

A word cloud of the word "evolve" in various shades of green and yellow, with a large "evolve" logo in orange and green at the bottom.

# Orient Paper & Industries Limited

## Annual Report 2015-16

## 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 2015-16.

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## CHAIRMAN'S MESSAGE

### **“Evolve through resolve.”**

Our perseverance with efforts to achieve higher efficiencies and reduced costs is paying-off as can be seen from our results for the year under review.

Particularly heartening is the fact that our Paper division has achieved a turnaround in profitability purely based on internal improvements. The project to add a further capacity of 25,000 MTPA for Tissue paper is also proceeding satisfactorily and should provide a further boost to this division's performance.

Our Electrical Consumer Durables business also continues to grow satisfactorily. Fans and Lighting businesses are already well established and the relatively new lines of Appliances and Switchgears are also gradually picking up.

We remain focused on increasing our market share and, at the same time, optimising our costs to continuously EVOLVE into an organization which all our stakeholders can be increasingly proud of.

Sincerely,

**C.K. Birla**



# About us

Part of the C.K. Birla Group

Two business divisions

1



Fans

Lightings

Home Appliances

Switchgears

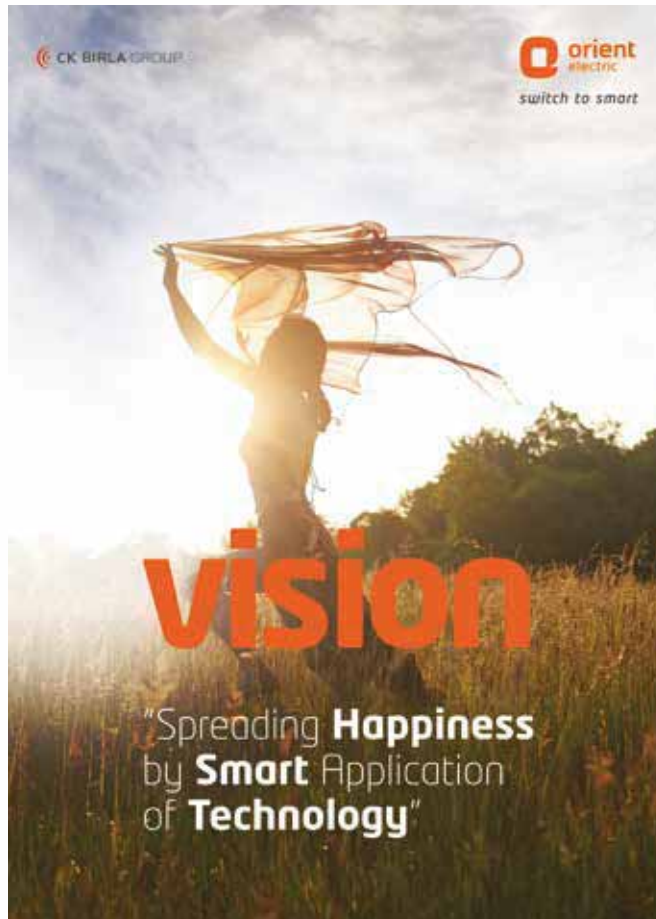
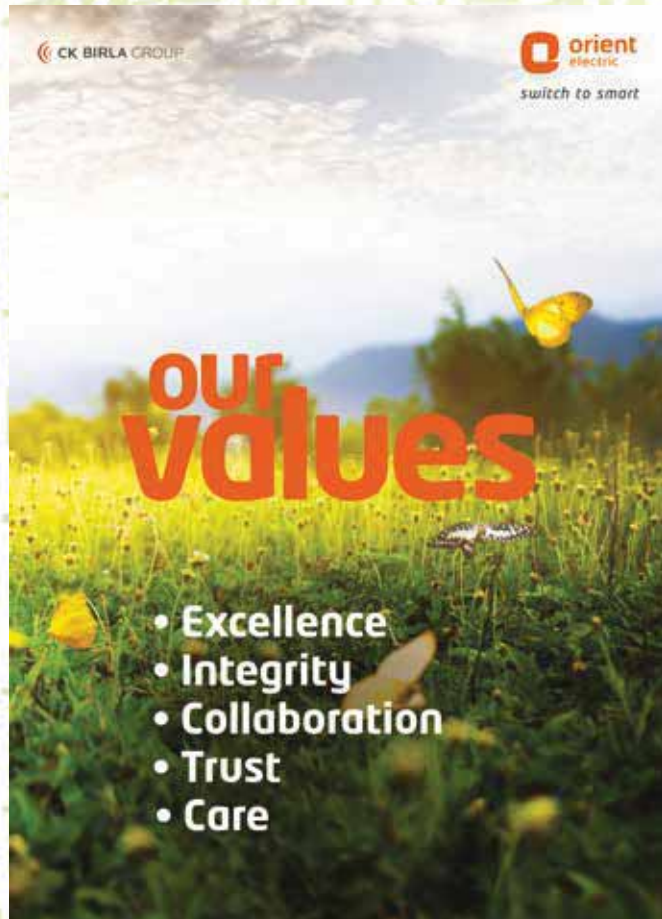
2



Tissue papers

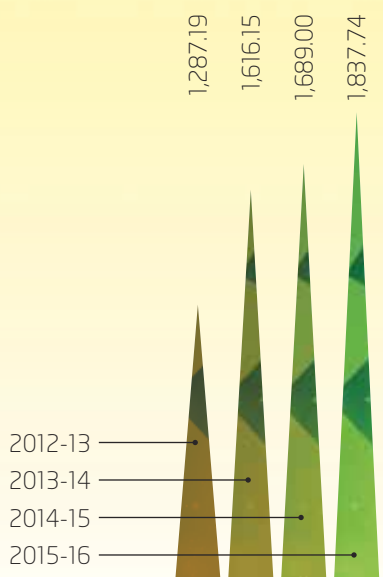
Writing and Printing  
papers

Caustic Soda and its  
derivatives

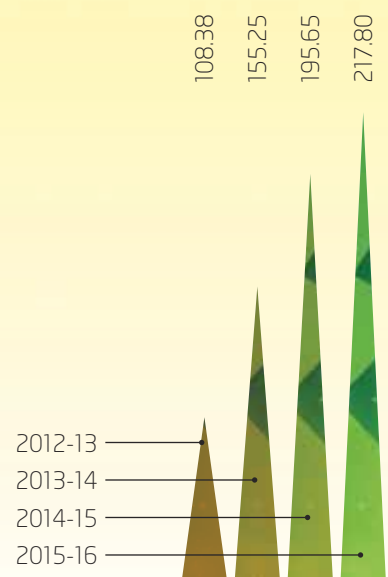


# Financial highlights

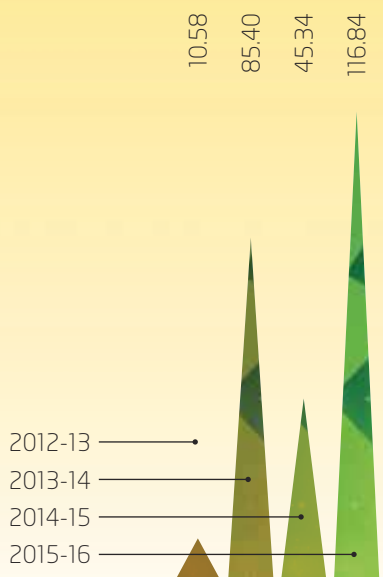
Total income (net) (₹ crore)



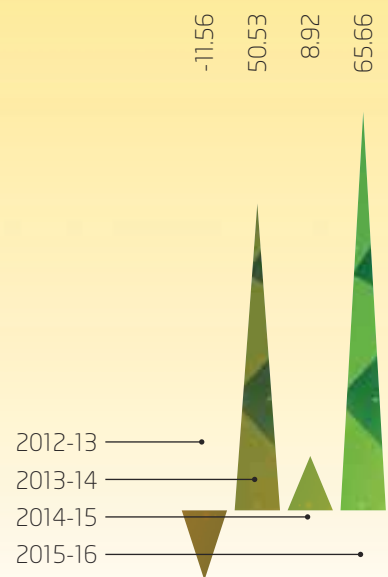
Exports (₹ crore)



PBIDT (₹ crore)



Cash profit (₹ crore)



## The Managing Director's report

Dear shareholders,

India has emerged as the fastest growing large economy in the world with a GDP growth of 7.6% during 2015-16. Viewed in the context of the turbulent world economy as well as sub-normal monsoons, this is certainly a positive indication of things to come.

Your Company has also performed well and has achieved a smart turnaround during the year. We believe that this improvement is not only sustainable but will gain further traction based upon several initiatives in hand.

We are particularly happy with the improved performance of our Paper division, which has been achieved primarily on the back of our internal focus on efficiency improvements and cost reduction. As a result, we could achieve 92% utilization of our paper capacity and reduce our costs even under challenging market conditions, particularly for the Writing & Printing paper segment.

Based on the encouraging market response to our tissue papers, we have embarked on the project to expand our Tissue paper capacity further by 25,000 MT per year. The project is progressing satisfactorily and is expected to be commissioned ahead of schedule within FY 2016-17.

Orient Electric products also continue to strengthen their position in the market.

Under Fans, our effort this year was on the introduction of premium models, improvement in our margins and working capital optimization. I am glad to say that we have largely been successful on all these fronts.



## The Managing Director's review

We have also made major inroads in the Lighting segment. With a growth of 43% during the year, we now rank amongst the top-five LED Lighting manufacturers in the country.

We have completely revamped our product offerings in the Home Appliances vertical and the new range has received wide acceptance. We believe that we are well on our way of achieving a meaningful share of this huge market within the next two years.

Moreover, we supplemented our consumer durables bouquet by launching low voltage Switchgear with advanced safety features. This range is being positioned in the premium category and is being launched in a phased manner in selective markets so as to create a niche for ourselves.

With the world moving towards digital and online purchases, we launched our e-shop, [www.orientelectricshop.com](http://www.orientelectricshop.com). This reinforces our omni-channel distribution strategy and makes our entire product range available online.

We also opened our first exclusive store christened 'Orient Smart Shop' in Karnal and plan to establish similar outlets in other locations in a phased manner.

## Outlook

The Indian economy should get a further boost following a normal monsoon during FY 2016-17, higher spends on infrastructure, increasing FDI and the likely introduction of GST.

With the solid foundation laid during 2015-16, your Company is well-poised to take full advantage of this imminent growth for the benefit of all our stakeholders.

I look forward to your continued support in this exciting journey.

Best wishes,

**M.L. Pachisia**









Review of our  
business segments



Business segment review **1**



- Fans
- Lighting
- Home Appliances
- Switchgears

## Overview

Orient Electric diversified and enhanced its portfolio with Low-voltage Switchgears, and launched its products in select markets, thus fulfilling its promise to be the "one stop shop for electrical solutions".

## Highlights

Orient consolidated its position in  
**Fans,**  
improving margins and creating a base for higher growth.

### Home Appliances

saw a significant increase in sale of air-coolers that crossed the mark of 1 lac units in the year 2015-16.

### Lighting

business bagged major tenders in LED lighting and also received its first order for LED street lighting.

### Premium Switchgear

range was launched in select markets.

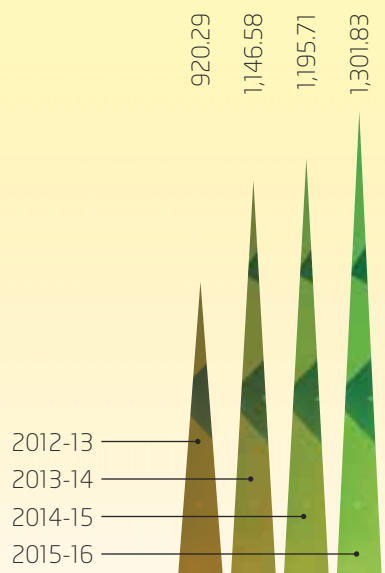




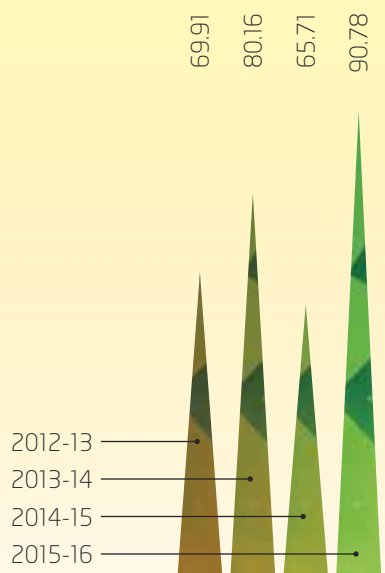
## Review of our business segments

### Performance snapshot

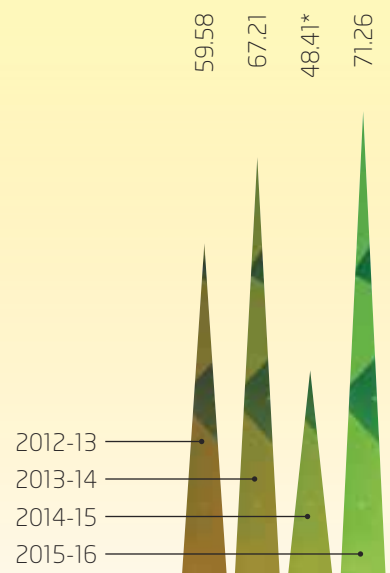
Revenue (₹ crore)



PBIDT (₹ crore)



PBIT (₹ crore)



\*Considering one-time branding expenditure of ₹24.46 crore





## Highlights, 2015-16

### Fans

#### The largest, the widest, the most awarded

- The largest manufacturer of Fans in India
- Received National Record Certificate from Limca Book of Records for highest output
- By far the highest exporter of fans, exporting to over 35 countries with over 60% share of the total fans exported from India
- Widest range of 350 SKUs with pan-India reach through over 1 lac retail outlets
- Launched a new range of BLDC (Brushless DC Motor) fans which consume less than 50% energy as compared to conventional fans
- Expanded premium fans product range with excellent feed back
- Received the 'Make in India Award for Excellence 2015'
- Listed amongst the top 15 'Most Trusted Consumer Durables Brand 2015'





Review of our  
business segments

## The new premium range



## Highlights, 2015-16

### Lighting

#### The third largest LED manufacturer in India

- Lighting revenue grew 43% over the last year even though the industry growth was below 10%
- Increased LED lamp and luminaire manufacturing capacities
- Emerged as the third largest manufacturer of LED lamps in India; produced 12 million lamps in 2015-16
- Bagged tenders from EESL to supply 11 million LED lamps to the government in 2015-16
- Stepped into Street Lighting category and received order for installing 11000 streetlights in Delhi
- Received 'ICON of the year Award 2015' and 'Global Quality Award 2015'

## #SwitchToSmart







Review of our  
business segments

## Highlights, 2015-16

### Home appliances

#### Next-gen smart appliances

- Consolidated and rationalised the product portfolio
- Launched new range of air-coolers with four-way cooling
- Sold over 1 lac coolers in 2015-16, indicating customers' acceptability of the products and increased confidence of the distribution channel
- Tie ups with leading certification labs to ensure best-in-class quality



## Highlights, 2015-16

### Switchgear

#### Premium range of safety products

- The Switchgear plant commenced operations in 2015 and products have so far been launched in select markets around a premium positioning
- First Indian brand to introduce MCBs enabled with the revolutionary SDB (Snap Disc Bi-Metal) technology, which provides a three-fold advantage – precise tripping, better repeatability and longer life
- State-of-the-art RGD centre for developing industry-leading products

#### Orient Electric Switchgear Range for Five Layer Protection



Overload  
Protection



Short Circuit  
Protection



Current Leakage  
Protection



Fire  
Protection



Electrical Shock  
Protection



## Marketing and distribution

- Opened the first Orient Electric brand shop; 'Orient Electric -Smart Shop' at Karnal, Haryana. The franchised Orient Smart Shop will exclusively sell complete range of Orient Electric products
- Participated in the prestigious International Trade Fair in Canton, China, in October 2015, showcasing select product range to a large global audience
- Launched the Switchgear range at a gala event in Delhi
- Entered the e-commerce space by setting up our own e-commerce portal, [www.orientelectricshop.com](http://www.orientelectricshop.com). Received as many as 200,000 likes on Facebook



Orient at Canton fair



Launch of BLDC fans



Switchgear launch



Social-media campaign



## Awards as grand as our range



### Most Trusted Consumer Durables Brand 2015

Orient Electric earned the status of being one of the India's most trusted brands in 2015 as per a survey conducted by Nielsen. It was listed at the 13th position in the consumer durables category in the Most Trusted Brands Survey report, which was published in ET Brand Equity.



