**
Less: Excise duty	15,703.49	14,681.41
Revenue from operations (net)	**1,87,518.92**	**1,82,035.54**

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

19. Revenue from operations (contd.)

Detail of products sold

₹ In lacs

	31-Mar-17	31-Mar-16
Finished goods sold		
Paper & Board	42,791.72	44,867.32
C.S.Lye	5,493.97	4,945.12
C.S.Flakes	4,422.01	4,040.58
Liquid Chlorine	67.26	187.05
Hydrochloric Acid	83.60	53.84
Electrical Fans	84,326.72	79,693.88
Lights & Luminaries	19,804.70	21,277.40
Switchgears	1,048.03	804.65
Air Pollution Control Equipments	170.70	196.48
Industrial Blowers	730.40	429.69
Other Miscellaneous Items	29.89	120.67
	1,58,969.00	1,56,616.68
Traded goods sold		
Electrical Fans	20,362.92	18,046.58
Lights & Luminaries	9,174.89	10,077.66
Appliances	10,989.61	8,128.46
Switch Gear	28.22	47.96
	40,555.64	36,300.66
	1,99,524.64	1,92,917.34

20. Other income

₹ In lacs

	31-Mar-17	31-Mar-16
Interest income on		
Debts, deposits, advances etc.	271.06	344.64
Dividend income on		
Long-term investments	268.91	248.10
Rental income on investment property	459.06	515.32
Insurance & Other Claims	103.42	145.35
Rent & Hire Charges	49.01	45.07
Unspent Liabilities, Provisions no longer required and Unclaimed Balances written back	155.75	166.86
Gain on Exchange Rate Fluctuations (net)	75.12	-
Profit on sale of fixed assets (net)	337.97	13.03
Compensation against transfer of way / right to use of land	420.95	-
Miscellaneous Income	391.77	260.27
	2,533.02	1,738.64

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

21. Cost of raw materials & components consumed

₹ In lacs

	31-Mar-17	31-Mar-16
Inventory at the beginning of the year	7,054.87	7,054.42
Add: Purchases & procurement expenses / job charges	77,763.96	76,820.65
	84,818.83	**83,875.07**
Less: Sales	278.08	400.19
Less: inventory at the end of the year	8,236.36	7,054.87
Cost of raw materials & components consumed	**76,304.39**	**76,420.01**

Details of raw materials & components consumed

₹ In lacs

	31-Mar-17	31-Mar-16
Bamboo	3,022.20	5,379.42
Wood	10,512.26	10,368.34
Salt	1,548.52	1,560.69
Copper Wire Rod & Strips	6,979.17	6,583.81
CRCA, Silicon Sheets & Plates	7,573.99	6,650.24
Blades for Ceiling Fans	9,235.31	7,763.88
Miscellaneous Items #	37,432.94	38,113.63
	76,304.39	**76,420.01**

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-17	31-Mar-16
Raw materials & components		
Bamboo	436.75	1,233.00
Wood	1,573.19	901.62
Salt	283.35	236.28
Copper Wire Rod & Strips	244.08	163.36
CRCA, Silicon Sheets & Plates	83.63	75.61
Blades for Ceiling Fans	211.81	214.63
Miscellaneous Items	5,403.55	4,230.37
	8,236.36	**7,054.87**

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

22. (Increase)/ decrease in inventories

₹ In lacs

	31-Mar-17	31-Mar-16
Inventories at the end of the year		
Traded goods	3,741.35	3,452.15
Work-in-progress	1,064.28	1,007.12
Finished goods	9,811.05	8,093.89
By Products	3.17	1.95
Scrap	60.77	87.78
	14,680.62	12,642.89
Inventories at the beginning of the year		
Traded goods	3,452.15	3,361.60
Work-in-progress	1,007.12	924.46
Finished goods	8,093.89	8,772.78
By Products	1.95	4.03
Scrap	87.78	171.51
	12,642.89	13,234.38
	(2,037.73)	591.49
(Increase)/decrease of excise duty on inventory	212.76	(23.84)
	(1,824.97)	567.65