### Make in India Award for Excellence - 2015

Orient Electric bagged the prestigious 'Make in India Awards for Excellence - 2015' in the Consumer Electricals Products category at an event held on August 18, 2015 at Gandhinagar, Gujarat. The Make in India Awards for Excellence recognizes contributions that are enabling India to become a leading global economy.



### Icon of the Year 2015 award

Orient Electric won the 'Icon of the Year 2015' award in the Lighting & Switchgear category at a magnum-opus event held on October 9, 2015 in Goa. The 'Brands Academy Icon of the Year Awards' are given to select individuals, brands and organizations to recognize their outstanding contribution to the economic growth of India.



### Global Quality Award 2015

Orient Electric bagged the prestigious 'Global Quality Award' for 'Quality Energy-Efficient Lighting Products Manufacturer of the Year' at a grand event held on February 06, 2016 in New Delhi. The highly sought-after Global Quality Awards recognize the doers and pioneers across manufacturing sector in India.



### Greentech Safety Award - 2015

Orient Electric scooped the Safety Champion award for the outstanding achievements in safety management at its Faridabad plant during the 14th annual Greentech Safety Awards ceremony.

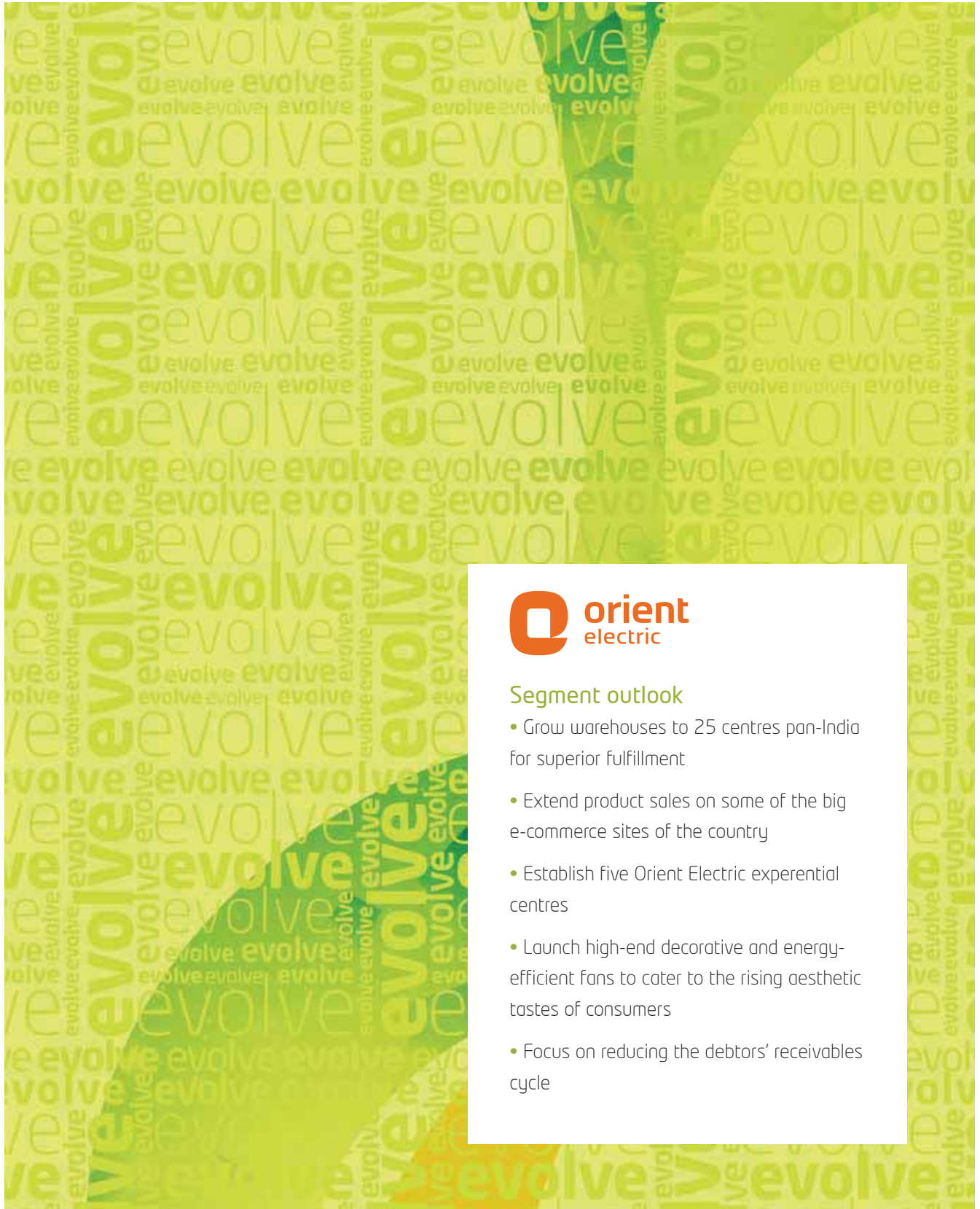


### National Record - Limca Book of Records

Orient Electric has received the 'National Record' certification from the Limca Book of Records for producing 53.11 lakh units of ceiling fans at its Faridabad plant in the year 2014-2015, the highest output under the fans segment from a single facility in a year.



## Review of our business segments



### Segment outlook

- Grow warehouses to 25 centres pan-India for superior fulfillment
- Extend product sales on some of the big e-commerce sites of the country
- Establish five Orient Electric experiential centres
- Launch high-end decorative and energy-efficient fans to cater to the rising aesthetic tastes of consumers
- Focus on reducing the debtors' receivables cycle









Review of our  
business segments

Business segment review **2**

**ORIENT**  
PAPER

### Highest-ever volumes of

- Tissue papers
- Writing & Printing papers
- Caustic Soda and derivatives

The new Tissue paper machine under installation

## Overview

The year 2015-16 witnessed execution of a number of operational excellence programmes and sustainability initiatives. As a result, the division achieved a smart turnaround in profitability.

## Highlights, 2015-16

Highest ever sales turnover achieved  
**₹ 518.52** crore

Achieved the highest paper volume in the last 8 years despite tough market conditions at  
**77,980 MT**

Achieved highest ever volumes of caustic soda and its derivatives

Exported  
**62%**  
of our total Tissue paper volumes

Expanding Tissue paper capacity by a further  
**25,000 MT;**  
expected commissioning during  
**FY 2016-17**

Obtained additional coal linkage of  
**88,000 MT**  
per year

Commissioned vendor-funded PCC manufacturing plant at site.

Recorded significant improvement in efficiencies and reduction in costs.

**Achieved turnaround in profitability**



Plantation with wheat as intercrop

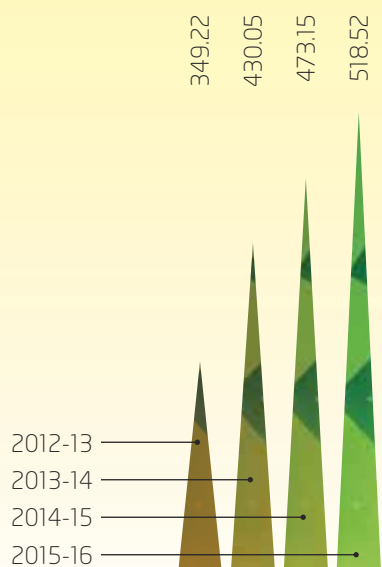




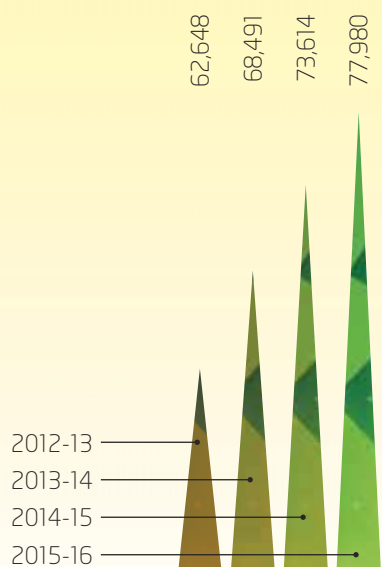
## Review of our business segments

### Performance snapshot

Revenue (₹ crore)



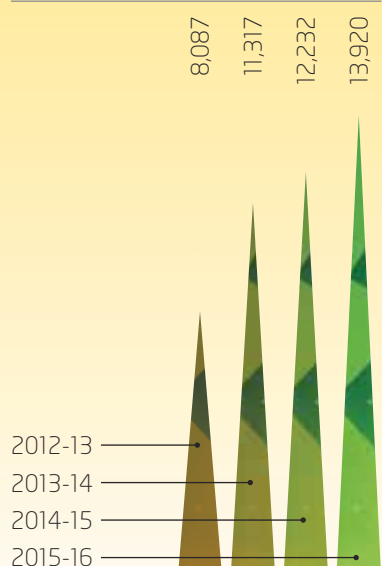
Total paper volumes (MT)



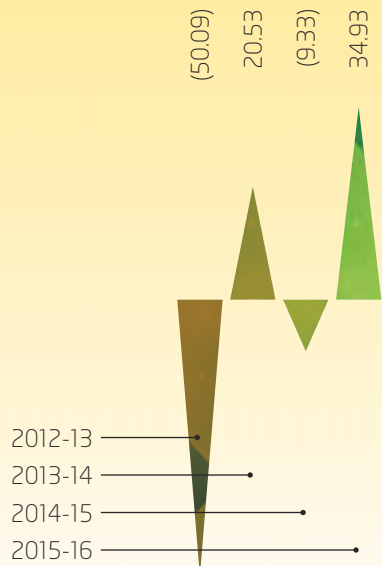
Tissue Paper volumes (MT)



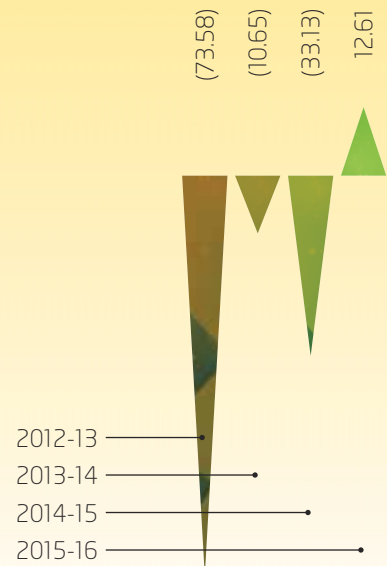
Tissue Paper exports (MT)



PBIDT (₹ crore)



PBIT (₹ crore)





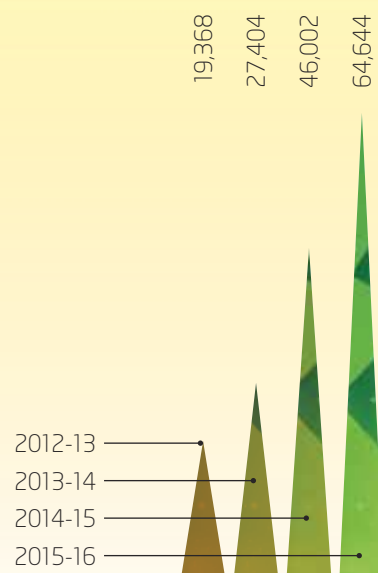


The new PCC plant

### Significant cost reduction initiatives

Reduction in weighted average **raw material cost** by 41% by increasing procurement from nearby areas.

Raw material procurement from local areas (MT)





## Review of our business segments



The modified chlorine dioxide plant

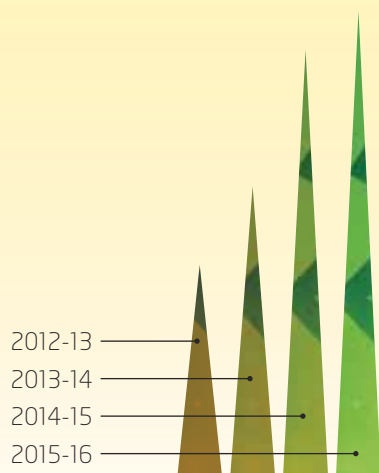
Best-ever **raw material yield** achieved arising out of several operational and process improvements in our pulp mill.

Best-ever **chemical recovery** achieved as result of sustained efforts to improve performance of recovery boiler and causticizing plant.

Lowest ever **coal consumption** per ton of paper achieved by reducing power and steam consumption.

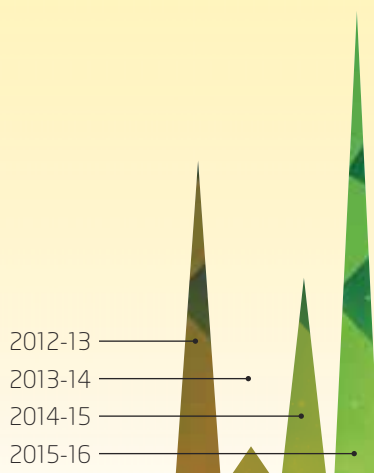
### Raw material yield (%)

36.1 36.5 37.2 37.4



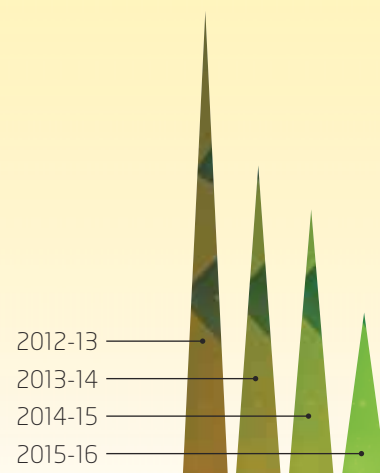
### Chemical recovery (%)

89.9 85.5 88.1 92.2



### Coal per ton of paper (MT)

3.18 2.79 2.68 2.42





# Awards & accolades

Awarded Safety & Health - OHSAS 18001-2007 certification in August 2015 and Energy Management ISO 50001-2001 Certification in September 2015



Orient Paper awarded Certificate for Chain of Custody (COC) & Controlled Wood by Rainforest Alliance



Orient bags Greentech Environment Award (Gold category)



Orient Paper was awarded "Special Export award" by CAPEXIL





## Review of our business segments

### ORIENT PAPER

#### Segment outlook

- Expect gradual improvement in demand for Writing & Printing paper and stable price realizations`
- Tissue paper demand to remain robust across both domestic and export markets
- Additional capacity for Tissue paper expected to be operational before end of FY17
- Efficiency improvement and cost reduction achievements of FY16 expected to be sustained and further enhanced

# Corporate social responsibility

## CSR activities at Orient Paper Mills, Amlai, FY 2015-16

### Rural development

The company has taken up development of 10 villages in collaboration with Madhya Pradesh Government. During 2015-16, we have undertaken construction of several Stop Dam and Ponds for water security. We also formed 34 Self Help Group (SHGs) of women to help them earn regular livelihood.