Details of purchase of traded goods

₹ In lacs

	31-Mar-17	31-Mar-16
Electrical Fans	16,314.14	14,604.44
Lights & Luminaries	6,338.71	8,419.56
Appliances	8,913.31	6,118.31
Switchgears	30.70	41.50
	31,596.86	29,183.81

Details of inventory

₹ In lacs

	31-Mar-17	31-Mar-16
Traded goods		
Electrical Fans	827.87	690.68
Lights & Luminaries	800.96	1,210.08
Appliances	2,090.69	1,532.04
Switchgears	21.83	19.35
	3,741.35	3,452.15
Work-in-progress		
Paper	314.02	355.03
Salt	16.00	16.43
CS Lye	239.23	289.87
Fans & Components	492.68	302.65
Lights & Luminaries	0.03	40.23
Air Pollution Control Equipments	-	0.49
Industrial Blowers	2.32	2.42
	1,064.28	1,007.12

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

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

Details of inventory

₹ In lacs

	31-Mar-17	31-Mar-16
Finished goods		
Pulp, Paper & Board	1,211.33	1,306.27
C.S.Lye	49.26	76.92
C.S.Flakes	10.19	34.75
Electrical Fans	7,517.93	5,758.92
Lights & Luminaries	835.60	687.88
Switchgears	186.74	221.04
Air Pollution Control Equipments	-	2.96
Industrial Blowers	-	5.15
	9,811.05	**8,093.89**
By-products		
Liquid Chlorine	2.58	1.68
Hydrochloric Acid	0.59	0.27
	3.17	**1.95**

23. Employee benefits expense

₹ In lacs

	31-Mar-17	31-Mar-16
Salaries, wages and bonus	18,410.21	15,786.19
Contribution to provident and other funds	1,038.74	951.51
Gratuity expense (note 31)	435.87	326.20
Staff welfare expenses	1,430.55	1,222.83
	21,315.37	**18,286.73**

24. Other expenses

₹ In lacs

	31-Mar-17	31-Mar-16
Consumption of stores	6,784.14	7,128.57
Handling & Other charges to contractors	1,679.48	1,513.74
Power and fuel	9,942.22	10,898.19
Packing, Freight and forwarding charges	9,550.14	9,819.09
Rent & Hire Charges	1,735.59	1,544.57
Rates and taxes	370.66	323.13
Insurance	235.30	262.34
Repairs and maintenance		
Plant and machinery	2,113.14	2,199.98
Buildings	404.39	407.42
CSR Expenditure	86.04	74.71
Advertising and sales promotion	4,734.54	4,647.93

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

24. Other expenses (contd.)

₹ In lacs

	31-Mar-17	31-Mar-16
Directors' Commission	58.50	-
Directors' Sitting Fees	48.00	22.00
Commission on sales	776.07	712.45
Payment to auditor		
As auditor:		
Audit fee	32.50	32.50
Limited review	19.50	19.50
In other capacity:		
Tax audit fee	8.00	8.00
For certificates & other services	16.68	13.03
Reimbursement of expenses	3.83	1.67
Payment to cost auditor	1.40	1.07
Warranty Claims	2,252.47	3,005.47
Less: Utilisation against provision	(809.27)	(1,141.15)
Warranty Claims (Net)	1,443.20	1,864.32
Exchange Rate Fluctuations (net)	-	98.64
Professional & Consultancy Charges	1,520.39	1,460.21
Bad debts / advances written off (net of reversals)	156.82	53.83
Sales Tax, Surcharge & Turnover Tax etc.	197.74	183.97
Provision for doubtful debts and advances	438.30	119.21
Miscellaneous expenses	4,741.00	4,221.49
	47,097.57	**47,631.56**