### Preventive/ healthcare and sanitation

Our hospital provided primary treatment for about 21000 patients and attended to around 3000 emergency treatment of persons of Jaghraha, Bakaho and Bakhi Bargawan villages. 211 persons were admitted and treated as indoor patients. Our dispensary also provided basic medicines to around 10000 patients. The

Company also organized medical check-up camps in Chaka and Saboo villages.

### Primary and secondary education

The Company's Primary and Secondary schools provide quality education to children of the employees as well as local villagers. During FY 15-16, the school had 834 students out of which 448 students were from the local communities.

### Supply of free water to nearby villages

Most villages near our plant are dependent on water supplied by the company throughout the year. The company supplied water to these villages by 4214 trips of water tankers throughout the year.

### Promotion of social forestry

The Company has been promoting social forestry by providing highly subsidized clonal saplings to farmers and assisting them in adoption of suitable planting techniques. A total area of around 1800 Ha was covered during the year and a target of 2,500 Ha has been set for 2016-17. In a fresh initiative, Inter cropping with cash crops is being promoted.



World Yoga Day at OPM





School children presenting a cultural show



OPM school and its students



Self-help group training



A self-help group



Earthen dam, Darshila



Stop Dam, Village Bhumkar



## Profile of Board of Directors

| Particulars   | Age | Date of joining | Other directorship  |
|---|-----|-----------------|---|
| <b>Shri Chandra Kant Birla</b><br>24, Aurangzeb Road<br>New Delhi 110 011<br>Chairman<br>Industrialist, Indian  | 61  | 29-09-1978      | National Engineering Industries Ltd.<br>AVTEC Ltd.<br>HIL Ltd.<br>Birla Brothers Pvt. Ltd.<br>Birlasoft (India) Ltd.<br>NeoSym Industry Ltd.<br>Orient Cement Ltd.<br>Birla Associates Pvt. Ltd. (Singapore)<br>Birlasoft Inc., USA<br>Birlasoft (U.K.) Ltd., London<br>ASS AG, Switzerland |
| <b>Shri Basant Kumar Jhawar</b><br>51/F, Gariahat Road,<br>Kolkata - 700 019<br>Director<br>Industrialist, Indian   | 81  | 21-07-1983      | Usha Martin Ltd.<br>KGVK Agro Ltd.<br>KGVK Social Enterprises Ltd.  |
| <b>Shri Amitabha Ghosh</b><br>Flat No. 32, Mehernaz,<br>91, Cuffe Parade,<br>Mumbai - 400 005<br>Director<br>Consultant, Indian                               | 85  | 23-10-2001      | Shreyas Shipping & Logistics Ltd.<br>Shreyas Relay Systems Ltd.<br>Zenith Fibers Ltd.<br>Kesoram Industries Ltd.  |
| <b>Shri Michael Bastian</b><br>Cecilia, 1186, 22nd Cross,<br>14th Main, H.S.R. Layout,<br>Sector - III, Bangalore - 560 034<br>Director<br>Consultant, Indian | 71  | 27.10.2009      | Artson Engineering Ltd.<br>BGSE Properties & Securities Ltd.  |



| Particulars   | Age | Date of joining | Other directorship   |
|---|-----|-----------------|--|
| <b>Shri Narendra Singh Sisodia</b><br>403 Pearl Bossam<br>B-30 Joyti Marg, Bapu Nagar<br>Jaipur - 302015<br>Director<br>IAS (Retired), Indian | 71  | 31.10.2012      | Carrier Air Conditioning & Refrigeration Ltd.  |
| <b>Ms. Gauri Rasgotra</b><br>9E, HUDCO Place<br>Andrews Ganj<br>Behind Ansal Plaza<br>New Delhi 110 049,<br>Director<br>Advocate, Indian      | 48  | 26.09.2014      | HIL Limited<br>VISA Steel Limited  |
| <b>Shri Manohar Lal Pachisia</b><br>4, Alipore Park Place, 3rd floor<br>Kolkata - 700 027<br>Managing Director<br>Service, Indian             | 71  | 23/9/1997       | Birla Buildings Ltd.<br>GMMCO Ltd.<br>National Engineering Industries Ltd.<br>National Bearing Co. (Jaipur) Ltd<br>Soorya Vanijya & Investment Ltd.<br>Birlasoft (India) Ltd.<br>Gwalior Finance Corporation Ltd.<br>Orient Electricals Ltd.<br>Special Engineering Services Ltd.<br>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, 2016.

## Financial results

The financial performance of the Company for the year ended 31st March 2016 is summarised below:

|   | ₹ in crores |         |
|---|-------------|---------|
| Particulars   | 2015-16     | 2014-15 |
| Gross sales   | 1967.17     | 1796.72 |
| Total Revenue (net of excise)                                   | 1837.74     | 1689.00 |
| Earnings before interest, depreciation, amortisation & taxation | 116.85      | 45.34   |
| Interest/Finance costs  | 51.19       | 43.78   |
| Profit/(Loss) before depreciation and taxation                  | 65.66       | 1.56    |
| Depreciation  | 44.31       | 43.70   |
| Net profit/(Loss) before taxation                               | 21.35       | (42.14) |
| Taxation  | 0.33        | (13.49) |
| Net profit/(Loss)   | 21.02       | (28.65) |
| Profit brought forward from last year                           | 96.17       | 127.27  |
| Profit available for appropriations                             | 117.19      | 98.62   |
| Appropriations  |             |         |
| Dividend on Equity shares                                       | 5.12        | 2.05    |
| Corporate dividend tax  | 1.04        | 0.40    |
| Balance carried to Balance Sheet                                | 111.03      | 96.17   |
| Total   | 117.19      | 98.62   |
| EPS (₹)   | 1.03        | (1.40)  |





## Dividend

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of dividend of Re. 0.25 per equity share of Re. 1 each (25%) for the year ended 31 March 2016.

## Economic climate and our performance

Considering the slow-down in most World economies, including China, the Indian economy has performed relatively well by growing at around 7.5%. Macro fundamentals like Fiscal deficit and inflation have also been under control. All these factors bode well for the future.

However, wide spread impact of this growth has not yet percolated to all segments of the economy with the result that demand for industrial goods from several sectors has not seen commensurate growth. One of the major factors for this has been two successive failures of Monsoon, which has adversely impacted rural demand. Most of our products also faced subdued demand and supply-demand mismatch and consequent pressure on realizations.

Even with these challenges, we are happy to report that your Company could still achieve a double digit growth in turnover. Our continued focus on internal improvements have achieved significant success in increasing our efficiencies and reducing our costs.

As a result, our Paper division, which has been going through tough times in the past few years, has turned around to achieve positive bottom line during the period under review.

We have also embarked on expansion of our Tissue paper capacity by a further 25000 MT per year to meet the growing demand for this product both in the domestic and export markets. This project is expected to be commissioned towards the end of FY 2016-17 and will provide a robust platform for healthy growth of our Paper business.

Our Electric business continues to be profitable and maintain its leadership position in Fans while making steady strides in the

recently launched product lines of Lighting, Appliances and Switch gears.

As the Indian economy gets further traction, we are optimistic of achieving continuously improving results both in terms of turnover and profitability.

## Sustainable Development and Environment

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

## Cash Flow Analysis

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the cash flow statement for the year ended 31 March 2016 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.

## Share capital

There was no change in the share capital of the Company during the financial year 2015-16.

## 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, Guarantees 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) Appointment of Independent Director

Ms. Gauri Rasgotra (DIN: 06862334), a Non-Executive Director on the Board of the Company is proposed to be appointed as an Independent Director in terms of Section 149 of the Act. Accordingly, the proposal for appointment of Ms. Rasgotra as Independent Director is being placed before the shareholders for approval.

#### (ii) 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 22nd September, 2015. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 5th August, 2015 approved the re-appointment of Shri M. L. Pachisia as Managing Director (a Key Managerial Personnel) from 23rd September, 2015 to 31st March, 2017, subject to the approval of shareholders of the Company and the Central Government. Accordingly, the approval of the shareholders is being sought

for his re-appointment as Managing Director of the Company.

#### (iii) Retirement by rotation

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

#### iv) 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.

#### (v) 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 subject to ratification of the appointment by the Members at every Annual General Meeting.

Accordingly, members are requested to ratify appointment of M/s. S. R. Batliboi & Co LLP, Chartered Accountants (LLP Regn. No. 301003E/E300005), the Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for re-appointment as Auditors of the Company.



## ii) Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Shri Somnath Mukherjee, Cost Accountant (Membership no. M/5343) was appointed for the financial year ending 31st March 2016 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 (Membership no. M/5343) as Cost Auditor for auditing the cost accounts of the Company for the financial year 2016-17. The Auditor has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for re-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 (ICSI CP Regn. No. 3238) to undertake the Secretarial Audit of the Company for the financial year 2015-16.

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.

## 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. 35 and 36 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.

## 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 quarterly basis specifying the nature, value and terms and conditions of the transactions. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 have been given in the prescribed form AOC -2 as Annexure VII. The Related Party transactions Policy as approved by the Board is uploaded in the Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com)

## Remuneration Policy

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

## Risk Management

Pursuant to Section 134 of the Companies Act, 2013 and 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 and evaluate 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.

### 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.

### 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 of 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 2016 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 endeavours to achieve continuous growth and progress.

By Order of the Board of Directors

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

New Delhi, 6th May, 2016

(DIN: 00118473)



## 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.

₹ (-)29.67 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: ₹ 97.63 lacs

(b) Amount unspent, if any : ₹ 22.94 lacs

(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 implementing agency |
|--------------|---|---|---|---|---|---|--|
| 1            | Maintenance of Hospital                           | Promoting preventive healthcare and sanitation                    | Amlai, MP (Local Area)  | 90.00   | 52.61   | 94.59   | Directly   |
| 2            | Supply of Free Water                              | Rural Development   | Amlai, MP (Local Area)  | 15.00   | 6.14  | 12.01   | Directly   |
| 3            | Contribution towards maintenance of School        | Promoting Education   | Amlai, MP (Local Area)  | 85.00   | 9.43  | 43.49   | 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   | 6.51  | 7.97  | Directly   |
| <b>Total</b> |   |   |   | <b>200.00</b>   | <b>74.69</b>  | <b>158.06</b>   | <b>Directly</b>                                    |

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

The projects identified by the CSR Committee could not involve higher outlay during the year. Accordingly the Committee proposed to spend the balance amount on the same during the financial year 2016-17.

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.

New Delhi, 6th May, 2016

M L Pachisia  
Managing Director

B K Jhwar  
Chairman CSR Committee





## Annexure II

### Extract of Annual Return

as on the financial year ended 31st March 2016

[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)<br>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<br>12/1/5, Manohar Pukur Road, Kolkata - 700026<br>Phone : (033) 4072-4051-53, Fax: (033) 4072-4054<br>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                             | 28.50                              |
| (ii)    | Electric Lighting equipments                 | 2740                             | 16.30                              |
| (iii)   | Electrical Fans                              | 27503                            | 49.99                              |

#### 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 |
|---|---------------------------------|-----------|-------------------------------|------------------|--------------------|
| The Company has no holding, subsidiary and associate company. |                                 |           |                               |                  |                    |

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

##### i) Category-wise Shareholding

| Category of shareholders               | No. of shares held at the beginning of the year |              |                 |                   | No. of shares held at the end of the year |              |                 |                   | % change during the year |
|--|---|--------------|-----------------|-------------------|---|--------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical     | Total           | % of total Shares | Demat                                     | Physical     | Total           | % of total Shares |                          |
| <b>A. Promoters</b>                    |   |              |                 |                   |   |              |                 |                   |                          |
| <b>(1) Indian</b>                      |   |              |                 |                   |   |              |                 |                   |                          |
| (a) Individual/HUF                     | 7371250   | -            | 7371250         | 3.5980            | 7371250                                   | -            | 7371250         | 3.5980            | -                        |
| (b) Central Govt.                      | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (c) State Govt.                        | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (d) Bodies Corp.                       | 70958672  | -            | 70958672        | 34.6360           | 70958672                                  | -            | 70958672        | 34.6360           | -                        |
| (e) Banks/FI                           | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (f) Any Other                          | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| <b>Sub-Total(A)(1)</b>                 | <b>78329922</b>                                 | <b>-</b>     | <b>78329922</b> | <b>38.2340</b>    | <b>78329922</b>                           | <b>-</b>     | <b>78329922</b> | <b>38.2340</b>    | <b>-</b>                 |
| <b>(2) Foreign</b>                     |   |              |                 |                   |   |              |                 |                   |                          |
| (a) NRIs-Individual                    | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (b) Other-Individual                   | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (c) Bodies-Corporate                   | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (d) Banks/FI                           | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (e) Any Other                          | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| <b>Sub-Total (A)(2)</b>                | <b>-</b>  | <b>-</b>     | <b>-</b>        | <b>-</b>          | <b>-</b>                                  | <b>-</b>     | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoters</b> | <b>78329922</b>                                 | <b>-</b>     | <b>78329922</b> | <b>38.2340</b>    | <b>78329922</b>                           | <b>-</b>     | <b>78329922</b> | <b>38.2340</b>    | <b>-</b>                 |
| <b>(A)=(A)(1)+(A)(2)</b>               |   |              |                 |                   |   |              |                 |                   |                          |
| <b>B. Public Shareholding</b>          |   |              |                 |                   |   |              |                 |                   |                          |
| <b>(1) Institutions</b>                |   |              |                 |                   |   |              |                 |                   |                          |
| (a) Mutual Funds/UTI                   | 27047572  | 2000         | 27049572        | 13.2034           | 27765821                                  | 2000         | 27767821        | 13.5540           | 0.3506                   |
| (b) Banks/FI                           | 71100   | 93460        | 164560          | 0.0803            | 70410                                     | 93460        | 163870          | 0.0800            | 0.0003                   |
| (c) Central Govt.                      | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (d) State Govt.                        | -   | 4000         | 4000            | 0.002             | -   | 4000         | 4000            | 0.0020            | -                        |
| (e) Venture Capital Funds              | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (f) Insurance Companies                | 15371455  | -            | 15371455        | 7.5031            | 11874164                                  | -            | 11874164        | 5.7960            | 1.7071                   |
| (g) FIIs/Foreign Portfolio Investor    | 2580750   | -            | 2580750         | 1.2597            | 1110782                                   | -            | 1110782         | 0.5422            | 0.7175                   |
| (h) Foreign Venture Capital Funds      | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| (i) Other (specify)                    | -   | -            | -               | -                 | -   | -            | -               | -                 | -                        |
| <b>Sub-total(B)(1)</b>                 | <b>45070877</b>                                 | <b>99460</b> | <b>45170337</b> | <b>22.0485</b>    | <b>40821177</b>                           | <b>99460</b> | <b>40920637</b> | <b>19.9742</b>    | <b>-</b>                 |