25. Depreciation and amortization expense

₹ In lacs

	31-Mar-17	31-Mar-16
Depreciation of tangible assets	4,136.20	4,242.98
Amortization of intangible assets	206.85	153.51
Depreciation of investment property	34.51	34.51
	4,377.56	**4,431.00**

26. Finance costs

₹ In lacs

	31-Mar-17	31-Mar-16
Interest on loans	4,093.96	4,711.16
Other Borrowing Cost	337.60	407.67
	4,431.56	**5,118.83**

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

27. Discontinuing Operation

The Company's Board of Directors at its meeting held on 15 september, 2016 has approved a scheme of arrangement to demerge the consumer electric business undertaking of the Company by transferring the same on a going concern basis to a newly formed wholly owned subsidiary namely "Orient Electric Ltd." w.e.f 1st March, 2017 subject to necessary approvals.

The above consumer electric business is a separate segment as per AS-17, Segment Reporting.

The following statement shows the revenue and expenses of discontinuing operations:

₹ In lacs

	31-Mar-17	31-Mar-16
Income from operations (net) (1)	1,36,370.19	1,29,611.84
Other income (2)	536.02	518.12
Total expenses (3)	1,30,771.47	1,25,715.10
Profit from ordinary activities before tax (4)	6,134.74	4,414.86
Tax Expenses including deferred tax (credit) /charge (5)	2,081.23	1,527.89
Net Profit from ordinary activities after tax (4-5)	**4,053.51**	**2,886.97**

The carrying amounts of the total assets and liabilities are as follows. Comparative information for consumer electric business is included in accordance with AS 24 Discontinuing Operations.

₹ In lacs

	31-Mar-17	31-Mar-16
Total assets	72,572.66	72,898.28
Total liabilities	49,458.97	52,186.36
Net assets	**23,113.69**	**20,711.92**

The net cash flows attributable to the Electric Division are as below:

₹ In lacs

	31-Mar-17	31-Mar-16
Operating activities	7,415.96	6,783.02
Investing activities	(2,710.97)	(1,616.10)
Financing activities	(6,271.00)	(3,151.79)
Net cash inflows / (outflows)	**(1,566.01)**	**2,015.13**

28. Pending receipt of necessary approvals of the Scheme of Arrangement to demerge the Consumer Electric business under taking of the Company w.e.f. 1st March, 2017 as stated in Note 27 above, no adjustment has been made in these accounts.

29. Orient Electric Ltd. (OEL) was formed during the year as a subsidiary of the Company for the purpose of transfer of Company's Consumer Electric business w.e.f 1st March, 2017 as per the scheme of arrangement as stated in note no. 27 above subsequent to all regulatory approvals and compliances. After necessary approvals, shares held by the Company in the said subsidiary will stand cancelled in terms of scheme of arrangement. In view of above, the Company has not prepared Consolidated Financial Statements in terms of paragraph 11 of the Accounting Standard 21 'Consolidated Financial Statements', OEL being the only Subsidiary Company held by the Company.

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

30. Earnings per share (EPS)

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

	31-Mar-17	31-Mar-16
Profit after Tax	5,059.31	2,102.08
Net profit for calculation of basic and diluted EPS	**5,059.31**	**2,102.08**
	No. in Lacs	No. in Lacs
Weighted average number of equity shares in calculating basic & diluted EPS	2,057.31	2,048.69
Basic & Diluted Earnings per equity share [nominal value of share ₹1 (31 March 2016: ₹1] (₹)*	2.45	1.02

* EPS has been adjusted for the right issue.