# Directors' Report

| Category of shareholders   | No. of shares held at the beginning of the year |                |                  |                   | No. of shares held at the end of the year |                |                  |                   | % change during the year |
|--|---|----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total            | % of total Shares | Demat                                     | Physical       | Total            | % of total Shares |                          |
| <b>(2) Non-Institutions</b>  |   |                |                  |                   |   |                |                  |                   |                          |
| (a) Bodies Corporate   | 38466493  | 342350         | 38808843         | 18.9433           | 37185098                                  | 341850         | 37526948         | 18.3176           | 0.6257                   |
| (b) Individuals  |   |                |                  |                   |   |                |                  |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh  | 25467954  | 1222940        | 26690894         | 13.0283           | 31322706                                  | 1168050        | 32490756         | 15.8593           | 2.8310                   |
| ii) Individual shareholders nominal share capital in excess of ₹1 lakh | 9959789   | 782440         | 10742229         | 5.2435            | 9636129                                   | 782440         | 10418569         | 5.0855            | 0.1580                   |
| (c) Others   |   |                |                  |                   |   |                |                  |                   |                          |
| i) Foreign Bodies  | 45000   | -              | 45000            | 0.0220            | -   | -              | -                | -                 | -                        |
| ii) NRI  | 1367295   | 32000          | 1399295          | 0.6830            | 1475188                                   | 12000          | 1487188          | 0.7259            | 0.0429                   |
| iii) OCB   | 3682240   | -              | 3682240          | 1.7974            | 3682240                                   | -              | 3682240          | 1.7974            | -                        |
| iv) Trust  | -   | -              | -                | -                 | 12500                                     | -              | 12500            | 0.0061            | -                        |
| <b>Sub-total (B) (2)</b>   | <b>78988771</b>                                 | <b>2379730</b> | <b>81368501</b>  | <b>39.7175</b>    | <b>83313861</b>                           | <b>2304340</b> | <b>85618201</b>  | <b>41.7917</b>    | <b>-</b>                 |
| <b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>                     | <b>124059648</b>                                | <b>2479190</b> | <b>126538838</b> | <b>61.7659</b>    | <b>124135038</b>                          | <b>2403800</b> | <b>126538838</b> | <b>61.7659</b>    | <b>-</b>                 |
| C. Shares held by custodian for GDRs & ADRs                            | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| <b>Grand Total (A)+(B)+(C)</b>   | <b>202389570</b>                                | <b>2479190</b> | <b>204868760</b> | <b>100</b>        | <b>202464960</b>                          | <b>2403800</b> | <b>204868760</b> | <b>100</b>        | <b>-</b>                 |



## 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 Share                              | % of total shares of the Company | % of shares pledge/or encumbered to total shares | No. of Share                        | % of total shares of the Company | % of shares pledge/or encumbered to total shares |  |
| 1       | Central India Industries Ltd.             | 50643627                                  | 24.7198                          | -  | 50643627                            | 24.7198                          | -  | -  |
| 2       | Shekhavati Investments & Traders Ltd.     | 12320865                                  | 6.0140                           | -  | 12320865                            | 6.0140                           | -  | -  |
| 3       | Nirmala Birla                             | 3673680                                   | 1.7932                           | -  | 3673680                             | 1.7932                           | -  | -  |
| 4       | Chandra Kant Birla                        | 2897570                                   | 1.4144                           | -  | 2897570                             | 1.4144                           | -  | -  |
| 5       | Hindusthan Discounting Co. Ltd.           | 2231000                                   | 1.0890                           | -  | 2231000                             | 1.0890                           | -  | -  |
| 6       | Gwalior Finance Corporation Ltd.          | 1592500                                   | 0.7773                           | -  | 1592500                             | 0.7773                           | -  | -  |
| 7       | Amer Investments (Delhi) Ltd.             | 1422000                                   | 0.6941                           | -  | 1422000                             | 0.6941                           | -  | -  |
| 8       | Universal Trading Co. Ltd.                | 844280                                    | 0.4121                           | -  | 844280                              | 0.4121                           | -  | -  |
| 9       | National Engineering Industries Ltd.      | 537400                                    | 0.2623                           | -  | 537400                              | 0.2623                           | -  | -  |
| 10      | Rajasthan Industries Ltd.                 | 504000                                    | 0.2460                           | -  | 504000                              | 0.2460                           | -  | -  |
| 11      | Shyamsundar Jajodia                       | 280000                                    | 0.1367                           | -  | 280000                              | 0.1367                           | -  | -  |
| 12      | Ashok Investment Corporation Ltd.         | 260000                                    | 0.1269                           | -  | 260000                              | 0.1269                           | -  | -  |
| 13      | Amita Birla                               | 260000                                    | 0.1269                           | -  | 260000                              | 0.1269                           | -  | -  |
| 14      | Jaipur Finance & Dairy Products Pvt. Ltd. | 208000                                    | 0.1015                           | -  | 208000                              | 0.1015                           | -  | -  |
| 15      | India Silica Magnesite Works Ltd.         | 200000                                    | 0.0976                           | -  | 200000                              | 0.0976                           | -  | -  |
| 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                           | -  | 130000                              | 0.0635                           | -  | -  |
|         | <b>Total</b>                              | <b>78329922</b>                           | <b>38.2340</b>                   | <b>-</b>   | <b>78329922</b>                     | <b>38.2340</b>                   | <b>-</b>   | <b>-</b>                                     |

## 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  | No change during the year                 |                                  |   |                                  |
| 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.) | No change during the year                 |                                  |   |                                  |
| 3       | At the end of the year  | No change during the year                 |                                  |   |                                  |



iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and holders of GDRs and ADRs)

| Sl. No. | For each of the top Ten shareholders                           | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|---------|--|---|----------------------------------|-------------------------------------|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                       | % of total shares of the Company |
| 1       | Reliance Capital Trustee Co. Ltd. A/c Reliance Growth Fund     | 13622531                                  | 6.6494                           | 13622531                            | 6.6494                           |
| 2       | Life Insurance Corporation of India                            | 6055144                                   | 2.9556                           | 5556793                             | 2.7124                           |
| 3       | Reliance Capital Trustee Co. Ltd. A/c. Reliance Small Cap Fund | 4500325                                   | 2.1967                           | 4500325                             | 2.1967                           |
| 4       | National Insurance Co. Ltd.                                    | 3850000                                   | 1.8793                           | 3558850                             | 1.7371                           |
| 5       | Birla Institute of Technology & Science                        | 3519850                                   | 1.7181                           | 3519850                             | 1.7181                           |
| 6       | Rukmani Birla Educational Society                              | 3472140                                   | 1.6948                           | 3472140                             | 1.6948                           |
| 7       | Shree Jagannath Educational Institute                          | 3170000                                   | 1.5473                           | 3170000                             | 1.5473                           |
| 8       | Sri Govinddeo Educational Institute                            | 3005000                                   | 1.4668                           | 3005000                             | 1.4668                           |
| 9       | ICICI Prudential Life Insurance Co. Ltd.                       | 4701061                                   | 2.2947                           | 2949400                             | 1.4397                           |
| 10      | Shri Venkateshwara Educational Institute                       | 2851860                                   | 1.3920                           | 2851860                             | 1.3920                           |

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       | <b>Shri C.K. Birla , Director</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 2897570                                   | 1.4144                           | 2897570                                 | 1.4144                           |
|         | 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  | 2897570                                   | 1.4144                           | 2897570                                 | 1.4144                           |
| 2       | <b>Shri A. Ghosh , Director</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 7000                                      | 0.0034                           | 7000                                    | 0.0034                           |
|         | 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  | 7000                                      | 0.0034                           | 7000                                    | 0.0034                           |

| 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 |
| <b>3</b> | <b>Shri M. Bastian, Director</b>  |   |                                  |   |                                  |
|          | At the beginning of the year  | 24000                                     | 0.0117                           | 24000                                   | 0.0117                           |
|          | 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  | 24000                                     | 0.0117                           | 24000                                   | 0.0117                           |
| <b>4</b> | <b>Shri B. K. Jhavar, Director</b>  |   |                                  |   |                                  |
|          | 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  | -   | -                                | -                                       | -                                |
| <b>5</b> | <b>Shri N. S. Sisodia, Director</b>   |   |                                  |   |                                  |
|          | 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  | -   | -                                | -                                       | -                                |
| <b>6</b> | <b>Ms. Gauri Rasgotra, Director</b>   |   |                                  |   |                                  |
|          | 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  | -   | -                                | -                                       | -                                |
| <b>7</b> | <b>Shri M. L. Pachisia, Managing Director</b>   |   |                                  |   |                                  |
|          | At the beginning of the year  | 36640                                     | 0.0179                           | 36640                                   | 0.0179                           |
|          | 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  | 36640                                     | 0.0179                           | 36640                                   | 0.0179                           |





| 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 |
| 8       | <b>Shri P. K. Sonthalia, CFO</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 14920                                     | 0.0073                           | 14920                                   | 0.0073                           |
|         | Date wise increase/decreased 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   | 14920                                     | 0.0073                           | 14920                                   | 0.0073                           |
| 9       | <b>Shri R. P. Dutta, Company Secretary</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | -   | -                                | -                                       | -                                |
|         | Date wise increase/decreased 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 |
|--|----------------------------------|-----------------|---------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |               |                    |
| i) Principal Amount  | 115.00                           | 265.17          | 33.52         | 413.69             |
| ii) Interest due but not paid                              | -                                | -               | -             | -                  |
| iii) Interest accrued but not due                          | 0.02                             | 0.82            | -             | 0.84               |
| <b>Total (i+ii+iii)</b>                                    | <b>115.02</b>                    | <b>265.99</b>   | <b>33.52</b>  | <b>414.53</b>      |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |               |                    |
| Addition   | 98.00                            | 7.14            | -             | 105.14             |
| Reduction  | 27.71                            | 14.95           | 0.05          | 42.71              |
| <b>Net Change</b>  | <b>70.29</b>                     | <b>(7.81)</b>   | <b>(0.05)</b> | <b>62.43</b>       |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |               |                    |
| i) Principal Amount  | 185.31                           | 258.18          | 33.47         | 476.96             |
| ii) Interest due but not paid                              | -                                | -               | -             | -                  |
| iii) Interest accrued but not due                          | 0.15                             | 0.96            | -             | 1.11               |
| <b>Total ( i + ii + iii)</b>                               | <b>185.46</b>                    | <b>259.14</b>   | <b>33.47</b>  | <b>478.07</b>      |

## VI. Remuneration of Directors and key managerial personnel

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

(₹ in lacs)

| Sl. No. | Particulars of Remuneration   | M.L.Pachisia<br>(Managing Director) |
|---------|---|-------------------------------------|
|         | <b>Gross Salary</b>   |                                     |
| 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             | 84.45                               |
| (c)     | Profits in lieu of salary under Section 17(3) of the Income-tax Act,1961        | -                                   |
| 2.      | Stock Options   | -                                   |
| 3.      | Sweat Equity  | -                                   |
| 4.      | Commission<br>- As % of profit<br>- Others specify                              | -                                   |
| 5.      | Others, please specify:   | -                                   |
|         | <b>Total</b>  | <b>320.55</b>                       |
|         | Ceiling as per the Act  | 125.11                              |

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.<br>Jhawar | Shri A.Ghosh | Shri M. Bastian | Shri N.S.<br>Sisodia | Total        |
|---------|--|---------------------|--------------|-----------------|----------------------|--------------|
| 1.      | Fee for attending Board/<br>Committee meetings | 2.00                | 2.50         | 7.00            | 6.50                 | 18.00        |
| 2.      | Commission                                     | -                   | -            | -               | -                    | -            |
| 3.      | Others, please specify                         | -                   | -            | -               | -                    | -            |
|         | <b>Total</b>                                   | <b>2.00</b>         | <b>2.50</b>  | <b>7.00</b>     | <b>6.50</b>          | <b>18.00</b> |

#### (ii) Other Non-Executive Directors

(₹ in lacs)

| Sl. No. | Particulars of Remuneration                | Shri C. K. Birla | Ms. G. Rasgotra | Total       |
|---------|--|------------------|-----------------|-------------|
| 1.      | Fee for attending Board/Committee meetings | 2.00             | 2.00            | 4.00        |
| 2.      | Commission                                 | -                | -               | -           |
| 3.      | Others, please specify                     | -                | -               | -           |
|         | <b>Total</b>                               | <b>2.00</b>      | <b>2.00</b>     | <b>4.00</b> |



### C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

(₹ in lacs)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |               |               |
|---------|---|--------------------------|---------------|---------------|
|         |   | Company Secretary        | CFO           | Total         |
| 1.      | Gross Salary  |                          |               |               |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 15.56                    | 135.31        | 150.87        |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 0.58                     | 13.69         | 14.27         |
|         | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961       | -                        | -             | -             |
|         | <b>Total (C)</b>  | <b>16.14</b>             | <b>149.00</b> | <b>165.24</b> |
| 2.      | Stock Options   | -                        | -             | -             |
| 3.      | Sweat Equity  | -                        | -             | -             |
| 4.      | Commission  | -                        | -             | -             |
|         | As % of profit  | -                        | -             | -             |
|         | Others specify  | -                        | -             | -             |
| 5.      | Others, please specify:   | -                        | -             | -             |
|         | <b>Total</b>  | <b>16.14</b>             | <b>149.00</b> | <b>165.24</b> |

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, 2016.



## Annexure III

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[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, Bhubaneswar - 751 012, Odisha (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2016 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 31.03.2016 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 and which became effective from 01.07.2015.



- (iii) Listing Agreement with the Stock Exchange.
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) 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;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 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 (Listing Obligations and Discloser 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 31.03.2016 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. However, we have been informed that the Company is in process of filing of application for waiver of excess remuneration as being paid to the Managing Director during the year under report and the application for waiver of payment of excess remuneration to him for the previous year (2014-2015) is pending with the Central Government.

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) SEBI (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 (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) 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 Director, Non-Executive Directors and Independent Directors.
- (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, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Company Secretaries

**( CS A. K. LABH )**

Practicing Company Secretary

FCS - 4848 / CP No.- 3238

Place : Kolkata

Dated : 06-05-2016

## Annexure IV

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

### (A) CONSERVATION OF ENERGY

#### Paper Division

Energy conservation measures taken-

| Sr. No. | Description of Proposal Implemented  | Qty.    |
|---------|--|---------|
| 1       | Pre-heater Installation at Digester # 3, Digester # 5, Digester # 6, Digester # 7 for reduction in steam Consumption by 09 TPD each & subsequently pulp Quality Improvement .      | 04 Nos. |
| 2       | Installation of new SCAPH at Recovery Boiler to improve air temperature from 90°C to 165°C to improve combustion in Black Liquor and subsequently improvement in steam generation. | 01 No.  |
| 3       | Installation of LT motor (200 kW) with VFD for FD Fan at Recovery Boiler to save 89 Kwh of Power.  | 01 No.  |
| 4       | Stage Heater taken in line at Power Boiler to increase Feed Water Temperature from 140°C to 180°C to improve steam generation.   | 01 No.  |
| 5       | Installation and Commissioning of new 100 m3 condensate tank in plant to improve condensate recovery from 53% to 66%.  | 01 No.  |
| 6       | Installation of VFD 55 KW, 90 KW & 110 KW in CD Washer Vat Dilution Pump ,Caustic Washer VAT Dilution Pump & Blow Tank Stock Pump at Pulp Mill.                                    | 03 No.  |
| 7       | 1000 KVA Transformer bypassing by improving Supply system to 11 KV feeder from Tissue 2 to Pilot plant.  | 01 No.  |
| 8       | 2.5 MVA, 3.3 kV transformer is put off by shifting its load to another lightly loaded transformer in Chipper House.  | 01 No.  |
| 9       | 2.5 MVA, 3.3 kV transformer made spare by shifting of H.T compressor and conical refiner at other location in Stock preparation.   | 01 No.  |
| 10      | Reduction in frequency of 50 HZ to 49.6 HZ   |         |
| 11      | CPP 30MW Auxiliary transformer tap position change from (2 to 1)   | 03 No.  |
| 12      | Power Saving in Tissue #1 by interlocking of Agitator with pump (M318, M395, M134, M402)   | 04 Nos  |
| 13      | Downsizing the impeller of machine Chest Pump of Main machine from 400 mm dia to 340 mm dia. Power consumption reduces by 30 kWh.  | 01 No.  |
| 14      | Utilization of Natural Energy/Light by fixing of transparent sheets in place of asbestos sheets.   | 10 Nos. |
| 15      | High Mast Towers installation in Bamboo Yards considering LED in place of 400W Metal halide.   | 04 Nos. |
| 16      | Evaporator steam condensate westing house old motor replaced with new motor(15 KW)   | 1 No.   |
| 17      | Stoppage of Consistency regulation Pump in Paper Machine.  | 1 No.   |
| 18      | Stoppage of stock refiner at Tissue 2 by using DSR.  | 1 No.   |
| 19      | Reduction of compressed Air pressure from 10 to 8.5 kg/sq.cm. (30 kw Motor)-Tissue 1.  | 1 No.   |
| 20      | Reduction of compressed Air pressure from 10 to 8.5 kg/sq.cm. (30 kw Motor)-Tissue 2.  | 1 No.   |
| 21      | Stoppage of Drum Chest Pump (7.5 kW Motor)   | 1 No.   |
| 22      | DEF Colony Booster running hours reduces to 7 hrs. per day W.E.F from 10 Jan 2016.   | 1 No.   |





## Electric Division

1. Installed LED light in office/stores/ shop floor area to save power consumption.
2. In Fan Sub Division Energy Efficient BLDC fan installed in assembly line, stores etc.
3. In Fan Sub Division installed Energy Efficient VFD controlled Screw Compressors in Place of Screw Compressors.
4. In Fan Sub Division studied complete factory electrical load to reduce losses and leakages and thereby reduced contract load with Electrical authorities from 550 KVA to 450 KVA.
5. Improved Power Factor to 0.995 from 0.95 increasing rebate on Energy Charges.
6. In lighting Sub Division Nitro gas consumption reduced by replacing hot air for sealing operation and introduced PNG gas in place of LT saving about 10-15% in cost in DT Mfg.
7. In Switch Gear Sub Division Installed 100 CFM Compressor with Auto on/off and installed 125 KVA Generator to reduce energy and fuel consumption during lean hours.

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

### Paper Division

|    | Detailed Proposals   | Estimated Investment in next 3 years ₹ in Lacs |
|----|--|--|
| 1  | Installation of VFD (132 kW) in Blow Tank Pump at Pulp Mill.   | 7  |
| 2  | Installation of VFD in PA Fan (Motor 160 kW) in CPP.   | 10   |
| 3  | Installation of VFD in over fire fan, (Motor 55 kW) in power house.  | 3  |
| 4  | Installation of VFD (75 kW) in Cooling Water Pump in power house.  | 5  |
| 5  | Installation of VFD (75 kW) in Holding Chest Pump in Paper Machine.  | 5  |
| 6  | HT motors (300 kW) to be replaced with New LT motors & VFD (250 kW) for Mill Water Pumps.                  | 25   |
| 7  | 3rd & 4th effect Pump replacement with energy efficient pump to avoid running of 2 pumps.                  | 5  |
| 8  | Pre-heater Installation at Digester # 2 & Digester # 4 for pulp Quality Improvement & Energy Conservation. | 70   |
| 9  | Installation of 500kVAR capacitor Bank to improve PF from 0.80 to 0.90 in Tissue 2.                        | 4  |
| 10 | Installation of LED light fittings.  | 5  |
| 11 | Fixing of transparent sheets in place of asbestos sheets for Utilization of Natural light.                 | 2  |
|    | <b>Total</b>   | <b>141</b>                                     |

## Electric Division

In Fan subdivision installation of Speed Motor Design Software from CD-ADAPCO to optimized energy efficiency in existing motors, installation of in house OrCAD PCB design Professional V16.6 for complete design, Installation of various instrumentation to improve Testing and validation of Laboratory Set up and installation of energy efficient LED lights & BLDC fan all around Plants.

In Lighting sub-division installation of Assembly lines at both Faridabad and Noida Plants for absorbing LED bulb production requirement.

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

### Paper Division

|   | Unit            | 15-16 | 14-15 | 13-14 |
|---|-----------------|-------|-------|-------|
| Power (Excl. colony, Aux. & export power) | KWH/MT of paper | 1838  | 1876  | 1910  |
| Steam (excl Own cons.)                    | MT/MT of paper  | 18.37 | 19.39 | 20.05 |
| Water (excl Own cons.)                    | M3/MT of paper  | 108   | 120   | 145   |
| Coal                                      | MT/MT of paper  | 2.45  | 2.68  | 2.81  |

### Electric Division

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

## (D) TECHNOLOGY ABSORPTION

### Research & Development

#### Paper Division

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

1. Pulping studies on conventional raw materials in respect of yield & properties of various type of Bamboo and Wood, pulping studies of Silo Chips and pulping characteristics of mix furnish.
2. Micro-biological analysis of various location in Paper machine, Tissue Machine #1&2 and White water clarifier.
3. Evaluation of the existing slime control programme running on Paper Machine & Tissue Machine #1&2.
4. Analysis of scales from Pulp Mill & Soda Recovery Processes.
5. Fibre morphology of competitor's tissue 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.
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 Mill.

15. Monitoring of COD, SS, BOD & Colour for on line discharge effluent sample.
16. Monitoring of DM & RO water.
17. Analysis of Condensate Deposit & Turbine oil deposition sample of Power House.
18. Monitoring of the fibre loss in Tissue machine #1&2 and Pilot plant.
19. Monitoring of the refining treatment of pulp in Tissue machine #1&2 .
20. Nitrogen and Phosphorous analysis in Urea and Ammonium Sulphate being used in ETP and sludge Pond.
21. Monitoring of Ambient Air, Dust emission and Stack at different locations.

### Electric Division

1. In Fan Sub division introduced various types of Fans including 48" Ecogale (BLDC with LCD display), BLDC Railway Carriage Fans, Premium Table, Wall and Pedestal Fans with potential energy saving benefits and suitability for Indian markets.
2. In lighting sub division introduced LED bulbs of 3w, 12w, 14w, LED T5 batten, 10w/15w/20w down lighters and 18w LED tubes to enhance market range, Implemented CRS system for LED Bulb, Removing potting in 9w bulb by design improving.

#### II. Benefit derived as a result of R&D

##### Paper Division

1. Pulping studies on incoming and fed 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 & Soda Recovery Process feedback given to process for better control.
6. Fibre morphology of competitor's tissue sample of various grades for to take advantage for new product development.
7. Heavy metal analysis of Grade-II & III effluent results given to ETP for better control.
8. Soil analysis of various location of Mill surrounding helps to determine health of HRTS System.
9. Special samples analysis of Treated Effluent in different Ratio of Grade II & III of ETP for further modification of ETP as per the requirement.
10. 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.
11. Monitoring of Krofta Performance of Tissue Machine # 1& 2, to save the fibre recovery and to conserve the water.
12. Monitoring of unbleached pulp COD of the composite sample of the 4th press, for to optimization of the chemical usage in bleaching section of pulp Mill.
13. Monitoring of COD, SS, BOD & Colour for on line discharge effluent sample to Environment department for comparison with On-line instrument for stabilization.
14. Monitoring of DM & RO water is carried out for effective boiler operations.
15. Analysis of Condensate deposit & Turbine oil deposition sample of Power House for effective boiler operations.
16. Monitoring of the fibre loss in Tissue Machine #1&2 and Pilot plant and feedback given to Process in-charge for better control in process to reduce the fibre loss .
17. Nitrogen and Phosphorous analysis in Activated sludge pond & Urea and Ammonium Sulphate for better use in ETP.
18. Monitoring of Ambient Air and Stack at different locations to meet PCB regulation.

19. 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 division increase sales and improve market in high speed fans, decorative fans and energy saving fans.
2. In lighting division increase sales and reduced cost of LED bulbs.

### **III. Papers published during the year 2015-2016**

Nil

### **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**

1. In Fan sub division Planning to introduce 1200 mm Eco Quasar, 1300 mm subaris 3 light option Wooden Blades, 1200 mm Aerodynamic fan, 1050 mm Hugger fan, 12V/24V BLDC Motor to run solar system, 1300 mm under light with LED Option, BLDC technology in TPW fans, and introduction of smart fan with unique features like motion sensor, Temperature and humidity sensor, fan control through Remote and Mobile Phone etc.
2. In Lighting Sub Division Planning to Introduce LED lighting in place of conventional lighting for energy reduction and productivity improvement in LED bulb manufacturing by adopting smart automation and smart group automation in DT line to reduce cost.
3. In switch gear sub division planning to introduce MCB RCCB and modular Switch range, introduction of new models in decorative range with next generation features i.e. Bluetooth / WIFI controlled fans for small house automation.



**V. Expenditure of R&D**

| S. No. | Details  | 2015-2016 |
|--------|--|-----------|
| a)     | Capital (₹ In lacs)                                    | --        |
| b)     | Recurring (₹ In lacs)                                  | 31.18     |
| c)     | Total R&D (₹ In lacs)                                  | 31.18     |
| d)     | Total R&D expenditure as percentage to total turnover. | 0.04      |

**TECHNOLOGY ABSORPTION AND INNOVATION****A. Efforts in brief made towards absorption, adoption and innovation****Paper Division****1. Paper Machine:**

- I. Started use of Recovered fibre from White water clarifier at Pilot Machine to save Fibre & Fillers.
- II. Installed On-site PCC slurry plant by M/s Gulshan Polyols to reduce the CO<sub>2</sub> emission from the boiler stack, thereby to reduce carbon footprint. Improving paper quality with reducing the filler cost.
- III. Started use of 100% Precipitated calcium carbonate slurry as a filler in paper to improve Bulk, Opacity, Brightness, Whiteness & Print quality of paper.
- IV. Fugitive emission eliminated from Main Machine by using 100% Precipitated Calcium Carbonate slurry.
- V. Develop Water mark papers for government tender and for other customers.
- VI. High quality printing paper introduced into market.
- VII. Installed & Commissioned Broke Thickener to improve paper cleanliness.

**2. Pulp Mill:**

- I. Improved Viscosity & Brightness of Bleached Pulp by optimizing COD level and all other process parameters.
- II. ODL operation process optimization.
- III. Cooking parameters i.e. sulphidity, viscosity, cooking time & temperature are tuned for better performance.
- IV. Five (5) New pre-heaters (150 sqm.) installed for consistent

quality with improved viscosity of pulp and Condensate recovery by avoiding direct cooking of pulp and reduction in steam consumption by 3.0MT / digester after installation of pre-heaters.

- V. New Black liquor filter installed at Pulp Mill to reduce the fines carry over in Black Liquor supply to Recovery.
- VI. Condensate recovery system revamped at digester house resulted in recovery of condensate by 250 M<sup>3</sup>/day.

**3. Chipper House:**

- I. Installed Metal detectors in all the three chipper to arrest any foreign material inside the chipper. This results in reduced downtime and saved the life of fly & bed knives.
- II. Introduced mechanized system of raw material feeding & transportation in yard.

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

- I. High quality facial & toilet paper developed in Tissue-1.
- II. Bulk content increased in Toilet & Napkin grade quality in Tissue -1.
- III. HRT Torkmatic High Strength tissue paper developed in Tissue-2.
- IV. Optimized the MD - CD ratio in Towel grade paper to improve the strength in CD.
- V. Developed high wet strength Baby Diaper paper at Tissue -2.
- VI. Installation & Commissioning of Quality Control System (QCS) at Tissue # 2 to improve the Moisture & Basis weight profile of paper.

**2. In-house water conserved measures**

The Mill water consumption has been minimized substantially



keeping in view the concept '3R's i.e. Reduce, Reuse & Recycle.

### 3. Chemical Recovery , Chlorine Dioxide plant

- I. Improved Overall Recovery Efficiency to 93 % by minimizing the Alkali loss and optimisation of the plant.
- II. Switch over from conventional R-2 process for ClO<sub>2</sub> production to Eco-friendly HP-A (Hydrogen Peroxide-Atmospheric) process for Environment protection & Cost reduction initiative.

### ELECTRIC DIVISION

1. In Fan sub division Introduction of Bluetooth / WIFI technology in fan for small house automation, DEC Ceiling fan motor for operation on solar power, Automatic Bearing dispenser in assembly lines, Auto cleaning unit for cleaning and Automatic lubrication system in paint shop and Assembly setup for Brushless DC Railway Carriages.
2. In lighting Sub Division Optimize resource application to improve per hour production number in DT production line and improvement in coil feeder efficiency in Faridabad unit and installation of M20 SMD Machine for making 4 feet tube light, build up Manufacturing capacity for street lights and enhancing the Manufacturing Capacity of SMD Section.
3. In Switch gear Sub Division lean initiative & implementation of best manufacturing practices.

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

### Paper Division

- a. Improved paper quality with cost reduction.
- b. Reduce Mill water consumption.
- c. Reduce energy consumption by way of reduction in Coal consumption.
- d. Better Monitoring and meeting the requirement of Pollution control Board.

- e. Effective Boiler operation in Power House.
- f. Better monitoring of Ambient air, Stack and dust emission in Plant.
- g. Waste control and recovery of fiber reducing the fiber loss.

### Electric Division

1. New innovative designs like smart fan; Blue tooth/WIFI enabled fan, introduction of different concept i.e. under light fan, flush mounting hanging system Fan.
2. Reduction in wastages in the process & reduce inventory level.
3. Improved quality assessment system enabling to offer reliable product i.e. High Speed TPW fans.

### Awards & Certification- Paper Division

1. Received OHSAS 18001-2007 certification in Aug'15.
2. Received Energy Management Certification EnMS 50001 in Sep'15.
3. Received award in Gold Category from Green Tech Foundation award FY 2015 in Environment Management.
4. Received CAPEXIL award for FY 12-13.

### Foreign Exchange Earnings & Outgo

The Foreign Exchange earned during the year is ₹ 22175.90 lacs and the Foreign Exchange outgo during the year is ₹ 10911.06 lacs.

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

- |   |   |                |
|---|---|----------------|
| <ol style="list-style-type: none"> <li>(a). Technology imported</li> <li>(b). Year import</li> <li>(c). Has technology been fully absorbed</li> <li>(d). If not absorbed, areas where this has not taken place</li> </ol> | } | Not applicable |
|---|---|----------------|

## 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 2016, 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 ; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**C. K. Birla**

Chairman



## Annexure VI

Particulars of Employees as required U/S 134 of the Companies Act, 2013 and forming a part of the Directors' Report for the year ended 31 March 2016.