31. 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 favourable 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-17	31-Mar-16
Current service cost	281.07	268.89
Interest cost on benefit obligation	359.32	337.32
Expected return on plan assets	(290.94)	(273.61)
Past Service Cost	(55.37)	-
Net actuarial (gain) / loss recognized in the year	220.91	60.70
Net benefit expense *	**514.99**	**393.30**
Actual return on plan assets	272.67	249.71

* includes ₹79.11 lacs (31 March,2016 ₹67.10 lacs) debited under other head of expenses

Balance sheet

Benefit asset/ liability ₹ In lacs

	Gratuity	
	31-Mar-17	31-Mar-16
Present value of defined benefit obligation	(5,103.84)	(4,675.50)
Fair value of plan assets	3,913.66	3,379.57
Plan asset / (liability)	**(1,190.18)**	**(1,295.93)**

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

31. Gratuity - Defined Benefit Plan (contd.)

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

₹ In lacs

	Gratuity	
	31-Mar-17	31-Mar-16
Opening defined benefit obligation	4,675.50	4,400.37
Current service cost	281.07	268.89
Interest cost	359.32	337.32
Benefits paid	(359.32)	(367.88)
Actuarial (gains) / losses on obligation	202.64	36.80
Past Service Cost	(55.37)	-
Closing defined benefit obligation	**5,103.84**	**4,675.50**

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

₹ In lacs

	Gratuity	
	31-Mar-17	31-Mar-16
Opening fair value of plan assets	3,379.57	2,950.44
Expected return	290.94	273.61
Contributions by employer	591.85	531.11
Benefits paid	(330.43)	(351.69)
Actuarial gains / (losses)	(18.27)	(23.90)
Closing fair value of plan assets	3,913.66	3,379.57

The Company expects to contribute ₹600 lacs to gratuity fund in the next twelve months (31 March 2016: ₹550 lacs).

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

	Gratuity	
	31-Mar-17	31-Mar-16
Investments with insurer	100%	100%

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

	Gratuity	
	31-Mar-17	31-Mar-16
Discount rate	7.00%	8.00%
Expected return on plan assets	8.45%	9.00%
Mortality Rate	Indian Assured Lives Mortality (2006-2008) (modified) Ult.	Indian Assured Lives Mortality (2006-2008) (modified) Ult.

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.

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

31. Gratuity - Defined Benefit Plan (contd.)

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

₹ In lacs

	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Gratuity*					
Defined benefit obligation	5,103.84	4,675.50	4,400.37	3,993.85	3,716.19
Plan assets	3,913.66	3,379.57	2,950.44	2,608.42	2,277.08
Surplus / (deficit)	(1,190.18)	(1,295.93)	(1,449.93)	(1,385.43)	(1,439.11)
Experience adjustments on plan liabilities	72.72	(36.80)	(36.89)	21.32	(330.80)
Experience adjustments on plan assets	(18.28)	(23.90)	(31.19)	(17.87)	(13.99)

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

Defined Contribution Plan

₹ In lacs

	31-Mar-17	31-Mar-16
Contribution to Provident / Pension Funds	879.89	761.12
Contribution to Superannuation Fund	158.61	175.80

32. Leases

Finance lease: company as lessee

The company has a finance lease contract for plant and machinery. This lease has terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

₹ In lacs

	31-Mar-17		31-Mar-16	
	Minimum Payments	Present Value of MLP	Minimum Payments	Present Value of MLP
Within 1 year	177.85	45.54	162.00	29.74
After one year but not more than five years	869.45	351.79	810.00	253.14
More than five years	550.00	423.76	725.50	512.63
Total minimum lease payments	**1597.30**	**821.09**	**1697.50**	**795.51**
Less: amounts representing finance charges	776.21	-	901.99	-
Present value of minimum lease payments	**821.09**	**821.09**	**795.51**	**795.51**

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 cancellable.

₹ In lacs

	31-Mar-17	31-Mar-16
Lease payments made for the year	1,735.59	1,544.57
Contingent rent recognized in the Statement of Profit & Loss	-	-
	1,735.59	**1,544.57**

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 cancellable.

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

33. 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.