(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. | Dugar M.K.     | (a)CA (b) Vice President(Finance)-Electric Division (c) 45 (d) 6940721 (e) 21 (f) 1 May 1994 (g) None  |
| 2. | Dhawan P.      | (a) MBA-Sales & Marketing (b) SBU Head (Lighting) - Electric Division (c) 48 (d) 8768481 (e) 25 (f) 9 September 2013 (g) Crompton Greaves Ltd ,GM Sales (Consumer Business Unit)   |
| 3. | Gupta A .      | (a) B.Tech (Pulp & Paper) (b) Chief Executive Officer -Amlai Paper Mills (c) 51 (d) 8256608 (e)27 (f)22 January 2014 (g) Ballarpur Industries Ltd, Assistant Vice President (Operations)                                 |
| 4. | Khanna R .     | (a) MBA - Marketing (b) Chief Executive Officer -Electric Division (c) 53 (d) 19776314 (e) 33 (f)1 December 2014 (g) Jumbo Electronic-Head Sony & IT Products, UAE   |
| 5. | Mullick G .    | (a) B.Sc. (H), MBA (b) Sr. Vice President (Paper Marketing) (c) 59 (d) 7455061 (e) 36 (f) 7 October 1998 (g) The Andhra Pradesh Paper Mills Ltd, General Manager (Marketing)   |
| 6. | Pachisia M.L.  | (a) B.Com (b) Managing Director (c) 71 (d) 33682846 (e) 55 (f) 1 April 1991 (h) Hindustan Motors Ltd., President (Corporate Projects)  |
| 7. | Saha N.K.      | (a) B.E.(Chem), MS (Pulp & Paper) (USA), M.I.E. (India) (b) Sr. Vice President (Projects & Development)-Paper (c) 65 (d) 7783653 (e) 43 (f) 11 March 1982 (g) The Titagarh Paper Mills Co. Ltd., Sr. Engineer (Projects) |
| 8. | Sonthalia P.K. | (a) B. Com(H), FCA, FCMA (b) President (Finance) & CFO (c) 58 (d) 15852098 (e) 36 (f) 15 April 1980 (g) None   |

### B. Employed for part of the financial year

|    |                |   |
|----|----------------|---|
| 1. | Baishakhia P.S | (a)MBA (b)SBU Head(Appliances)-Electric Division (c) 42 (d) 6254186 (e)18 (f) 5 October 2015 (g) LG Electronics India P. Ltd. - Business Head                                   |
| 2. | Jain A.K.      | (a)B.E (b) V.P.-Switchgear-Electric Division (c) 55 (d) 3318481 (e) 34 (f) 29 September, 2011 (g) Moeller HPL India-President- Marketing  |
| 3  | Khanna T       | (a)MBA-Marketing (b) Sr.Vice President(BU Head-Appliances)-Electric Division (c) 51 (d)3500766 (e) 24 (f) 1 April 2014 (g) Usha International Ltd,-V.P.- SBU Head (Appliances)  |
| 4  | Mittal H       | (a)B.Tech (Elect) (b) V.P.-Channel Strategy & Business Development-Electric Division (c) 62 (d) 1043782 (e) 37 (f)11 June 2007 (g) Indo Asian FuseGear Ltd-V.P. & Head Lighting |
| 5  | Singh A.K.     | (a) B.Tech (Elect.) (b) SBU Head (Switchgear) -Electric Division (c) 52 (d) 6132222 (e) 26 (f) 24 June 2015 (g)Havells India P Ltd.-V.P.- Industrial                            |
| 6  | Singhal P.     | (a) PGDBM (b) Head Sourcing & Procurement - Electric Division (c) 45 (d) 554505 (e) 24 (f) 22 February 2016 (g) Bajaj Electricals Ltd. - V.P. Sourcing & Vendor Development     |

### 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 2015-16, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (₹ in Lacs) | % increase in remuneration in the financial year 2015-16 | 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                      | 2.00   | NIL  | 0.45  |  |
| 2       | Shri B.K. Jhavar, Director                     | 2.00   | NIL  | 0.45  |  |
| 3       | Shri A. Ghosh, Director                        | 2.50   | NIL  | 0.55  |  |
| 4       | Shri Michael Bastian, Director                 | 7.00   | NIL  | 1.55  |  |
| 5       | Shri Narendra Singh Sisodia, Director          | 6.50   | 10.17%   | 1.43  |  |
| 6       | Ms. Gauri Rasgotra, Director                   | 2.00   | NIL  | 0.45  |  |
| 7       | Shri M.L. Pachisia, Managing Director          | 336.83   | NIL  | 74.51   | 15.77% of the net profit   |
| 8       | Shri P.K. Sonthalia, President (Finance) & CFO | 158.52   | 15.70%   | N.A.  | 7.43% of the net profit  |
| 9       | Shri R.P. Dutta, Company Secretary             | 17.16  | 15.95%   | N.A.  | 0.80% of the net profit  |

- (i) The median remuneration of employees of the Company during the financial year was ₹ 4.52 lacs p.a.
- (ii) In the financial year, there was an increase of 9.71% in the median remuneration of employees.
- (iii) There were 2741 permanent employees on the rolls of Company as on March 31, 2016.
- (iv) Relationship between average increase in remuneration and Company performance : The following factors are considered while giving increase in the remuneration :
- Financial performance of the Company
  - Comparison with peer companies, and
  - Industry benchmarking and consideration towards cost of living adjustment/inflation
- (v) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company for the financial year 2015-16. Key Managerial Personnel were paid 24% of the net profit of the Company.
- (vi) a) Variation in the market capitalization of the Company : The market capitalization as on March 31, 2016 was ₹ 711.92

crores (₹ 478.37 Crores as on March 31, 2015).

b) Price Earnings Ratio of the Company was 33.74 as at March 31, 2016 and was nil as at March 31, 2015.

- (vii) Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year i.e., 2015-16 was 9.93% whereas the percentile increase in the managerial remuneration for the same financial year was 4.84%.
- (viii) The key parameters for the variable component of remuneration availed by the Managing Director is based on his performance and company's performance.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : Not applicable; and
- (x) 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) Rules, 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 |
|---|---|---|--|--|--|---------------------------------|---|
| Not Applicable  |   |   |  |  |  |                                 |   |

#### 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/ arrangements / transactions | Duration of the contracts/ arrangements/ 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                                    | 01.04.2015 to 31.03.2016                                  | Premises let out   | 2.14   | 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                                    | 01.04.2015 to 31.03.2016                                  | 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                                    | 01.04.2015 to 31.03.2016                                  | 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      | 336.83   |  | Nil                            |
| Mr. P. K. Sonthalia, President (Finance) & CFO (KMP)   | Remuneration                                     | As per terms and conditions of appointment                | As per terms and conditions of appointment                     | 158.52   |  | Nil                            |
| Mr. R. P. Dutta, Company Secretary (KMP)   | Remuneration                                     | As per terms and conditions of appointment                | As per terms and conditions of appointment                     | 17.16  |  | Nil                            |

**C. K. Birla**  
Chairman

# Management discussion and analysis

## 1. OVERALL ECONOMY

Indian economy is estimated to have grown by around 7.5% during the year under review. Considering the slow-down in the World economy including China as well as two successive failures of Monsoon, this is obviously good news.

While this has not yet started to reflect in all segments of the economy, there are signs of green shoots emerging during the last quarter of the year under review.

The Government has taken some good initiatives like 'Make in India' and 'Skill India' programmes, which should be beneficial to the Indian Industry. However, the long awaited GST has not yet materialized this year but we do hope that this will become a reality soon.

On our part, we have taken concrete steps to increase our market penetration, improve efficiencies and reduce our costs.

As a result, we have been able to achieve a double digit growth in our turnover and are also able to report a healthy net profit for the year under review.

As the Indian economy picks up further, we look forward to even better days ahead.

## 2. SEGMENT-WISE BUSINESS ANALYSIS

### 2.1 Business segment - Electric

#### 2.1.1 Industry Structure & Developments

##### Fans

Growth in the fans industry continued to remain sluggish at around 3%. While the slow growth was a result of multitude of factors, some of the prominent ones were: low growth in the real estate sector especially in the housing sector, demand saturation and heavy rains/ floods in some of the big states like Tamil Nadu in Q3.

The organized sector accounts for about 40 million fans worth approximately ₹ 4,100 crores. Out of this, ceiling fans account for roughly 70% of the total domestic demand for fans. Orient Electric continued to remain a very strong player in this segment with 74% of our domestic and 76% of our total sales

of Fans coming from ceiling fans. However, it is noteworthy that the demand for table, pedestal, wall & exhaust fans grew at a higher rate than that of ceiling fans in the year gone by.

The industry continues to be fiercely competitive with new players entering the market and every major player vying for a greater market share. What also deserves a mention is the increasing customer preference for energy efficient and premium fans, with every leading player making a foray into this category.

##### Lighting

Year 2015-16 has been a watershed year for the Indian Lighting Industry as LED took over conventional lighting. This was spearheaded by the Government as it took the initiative of taking LED to common households as a part of a National programme to save energy and contribute to greener environment.

Lighting Industry grew to ₹ 13,000 Crores from ₹ 10,500 crores in the previous year, with LED lighting segment increasing its share to 32% of the total at ₹ 4200 cores. While the overall Lighting market grew by 9%, LED segment grew by close to 50%, majority of this growth has come from Government sourced LED products. The demand for CFL and conventional lighting bulbs as expected is gradually declining.

Due to large volumes of LED lamps and its ever evolving technology, the input costs of the LED lamps and other such products have seen continuous downtrend which has helped the industry to pass on the resultant benefits to the consumers. This has bridged the gap between the prices of CFL and LED lamps and thus accelerated the shift in demand from CFLs to LED products. As a result Compact Fluorescent Lamps (CFLs) business registered a negative growth of about 20%. Shorter payback periods from LED products also helped Industrial units and project customers to replace the high-wattage HID lamps with LED based lighting products for industrial, street-lighting and floodlighting applications.

GLS lamps and Linear Fluorescent Lamps (FTL) registered single digit growth of about 3%. Market is mainly confined

to 4-5 major players having manufacturing base for these products and this market too would eventually convert to LED. Major demand for the GLS and FTL products is in small towns and villages which are still in the transition phase of switching from GLS/FTL to LED.

LED products will contribute almost 60-70% of the total Lighting business in next 3 years' time due to its increased acceptance based on Energy efficiency, short payback periods, longer life, continually-declining costs and aesthetic fixtures and design flexibility.

### Appliances

Home Small-Appliances industry is estimated to have grown by 5% in 2015-16. However, major segments which are relevant to your Company like Room coolers grew by 12%, Mixer Grinders by 10%, whereas the Water heater segment decline by 15%.

### Switchgear

The domestic switchgear market is divided into five product categories, namely, MCB, RCCB, DB, Changeover Switch and MCCB (100A). Orient electric has entered in the market with MCB, RCCB and DBs with total estimated market potential of ₹ 1975 Crores. In the first year of operation Switchgear SBU launched its products in Delhi, Haryana and Rajasthan with a clear focus to establish Orient MCBs as the most premium retail brand in the targeted markets.

Orient Electric's Switchgear SBU used the SDB technology as the differentiator and successfully broke both internal and external barriers and established MOP at most premium level in the market. The quality of our MCB and the new revolutionary SDB technology has been well accepted in the targeted retail markets.

## 2.1.2 Opportunities & Threats

### Fans

The industry is likely to continue to register low growth of around 4-5% year on year. With emergence of new and educated middle class segment, the Fan market is expecting significant improvement in the sales of energy efficient fans,

premium fans and value added products. We witnessed a robust increase in sales in the last quarter of the fiscal year under review, and we hope to carry forward the trend in the next financial year, as well.

Global players are set to enter the Indian Market. These brands are major players in their respective segments and are technologically strong. This is expected to increase the competition even further in the organized Fans Market.

Fan Exports – The total export of Fans from India during the FY 2015-16 remained almost at the same level as last year at around 21 lacs fans. Orient Electric registered a growth of 1%, from 13.21 lacs fans in FY 2014-15 to 13.39 lacs in FY 2015-16. The Company lost sales in Nigeria which was partially recovered by opening new markets like Barbados, Kuwait and Egypt, and better than expected sales in Nepal, Sri Lanka and Bahrain.

Orient Electric continued to maintain its healthy market share of around 63% out of Fans exported from India. Special focus was given on branding to make Orient recognizable as a strong global brand.

### Lighting

There is huge opportunity for growth of LED Lighting business in India over the next 3 years with an expected CAGR of around 45%. Increasing number of electrified households and change in consumer preference for energy efficient lighting will drive the growth of this segment going forward.

Emergence of Government procurement as a powerful channel providing volume growth for LED lamps and Streetlights is one of the biggest growth enablers. A rub off effect of this is also visible in the overall market.

For an emerging player to be successful, manufacturing base along with competency in Electronics will be the key differentiator. Newly notified BIS standards for LED products and their effective implementation will be another crucial factor, as this will help to regulate cheap and substandard imported products and also boost the "Make in India" initiative.

Constant evolution of LED technology and emergence of



more LED chip manufacturers in the global market will keep on pushing down input costs and thus result in constant reduction in prices to consumers. Volatility in currency rates will also impact costs as significant portion of the input raw materials in LEDs are still imported.

### 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. Room Heaters market in India is dominated by 3-4 players where Orient Electric introduced new OFR (oil filled radiators) range & got good response. Leveraging Orient Electric's brand strength, there is a clear opportunity to grow in heating and cooling appliances segments.

While opportunities exist in each segment of the Home Appliances industry, FY 15-16 saw higher growth in the mid-premium and economy segments, whereas the premium and super-premium segments continued to look sluggish.

### Switchgear

Orient Electric's successful price positioning in the target retail markets opens up the opportunity to establish itself as the retail price leader. Therefore it is important to continue to invest on incentivization of retailers and on BTL activities to capture the market.

Having additional products like wiring accessories and switches would enhance our ability to compete more aggressively with other established players.

## 2.1.3 Segment review and analysis

Net Sales turnover of the Electric division increased to ₹ 1296 crores from ₹ 1190 crores in the previous year.

### Fans

Primary growth for Orient Electric in the domestic market in volume terms remained almost flat in 2015-16 as compared to the previous year, largely due to stock corrections at distributors' end. However, overall secondary sales grew by 2%+.

Net Sales turnover of the Fans BU increased to ₹ 884 crores from ₹ 874 crores in the previous year. Southern region logged an impressive growth of around 9% in primary and 8% in secondary sales. While West registered a de-growth of 5%

in primary sales due to stock correction at distributors end, however, the secondary sales were higher in the region by around 5%. Growth was flat in Northern markets. Control over input raw material prices and better price realizations have resulted in improved contribution margin from both domestic and exports sales.

### Lighting

Orient's lighting business registered a revenue growth of 43% vis-à-vis single digit industry growth. LED sales multiplied more than 4 times to ₹ 119 crores and contributed 40% to the total lighting sales. Orient Electric was able to compete successfully in the Government tender for LEDs worth ₹ 70 crores of revenue. Strategic Investment on Noida plant's automation and flexible manufacturing plan at the Faridabad factory helped achieve this growth.

Government Tender business will remain a strategic area for LED products. We plan to consolidate our presence in LED Lamps segment further. We also plan to enter the Street lighting segment which has huge potential for growth in next 3 years' time.

Our newly created Laboratory at NOIDA has started delivering benefits in terms of efficient designs and testing of LED products. We will be strengthening it further with more modern and sophisticated equipment during the year as we plan to increase our Lighting business in FY 16-17 with focus on LED products.

### Home Appliances

Orient Electric's Appliances SBU achieved a turnover of ₹ 81 crores in FY 2015-16. The Company launched appliances in 86 cities with prime focus on 45 Cities. Twenty three Authorized Service Centers were added during the year taking the tally to 138 service centers. Four new SKUs of Air Coolers were launched, five new SKUs of heating and four SKUs of Kitchen Appliances were added to the existing product portfolio.

The Appliances BU faced some challenges in the year under review owing to clean-up of accounts receivables and liquidation of old stock.

The business plan for 2016-17 assumes higher targets in the Home Comfort segment which includes room coolers, water heaters and room heaters. The focus will be on improving

product Quality, service readiness, channel reach and building a premium brand for Home appliances.

### Switchgear

Progressively a total of 639 counters were added during the year. The BU achieved a turnover of ₹ 7.61 crores.

Switchgear BU has huge of its potential in the institutional segment which is currently untapped. The business plan for Switchgear for the year 2016-17 recognizes this opportunity and plans to introduce new MCB group of products for the institutional segment along with switches by 2017-18.

## 2.1.4 Risks & Concerns

### Fans

Sluggish real estate growth will have direct impact on demand for Company's products. Unstable conditions in Africa and Middle East has adversely impacted our sales in some of our high selling markets and situation is likely to remain same for the current year as well.

### Lighting

Slower growth in Infrastructure and reality sectors could impact demand for decorative residential lighting and outdoor luminaires.

### Home Appliances

High dependency on seasonal products causes to sales skew in few months of the year.

Adherence to Quality standards by the vendors and migration from existing vendors to better vendor needs strict diligence and is a time consuming process.

### Switchgear

There is a delay in getting required certification for the entire range of products due to lack of design support from our collaborator. The Company is in discussion with the collaborator to resolve the issue quickly.

We will continue to face higher cost challenge due to our manufacturing being located in Excise zone as against some of our competitors who are based in excise-free areas. This is likely to change once GST is implemented.

## 2.1.5 Outlook

Infrastructure is emerging as a key area of focus for development from the various Government pronouncements and initiatives

including "Housing for all by 2022". A KPMG study estimates that India's urban population is expected to increase significantly with more than 1 crore population getting added annually to urban areas creating huge demand for housing in the cities. The Company is optimistic that new house will generate robust demand for all its products in Electric SBU.

### Fans

In the Domestic market, the Company is confident of better performance with focus on expanding distribution network to widen the reach, launching of new and technologically superior products and stronger connect with the retailers.

In the international markets, development focus is on markets with high buying potential like US and Latin America and leverage sales in existing markets.

A well laid out marketing plan, including regional specific ATL & BTL plan will help in improving the customer association with the brand.

The fans division is strongly looking forward to harness the future opportunities to gain even stronger foothold in the fans industry.

### Lighting

We have emerged as one of leading Indian Lighting companies for in-house manufacturing of LED lamp and have now entered the luminaires and street lighting assembly also. Our focus in 2016-17 will be on LED products in Consumer and Professional applications. A major thrust would be on increasing manufacturing capacity of LED tubes and various types of Luminaires and expand our reach in selected geographic markets through retailers who specialize in selling LED products. We plan to support these initiatives with increased branding and sales promotion activities. Another major area of growth is the Professional Luminaires segment where we have made some in-roads in FY 2015-16. Key focus segments will be Healthcare, IT and Financial sector with focus on Key Accounts.

We have also started using our electronics design and manufacturing competency to manufacture drivers for various LED products and assembly for LED tubes and street lighting luminaires.

All-in-all we are well poised to take advantage of the immense

growth opportunity in LED lighting business.

### Appliances

The Appliances BU has set a target to nearly double its sales revenue in year 2016-17. It aims to achieve this by optimizing product range across focus segments, building a strong team in focus towns and re-engineering the business processes for quick response to business needs. The Company is optimistic of achieving its target and is well poised to capitalise on the likely market opportunities in future.

### Switchgear

The Switchgear BU has also set an aggressive growth target for the FY 2016-17. It aims to achieve this by planned geographical expansion to more states like UP, Uttarakhand, Punjab, Bihar, West Bengal, Kerala and Karnataka. The BU plans to expand its retailer base to 3,200. The BU is well poised to take advantage of growth opportunities in the infrastructure and housing sectors.

## 2.2. Business segment - Paper

### 2.2.1 Industry Structure & Development

Paper Industry in India, particularly the Writing & Printing (W&P) segment remained dull & sluggish till 3rd quarter with stagnant demand & falling realisations. As per IPMA statistics till 3rd quarter, Writing & Printing papers sales were marginally lower than the same period in the previous year. However, W & P market has shown some positive signs from Feb'16 onwards.

Domestic demand for Tissue papers remained steady. Export demand for Tissue papers remained firm but prices in Dollar terms came under some pressure down due to increased Chinese competition after devaluation of their currency. However weaker Rupee, enhanced export Incentives and lower ocean freights could compensate that reduction.

### 2.2.2 Opportunities & Threats:

Writing & Printing Paper market is expected to stabilize as no major capacity additions are on the horizon for W & P papers. Therefore the current supply/demand imbalance should gradually get corrected.

Domestic demand for tissue papers continues to register robust growth of around 15 % annually. This trend is expected

to gather further momentum with changes in life styles and we are well poised to take full advantage of this inevitable growth.

Exports markets also offer good opportunity for quality tissue papers. We have already been exporting over 62 % of our total tissue paper sales and have been successful in developing regular customers in several markets abroad many of whom have expressed their willingness to increase their off-take from us.

Recognising this opportunity for growth in Tissue Papers, we have decided to expand our Tissue paper capacity by 25000 tons per year. The project is already under execution and is expected to be operational by the end of FY 2016-17.

The biggest threat for the Integrated Paper Industry in India continues to be the shortage of Pulp wood from Local sources. To mitigate this, we are focusing on promoting farm forestry and creating awareness amongst land owners about the advantage of planting pulp wood to get increased return from their available land. In addition, we are in active discussion with the State Government of Madhya Pradesh and Chhatisgarh to formulate practical guidelines for permitting use of degraded forest land for plantations. As local availability of pulpwood increases through these efforts our cost of raw materials should gradually reduce.

Another major challenge is the imposition of stringent Environment laws including an aggressive Water Recycling for Pollution Prevention (WRPP) charter by Central Pollution Control Board. We have taken up several steps in this direction and are confident that we shall be able to comply with these new norms.

### 2.2.3 Segmental review & analysis

Despite the above challenges, our Paper division could increase the paper sales by 6 % to 77965 MT from 73616 MT last year.

Tissue papers accounted for 29% of our total paper volume. Significantly, we were able to export 62% of our total Tissue paper sales to diverse markets where our products have been very well accepted.

Our Caustic volume also increased from 32082 MT to 34172 MT with corresponding increase in sales of Chlorine & HCL.

Besides increase in our sales volume, our focus this year was on cost reduction and improvement in efficiencies. As a result of our sustained efforts in this direction, we have been able to achieve substantial savings in all major cost parameters like Raw material yield, Chemical recovery Efficiency, Condensate recovery, Energy Conservation & Coal consumption etc.

We also got our supplier of PCC (Precipitated Calcium Carbonate) to set up an on-site plant and started use of 100 % PCC as a filler. This not only resulted in substantial cost reduction but also in improved quality in terms of Improved Bulk, Brightness, Opacity and Smoothness of paper.

We upgraded our Chlorine Dioxide Production technology from conventional R-2 process to Eco-friendly HP-A (Hydrogen Peroxide).

As a result of our sustained plantation efforts over the last few years, we could increase procurement of pulpwood from our nearby areas by 44% this year compared to the previous year. Based on this, we have been able to optimise our raw material furnish by increasing wood to 80% from around 40% earlier.

We also placed a major thrust on Environment conservation and compliance by installing on-line monitoring of discharge water and ambient air. Water consumption has also been reduced by 30%.

We could achieve certifications under OSHAS 18001-2007 and Energy Management 50001-2011 and also received Gold Award from Greentech Foundation for Environment Management.

As a result of these improvements, our Paper division achieved, despite tough market situation, an increase of 9% in Net sales turnover to ₹ 507.82 crores from ₹ 465.17 crores last year.

This has also been a turn-around year for our Paper division mostly achieved by our internal improvements. This is reflected in the fact that the division recorded a PBIDT of ₹ 34.93 crores compared to loss of ₹ 9.33 crores last year and a PBIT of ₹ 12.60 crores compared to a loss of ₹ 33.12 crores last year.

## 2.2.4 Risks & Concerns -Amlai Plant

A major area of concern is the proposal to move coal linkages to auction mode which could potentially increase the price of coal.

Although we have taken several steps to reduce our manpower costs, this still remains higher than many of our competitors. We believe that addition of the new Tissue paper capacity, for which we do not anticipate increase in manpower strength, will address this concern to a large extent.

Another area of concern is the possibility of water scarcity during severe draught years. Although we have built reservoirs of 250 million gallons, our experience during this year suggests that we need to further augment this capacity for which we are taking necessary steps.

## 2.2.5 Outlook - Amlai plant FY 16-17

We believe that the division is well on its way to build upon the successes achieved during the year under review and is poised to achieve improving profitability through continuous and sustained cost reduction initiatives. In addition, expansion of Tissue paper capacity will provide further boost to the growth of both our top and bottom lines.

We are therefore quite confident of substantially improved results from Paper Business in FY 16-17.

## 2.3 Brajrajnagar plant

As reported earlier, operations at this plant continue to remain suspended. While we continue to explore the possibilities of revival of industrial activity at the site, these are still under review.

## 3. COMPANY'S OVERALL PERFORMANCE AND ANALYSIS

### Sales and profit

Our gross sales increased by 9.5% to ₹ 1967.17 crores this year from ₹ 1796.72 crores last year, while net sales increased by 9.1% to ₹ 1820.35 crores from ₹ 1668.85 crores.

We achieved a PBIDT of ₹ 116.84 crores compared to ₹ 45.34 crores in the previous year and cash profit of ₹ 65.65 crores as against ₹ 1.56 crores last year.

Our PBT for the year was ₹ 21.34 crores compared to a loss of ₹ 42.13 crores last year.



Net profit after tax has been ₹ 21.02 crores this year against a loss of ₹ 28.65 crores last year.

We invested ₹ 66.69 crores on capital projects during the year.

Financial position of the Company continues to be fairly stable with our debt equity ratio at 0.38 and the DSCR of 1.47.

We believe that your Company has performed well during the year under review and has made well coordinated strides towards overcoming the challenging circumstances faced in the last few years. We are sure that these efforts will result in accelerated progress hereafter.

#### 4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established adequate internal control systems, which provide reasonable assurances with regard to safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. In addition to its own internal audit department, the company has retained PriceWaterhouse & 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 in no small measure by efforts of the entire team. The total number of permanent employees as on 31 March 2016 was 2741.

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

## 2. BOARD OF DIRECTORS

### 2.1 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 of 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<br>(DIN 00118473)            | Promoter, Non-Executive Chairman | 6                                      | -  | -   |
| Shri B. K. Jhawar<br>(DIN 00086237)           | Non-Executive Independent #      | 3                                      | 1  | -   |
| Shri A. Ghosh<br>(DIN 00055962)               | Non-Executive Independent #      | 4                                      | 4  | 1   |
| Shri Michael Bastian<br>(DIN 00458062)        | Non-Executive Independent #      | 2                                      | 4  | 3   |
| Shri Narendra Singh Sisodia<br>(DIN 06363951) | Non-Executive Independent #      | 1                                      | 2  | -   |
| Ms. Gauri Rasgotra<br>(DIN 06862334)          | Non-Executive                    | 2                                      | 5  | -   |
| Shri M. L. Pachisia<br>(DIN 00065431)         | Managing Director-Executive      | 9                                      | 2  | -   |

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

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

# Appointed as Independent Directors of the Company for a term of 5 years w.e.f. 22nd July 2014.

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

a) The Non-Executive Directors were paid sitting fees of ₹ 50,000/- for attending meeting of the Board/Committee of Directors.

| Sl. No. | Name of the Director        | Sitting fee paid during 2015-16 for attending meetings of the Board and Committees (amount in Rupees) |
|---------|-----------------------------|---|
| 1.      | Shri C. K. Birla            | 2,00,000  |
| 2.      | Shri B. K. Jhawar           | 2,00,000  |
| 3.      | Shri A. Ghosh               | 2,50,000  |
| 4.      | Shri Michael Bastian        | 7,00,000  |
| 5.      | Shri Narendra Singh Sisodia | 6,50,000  |
| 6.      | Ms. Gauri Rasgotra          | 2,00,000  |

a) The details of remuneration of Shri. M. L. Pachisia, Managing Director -

| Shri M. L. Pachisia                        | Remuneration (Amount in Rupees) * |
|--|-----------------------------------|
| Salary                                     | 1,26,00,000                       |
| Perquisites & other benefits               | 1,11,80,846                       |
| Ex-gratia **                               | 65,00,000                         |
| Contributions to P.F./ Superannuation Fund | 34,02,000                         |
| Total                                      | 3,36,82,846                       |

\* 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 23rd September 2015 to 31st March 2017, 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 2016 on 11th May 2015, 5th June 2015,

5th August 2015, 30th October 2015 and 29th January 2016.

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31 March 2016 and of the last Annual General Meeting is as under:

| Directors                   | Number of Board Meeting attended | Attendance at the last AGM |
|-----------------------------|----------------------------------|----------------------------|
| Shri C. K. Birla            | 4                                | No                         |
| Shri B. K. Jhawar           | 1                                | No                         |
| Shri A. Ghosh               | 2                                | No                         |
| Shri Michael Bastian        | 5                                | Yes                        |
| Shri Narendra Singh Sisodia | 5                                | No                         |
| Ms. Gauri Rasgotra          | 2                                | No                         |
| Shri M. L. Pachisia         | 5                                | Yes                        |

## 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            | 28,97,570             |
| Shri B. K. Jhawar           | Nil                   |
| Shri A. Ghosh               | 7,000                 |
| Shri Michael Bastian        | 24,000                |
| Shri Narendra Singh Sisodia | Nil                   |
| Ms. Gauri Rasgotra          | Nil                   |
| Shri M. L. Pachisia         | 36,640                |

## 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](http://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 four Non-Executive Independent Directors and one Non-Executive Director, namely:

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

Mr. Michael Bastian is the Chairman.

3.3 Four Audit Committee meetings were held on 11th May 2015, 5th August 2015, 30th October, 2015 and 29th January, 2016. The attendance of each Audit Committee member was as under:

| Name of the Audit Committee member | Number of meetings attended |
|------------------------------------|-----------------------------|
| Shri A. Ghosh                      | 1                           |
| Shri B. K. Jhawar                  | 1                           |
| Shri Michael Bastian               | 4                           |
| Shri Narendra Singh Sisodia        | 4                           |
| Ms. Gauri Rasgotra                 | 2                           |

3.3 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.

3.4 Mr. Somnath Mukherjee, Cost Accountant is the Cost Auditor of the Company for the financial year 2015-16. The Company has filed cost audit report for the financial year 2014-15 on 26th September, 2015 i.e. within the due date. The due date for filing cost audit report for the financial year 2015-16 is 27th September, 2016.

### 4. MANAGEMENT COMMITTEE

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

The Management Committee meets as and when necessary to attend day-to-day affairs and urgent business and is empowered to do all such acts and deeds the Board is empowered to do, subject to the provisions of the Companies Act, 2013.

One Committee meeting was held during the year on 24th November 2015 and all the Committee members attended the meeting.