34. 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

As at and for the year ended 31 March 2017 ₹ In lacs

Particulars	Paper	Electrical Consumer Durables	Others	Total
Revenue *				
External	50,327.61	1,36,370.19	821.12	1,87,518.92
Inter segment	-	-	-	-
Total	**50,327.61**	**1,36,370.19**	**821.12**	**1,87,518.92**
Results				
Segment results	3,672.68	8,256.56	159.36	12,088.60
Unallocated Income / (Expenses) (net of unallocable expenses/income)				(903.44)
Operating profit				11,185.16
Finance costs				4,431.56
Profit / (Loss) before tax				6,753.60
Income tax expense				1,694.29
Net profit / (Loss)				**5,059.31**
As at 31 March 2017				
Segment assets	59,377.86	70,478.90	389.04	1,30,245.80
Unallocated assets				5,276.33
Total assets				**1,35,522.13**
Segment liabilities	13,142.16	25,454.91	164.99	38,762.06
Unallocated liabilities				46,026.38
Total liabilities				**84,788.44**

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

34. Segment information (contd.)

Business segments

As at and for the year ended 31 March 2017 ₹ In lacs

Particulars	Paper	Electrical Consumer Durables	Others	Total
Other segment information				
Capital expenditure:- **				
Tangible assets	6933.10	1713.84	6.55	8,653.49
Intangible assets	-	48.07	-	48.07
Depreciation ***	2,276.28	1,835.25	2.30	4,113.83
Amortization	-	206.85	-	206.85

As at and for the year ended 31 March 2016 ₹ In lacs

Particulars	Paper	Electrical Consumer Durables	Others	Total
Revenue *				
External	51,852.15	1,29,611.84	571.55	1,82,035.54
Inter segment	-	-	-	-
Total	**51,852.15**	**1,29,611.84**	**571.55**	**1,82,035.54**
Results				
Segment results	895.97	6,762.43	49.64	7,708.04
Unallocated Income / (Expenses) (net of unallocable expenses/income)				(454.62)
Operating profit				7,253.42
Finance costs				5,118.83
Profit / (Loss) before tax				2,134.59
Income tax expense / (credit)				32.51
Net profit / (Loss)				**2,102.08**
As at 31 March 2016				
Segment assets	56,189.78	69,108.02	350.04	1,25,647.84
Unallocated assets				4,292.58
Total assets				**1,29,940.42**
Segment liabilities	12,281.48	26,713.51	145.53	39,140.52
Unallocated liabilities				49,378.86
Total liabilities				**88,519.38**
Other segment information				
Capital expenditure:- **				
Tangible assets	5319.41	1087.79	-	6,407.20
Intangible assets	-	240.82	-	240.82
Depreciation ***	2,421.32	1,796.29	2.07	4,219.68
Amortization	-	153.51	-	153.51

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

34. Segment information (contd.)

Geographical segments

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

₹ In lacs

Year ended 31 March 2017	India	Overseas	Total
Revenue *			
Sales to external customers	1,68,742.22	18,776.70	1,87,518.92
Other segment information			
Segment assets	1,27,901.90	2,343.90#	1,30,245.80

₹ In lacs

Year ended 31 March 2016	India	Overseas	Total
Revenue *			
Sales to external customers	1,57,142.19	24,893.35	1,82,035.54
Other segment information			
Segment assets	1,22,448.07	3,199.77#	1,25,647.84

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 ₹6.34 lacs (31 March 2016, ₹21.20 lacs) being unallocated corporate/other assets.

*** Excluding ₹56.88 lacs (31 March 2016, ₹57.81 lacs) on unallocated corporate/other assets.

35. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Subsidiary Company	Orient Electric Ltd

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] Mr. Rakesh Khanna Mr. Ajay Gupta Mr. B. S. Gilra Mr. R. P. Dutta (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	Origami Enterprises Origami Origami Cellulo Pvt. Ltd

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

35. Related party disclosures (contd.)

Related party transactions

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

a. Sale of goods

₹ In lacs

	Year ended	Sale of goods	Miscellaneous Receipts	Amount owed by related parties*
Enterprises owned or significantly influenced by key management personnel or their relatives				
Origami Enterprises	31-Mar-17	-	2.22	-
	31-Mar-16	-	2.14	-
Origami	31-Mar-17	7.20	-	-
	31-Mar-16	-	-	-
Origami Cellulo Pvt. Ltd	31-Mar-17	23.17	-	-
	31-Mar-16	-	-	-
Total	31-Mar-17	30.37	2.22	-
	31-Mar-16	-	2.14	-

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

b. Dividend Paid

₹ In lacs

	Year ended	Dividend Paid	Amount owed by related parties	Amount owed to related parties
Associate				
Central India & IndustriesLtd	31-Mar-17	126.61	-	-
	31-Mar-16	50.64	-	-
Key management personnel				
Mr. M.L. Pachisia	31-Mar-17	0.09	-	-
	31-Mar-16	0.04	-	-
Mr. P.K.Sonthalia	31-Mar-17	0.04	-	-
	31-Mar-16	0.00	-	-
Total	31-Mar-17	126.74	-	-
	31-Mar-16	50.68	-	-

c. Non- current investments

₹ In lacs

	Year ended	Investment made	Investment outstanding
Subisidary Company			
Orient Electric Ltd	31-Mar-17	5.00	5.00
	31-Mar-16	-	-

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

35. Related party disclosures (contd.)

d. Advances given and repayment thereof

₹ In lacs

	Year ended	Advances given	Repayment	Interest accrued	Amount owed by related parties
Subisidary Company					
Orient Electric Ltd	31-Mar-17	86.94	-	-	-
	31-Mar-16	-	-	-	-

e. 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-17	350.97	-	48.36
	31-Mar-16	209.41	62.43	-
Mr. P. K. Sonthalia [President (Finance) & CFO]	31-Mar-17	176.22	-	-
	31-Mar-16	158.52	-	-
Mr. Rakesh Khanna	31-Mar-17	202.46	-	-
	31-Mar-16	197.76	-	-
Mr. Ajay Gupta	31-Mar-17	100.26	-	-
	31-Mar-16	82.57	-	-
Mr.B.S.Gilra	31-Mar-17	39.17	-	-
	31-Mar-16	30.23	-	-
Mr. R. P. Dutta (Company Secretary)	31-Mar-17	19.56	-	-
	31-Mar-16	17.16	-	-
Total	31-Mar-17	888.64	-	48.36
	31-Mar-16	695.65	62.43	-

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.

36. Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹963.08 lacs (31 March 2016: ₹890.51 lacs).

(b) For commitments relating to lease arrangements refer note 32.

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

37. Contingent liabilities

₹ In lacs

		31-Mar-17	31-Mar-16
a)	Outstanding bank guarantees	4,583.17	3,960.65
b)	Bills Discounted under channel finance facilities	-	1,839.57
c)	Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company: (*)		
	Excise Duty	2,453.38	2,124.34
	Sales Tax	987.93	638.79
	Income Tax	236.04	234.50
	Water Tax	10,561.06	8,287.38
	Cess on Captive Power consumption	6,461.13	5,415.55
	Krishi Upaj Mandi Fees	1,229.56	1,229.56
	Others	2,940.37	2,727.10
		24,869.47	20,657.22
	Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	934.54	842.00
(*)	Based on discussions with the solicitors/ favourable 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	

e) 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 Some 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 and 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 ₹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 the aforesaid period amounts to ₹60471.68 lacs (including interest and penalty of ₹59058.75 lacs) as at 31 March 2017, 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.

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

38. Due to inadequacy of profit, remuneration paid / provided to Managing Director of the Company during the years ended 31 March 2015 and 31 March 2016 has exceeded the limit prescribed under section 197 read with schedule V of the Companies Act,2013 by ₹178.19 lacs and ₹177.70 lacs respectively. The Company has applied / made further representation to the Central government for approval of above excess remuneration.

39. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

(i) Trade Receivables ₹2343.90 lacs (USD 22.79 lacs) ,(GBP 0.02 lacs),(HKD 86.56 lacs),(Euro 1.99.lacs) [31 March 2016 ₹3199.77 lacs (USD 34.71 lacs)].(HKD 104.91 lacs), (Euro 0.01 lacs).

(ii) Trade Payables ₹1404.61 lacs (USD 21.73 lacs)& (Euro 0.14 lacs) [31 March 2016 ₹2304.80 lacs (USD 19.84 lacs),(Euro 11.68 lacs) (JPY 167.98 lacs)].

(iii) Capital Payables ₹25.07 lacs (USD 0.11 lacs) & (JPY 82.28 lacs)[31 March 2016 ₹Nil (USD Nil)].

(iv) Buyers Credit ₹1844.65 lacs (USD 22.58 lacs) & (EURO 5.47 lacs)[31 March 2016 ₹626.72 lacs (USD 9.42 lacs)].

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

₹ In lacs

	31-Mar-17	31-Mar-16
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	4,059.02	1,250.25
Interest due on above	-	-
	4,059.02	1,250.25
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	-	139.71
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.71	1.05
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.) as at and for the year ended 31st March 2017

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

₹ In lacs

	31-Mar-17	31-Mar-16
Capital goods	3,140.90	1,141.49
Trading goods	946.89	419.96
Raw materials & components	8,483.96	8,007.42
Spares Parts & Chemicals	571.77	312.98
	13,143.52	9,881.85

42. Expenditure in foreign currency (accrual basis)

₹ In lacs

	31-Mar-17	31-Mar-16
Sales Commission	4.31	20.93
Professional & Consultancy services (capitalised during the year)	76.67	-
Miscellaneous	99.16	60.92
	180.14	81.85

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

	%age of total consumption 31-Mar-17	Value (₹ in lacs) 31-Mar-17	%age of total consumption 31-Mar-16	Value (₹ in lacs) 31-Mar-16
Raw Materials & components				
Imported	10.18%	7,769.65	10.34%	7,899.57
Indigenously obtained	89.82%	68,534.74	89.66%	68,520.44
	100.00%	76,304.39	100.00%	76,420.01
Spare parts				
Imported	10.99%	355.61	8.33%	300.88
Indigenously obtained	89.01%	2,879.95	91.67%	3,310.73
	100.00%	3,235.56	100.00%	3,611.61

44. Net dividend remitted in foreign exchange

Year of remittance (ending on)	31-Mar-17	31-Mar-16
Pertains to the accounting year	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Number of non-resident shareholders	398	291
Number of equity shares held on which dividend was due	99,74,096	62,03,342
Amount remitted and / or paid in Indian Currency (₹ in lacs)	24.94	6.20

Notes to financial statements (contd.) as at and for the year ended 31st March 2017

45. Earnings in foreign currency (accrual basis)

₹ In lacs

Year of remittance (ending on)	31-Mar-17	31-Mar-16
Exports of goods at F.O.B. Value	16,458.10	21,780.13
	16,458.10	**21,780.13**

46. Previous year figures

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

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration number: 301003E / E300005
Chartered Accountants

per **Sanjay Kumar Agarwal**
Partner
Membership no.: 060352

Place: New Delhi
Date: 16th May, 2017

For and on behalf of the board of directors

C. K. Birla
Chairman

M. L. Pachisia
Managing Director

P. K. Sonthalia
President (Finance) & CFO

R.P. Dutta
Company Secretary

Notes

Notes

Corporate information

Board of Directors

Shri C.K. Birla, *Chairman*

Shri B.K. Jhawar

Shri A. Ghosh

Shri Michael Bastian

Shri N.S. Sisodia

Ms. Gauri Rasgotra

Shri M.L. Pachisia, *Managing Director*

Board Committees

Audit Committee

Shri Michael Bastian, *Chairman*

Shri B.K. Jhawar

Shri A. Ghosh

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

Shri N.S. Sisodia

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

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