### 5. NOMINATION & REMUNERATION COMMITTEE

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

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

In reviewing the overall remuneration of the Board of Directors and Senior Management, efforts are made to ensure that remuneration of the Non-Executive Directors and the Executives matches the level in comparable companies, whilst also taking into consideration their required competencies, effort and the scope of the 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 Three Nomination & Remuneration Committee meetings were held during the year on 11th May 2015, 5th August 2015 and 30th October 2015.

The attendance of each Committee member was as under:

| Name of the member                                  | Meetings attended |
|---|-------------------|
| Shri B. K. Jhawar                                   | -                 |
| Shri Michael Bastian                                | 3                 |
| Shri A. Ghosh                                       | 1                 |
| Shri N. S. Sisodia<br>(appointed w.e.f. 05.08.2015) | 2                 |

#### 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 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 2016, 4 numbers of complaints received from the shareholders and were attended in time and there were no grievances pending as on 31 March 2016. There were no share transfers pending for registration for more than 15 days as on 31 March 2016.

One Stakeholders' Relationship Committee meeting was held on 11th May 2015. The attendance of each Committee member was as under

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

## 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 11th May 2015. 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 its employees, consumers and societies in which it operates. We are of opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.

### 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 Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;

- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

- (x) rural development projects; and

- (xi) Slum area development.

- (b) The CSR activities shall be undertaken within the territory of the Republic of India.
- (c) The Company's CSR projects and programmes will be undertaken by the Company by itself or with joint and collaborative efforts of other companies.
- (d) The CSR projects and programmes may also be implemented through registered public charitable trusts, not-for-profit companies set up under Section 25 of the Companies Act,

1956 (corresponding to Section 8 of the Companies Act, 2013) through recognized and reputed NGOs and similar entities.

## 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.
- b. The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same would not lapse and would be carried forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year.
- c. The amount allocated for emergency needs but not utilised in the year of its allocation may be carried forward to the next year for utilization for CSR activities.
- d. Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

## 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](http://www.orientpaperindia.com).

## 8. MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors held on 28th December, 2015, and was adjourned for want of quorum. The adjourned meeting of the Independent Directors was held on 29th January 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 except Shri A. Ghosh attended the meeting.

## 9. WHISTLE BLOWER POLICY

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

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

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

The contact details of the Designated Officer are:

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

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

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

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

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

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

Ms. Gauri Rasgotra, aged 48 (DIN: 06862334), a Director of the Company was appointed as an Additional Director with effect from 26th September 2014. Later the shareholders of the Company at their Annual General Meeting held on 20th August 2015 appointed her as a Director of the Company, liable to retire by rotation.

The Board of Directors of the Company at their meeting held on 6th May 2016, on the recommendation of the Nomination and Remuneration Committee, proposed to appoint Ms. Gauri Rasgotra as Independent Director of the Company for five consecutive years with effect from the date of ensuing annual general meeting of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ("Act") or any amendment thereto or any modification thereof, subject to the approval of the Shareholders.

Declarations have been received from her confirming that she meets the criteria of Independence prescribed under Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of your Board, Ms. Rasgotra



fulfills the conditions specified in the Act and the Rules there under for her appointment as Independent Director and that she is independent of the management of the Company.

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

Ms. Gauri Rasgotra is an advocate. She has a rare combination of advisory and litigation experience of 22 years in both academic and corporate settings. She has 16 years of active experience in litigation in the Supreme Court as well as other courts in India on behalf of M/s. Khaitan & Co LLP. She also worked in U.S.A. at the George Washington University Law School.

She is a partner in Cyril Amarchand Mangaldas and Director on the Boards of Orient Paper & Industries Ltd., VISA Steel Ltd. and HIL Ltd.

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

Ltd., HIL Ltd. and VISA Steel Ltd. and member of Nomination and Remuneration Committee of HIL Ltd. and VISA Steel Ltd.

She does not hold any equity shares in the Company.

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

Shri Chandra Kant Birla, aged 61 (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 28,97,570 no. of equity shares in the Company.

## 11. GENERAL BODY MEETINGS

11.1 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 |
|---------|----------|------------------|------------|---|-----------------------------------|
| 2012-13 | Monday   | 16th August 2013 | 12.30 p.m. | Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha) | Yes                               |
| 2013-14 | Friday   | 22nd August 2014 | 12.30 p.m. | -do-  | Yes                               |
| 2014-15 | Thursday | 20th August 2015 | 10.00 a.m. | -do-  | Yes                               |

### 11.2 Postal Ballot

The Company has not passed any special resolution through Postal Ballot during the Financial year 2015-16 and no special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting.

daily newspaper circulating in the whole/substantially the whole of India and in one daily newspaper published in Oriya language and also put on Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com)

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

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

## 12. MEANS OF COMMUNICATION

12.1 Quarterly results are normally published in one English

12.4 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.

### 13. FINANCIAL CALENDAR 2016-17

on the websites of the Stock Exchanges i.e. BSE Ltd. and NSE Ltd.

|  |                         |
|--|-------------------------|
| First quarterly results                                  | Before 14 August 2016   |
| Second quarterly results                                 | Before 14 November 2016 |
| Third quarterly results                                  | Before 14 February 2017 |
| Audited yearly results for the year ending 31 March 2017 | Before end of May 2017  |

### 14. 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.

### 15. 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.

### 16. COMPLIANCE CERTIFICATE

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

## 17. GENERAL SHAREHOLDER INFORMATION

### 17.1 Annual General Meeting

Day & Date: Monday, 22nd August, 2016

Time: 11.30 a.m.

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

### 17.2 Financial Year

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

### 17.3 Dividend Payment Date

Dividend, if declared shall be paid to all eligible shareholders on or after 22nd August 2016.

### 17.4 Listing on stock exchanges

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

(i) BSE Ltd

Phiroze Jeejeebhoy 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.

### 17.5 Stock code

BSE Ltd. 502420

National Stock Exchange of India Ltd. ORIENTPPR

Dates of book closure 16th August 2016 to 22nd August 2016 (both days inclusive).

### 17.6 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 2015-16 are as under:



| Month          | NSE   |       | BSE   |       |
|----------------|-------|-------|-------|-------|
|                | High  | Low   | High  | Low   |
| April 2015     | 32.45 | 22.60 | 32.45 | 22.60 |
| May 2015       | 28.25 | 23.50 | 28.20 | 23.60 |
| June 2015      | 28.00 | 21.00 | 27.95 | 22.00 |
| July 2015      | 31.45 | 23.20 | 31.35 | 24.50 |
| August 2015    | 33.90 | 24.80 | 33.80 | 24.65 |
| September 2015 | 28.00 | 23.90 | 28.20 | 23.90 |
| October 2015   | 28.90 | 25.75 | 28.95 | 25.70 |
| November 2015  | 26.30 | 23.35 | 26.30 | 23.35 |
| December 2015  | 37.05 | 24.50 | 37.20 | 24.60 |
| January 2016   | 43.55 | 30.50 | 43.50 | 30.50 |
| February 2016  | 41.05 | 31.00 | 41.15 | 30.70 |
| March 2016     | 37.30 | 30.30 | 37.35 | 30.10 |

## 17.7 Performance in comparison to broad based indices

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

| Month          | BSE Sensex |          | Company's share price on BSE |       |
|----------------|------------|----------|------------------------------|-------|
|                | High       | Low      | High                         | Low   |
| April 2015     | 29094.61   | 26897.54 | 32.45                        | 22.60 |
| May 2015       | 28071.16   | 26423.99 | 28.20                        | 23.60 |
| June 2015      | 27968.75   | 26307.07 | 27.95                        | 22.00 |
| July 2015      | 28578.33   | 27416.39 | 31.35                        | 24.50 |
| August 2015    | 28417.59   | 25298.42 | 33.80                        | 24.65 |
| September 2015 | 26471.82   | 24833.54 | 28.20                        | 23.90 |
| October 2015   | 27618.14   | 26168.71 | 28.95                        | 25.70 |
| November 2015  | 26824.30   | 25451.42 | 26.30                        | 23.35 |
| December 2015  | 26256.42   | 24867.73 | 37.20                        | 24.60 |
| January 2016   | 26197.27   | 23839.76 | 43.50                        | 30.50 |
| February 2016  | 25002.32   | 22494.61 | 41.15                        | 30.70 |
| March 2016     | 25479.62   | 23133.18 | 37.35                        | 30.10 |

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

| Month          | NIFTY 50 |         | Company's share price on NSE |       |
|----------------|----------|---------|------------------------------|-------|
|                | High     | Low     | High                         | Low   |
| April 2015     | 8844.80  | 8144.75 | 32.45                        | 22.60 |
| May 2015       | 8489.55  | 7997.15 | 28.25                        | 23.50 |
| June 2015      | 8467.15  | 7940.30 | 28.00                        | 21.00 |
| July 2015      | 8654.75  | 8315.40 | 31.45                        | 23.20 |
| August 2015    | 8621.55  | 7667.25 | 33.90                        | 24.80 |
| September 2015 | 8055.00  | 7539.50 | 28.00                        | 23.90 |
| October 2015   | 8336.30  | 7930.65 | 28.90                        | 25.75 |
| November 2015  | 8116.10  | 7714.15 | 26.30                        | 23.35 |
| December 2015  | 7979.30  | 7551.05 | 37.05                        | 24.50 |
| January 2016   | 7972.55  | 7241.50 | 43.55                        | 30.50 |
| February 2016  | 7600.45  | 6825.80 | 41.05                        | 31.00 |
| March 2016     | 7777.60  | 7035.10 | 37.30                        | 30.30 |

## 17.8 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

## 17.9 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.

## 17.10 Distribution of shareholding

The shareholding distribution of equity shares as on 31 March 2016 is given below:

| Serial number | Number of equity shares held | Number of folios | Number of shares | % of shareholding |
|---------------|------------------------------|------------------|------------------|-------------------|
| 1.            | 1 - 500                      | 13178            | 2174577          | 1.06              |
| 2.            | 501 - 1,000                  | 2265             | 1973068          | 0.96              |
| 3.            | 1,001 - 2,000                | 1345             | 2153078          | 1.05              |
| 4.            | 2,001 - 3,000                | 570              | 1526934          | 0.75              |
| 5.            | 3,001 - 4,000                | 297              | 1099181          | 0.54              |
| 6.            | 4,001 - 5,000                | 426              | 2032862          | 0.99              |
| 7.            | 5,001 - 10,000               | 885              | 6432351          | 3.14              |
| 8.            | 10,001 - 50,000              | 577              | 11762928         | 5.74              |
| 9.            | 50,001 - 1,00,000            | 86               | 5980915          | 2.92              |
| 10.           | 1,00,001 and above           | 105              | 169732866        | 82.85             |
|               | <b>Total</b>                 | <b>19734</b>     | <b>204868760</b> | <b>100</b>        |

### 17.11 Shareholding pattern as on 31 March 2016

| SI No     | Category of Shareholder  | Number of folios | Number of Shares held | % of shareholdings |
|-----------|--|------------------|-----------------------|--------------------|
| <b>I</b>  | <b>Promoter &amp; Promoter Group</b>                                 |                  |                       |                    |
|           | A. Indian  | 18               | 78329922              | 38.23              |
|           | B. Foreign   | -                | -                     | -                  |
| <b>II</b> | <b>Public</b>  |                  |                       |                    |
|           | <b>A. Institution</b>  |                  |                       |                    |
|           | i) Mutual funds  | 11               | 27767821              | 13.55              |
|           | ii) Foreign Portfolio Investors                                      | 3                | 1110782               | 0.54               |
|           | iii) Financial Institutions/Banks                                    | 12               | 163870                | 0.08               |
|           | iv) Insurance Companies  | 4                | 11874164              | 5.80               |
|           | v) Central/State Governments   | 1                | 4000                  | -                  |
|           | <b>B. Non-Institutions</b>   |                  |                       |                    |
|           | i) Individuals holding nominal share capital upto ₹ 2 lakhs          | 18738            | 32490756              | 15.86              |
|           | ii) Individuals holding nominal share capital in excess of ₹ 2 lakhs | 17               | 10418569              | 5.09               |
|           | iii) Trusts  | 1                | 12500                 | -                  |
|           | iv) Non Resident Indians   | 323              | 1487188               | 0.73               |
|           | v) Bodies Corporate  | 604              | 37526948              | 18.32              |
|           | vi) OCB  | 2                | 3682240               | 1.80               |
|           | <b>Total</b>   | <b>19734</b>     | <b>204868760</b>      | <b>100</b>         |

### 17.12 Dematerialisation of equity shares and liquidity

As on 31st March 2016, 20,24,64,960 equity shares of the Company (98.83%) stand dematerialized with NSDL (83.13%) and CDSL (15.70%), except 24,03,800 shares were being held in physical form (1.17%).

### 17.13 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 01.04.2015 | 169                 | 7,34,910                            |
| No. of shareholders who approached the company for transfer of shares from the said unclaimed suspense account during the period 01.04.2015 to 31.03.2016.      | 1                   | 1,000                               |
| No. of shareholders to whom shares were transferred from the unclaimed suspense account during the said period  | 1                   | 1,000                               |
| 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 31.03.2016              | 168                 | 7,33,410                            |



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

#### 17.14 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)                           |

#### 17.15 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

#### 18. OTHER DISCLOSURES

- There were no related party transactions that may have potential conflict with the Company's interest at large.
- 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.
- 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.
- The Company has plans in place for orderly succession for appointment to the Board of Directors and senior management.
- The Company has disseminated all the information on its website [www.orientpaperindia.com](http://www.orientpaperindia.com) in terms of the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 6th May, 2016 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, 2016.

**M.L. Pachisia**

Managing Director & CEO  
(DIN: 00065431)

New Delhi, 6th May, 2016

## CEO/CFO Certificate

The Board of Directors  
Orient Paper & Industries Ltd.

We hereby certify that:-

- a) We have received financial statement and the cash flow statement for the financial year 2015-16 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 2015-16 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)

# 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, 2016, 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 06, 2016



# 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, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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, 2016, its profit, and its cash flows for the year ended on that date.

## Emphasis of Matter

- (a) We draw attention to Note 35 to the financial statements regarding non provision of water tax demand amounting to ₹47,434.91 lacs (including interest and penalty of ₹46,021.91 lacs) against which the Company has filed writ petition with the Hon'ble High Court and obtained an interim stay on the recovery, as more fully described therein. Pending final decision in the matter, no adjustments are considered necessary at this stage.
- (b) We draw attention to Note 36 to the financial statements regarding remuneration paid to/provided for the Managing Director of the Company during the years ended March 31, 2015 and March 31, 2016 which is in excess of the limit prescribed under Section 197 of the Act read with Schedule V to the Act, by ₹178.19 lacs and ₹177.70 lacs respectively. As informed to us, waiver application has since been filed by the Company for the year ended March 31, 2015 and the

Company is in the process of filing waiver application for the year ended March 31, 2016 with the Central Government for the above excess remuneration. Pending the filing of waiver application and receipt of the approval, no adjustments to financial statements have been made.

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;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place: New Delhi

Date: May 06, 2016





## 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, 2016

- (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 ₹544.68 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 ₹79.87 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, 2016 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 from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) 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<br>(₹ in lacs) | Period to which the amount relates | Due Date                          | Date of Payment |
|----------------------|-------------------------|-----------------------|------------------------------------|-----------------------------------|-----------------|
| Orissa Municipal Act | Industrial Licence Fees | 26.73                 | 1996-97 to 2014-15                 | 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, 1986-98, 2000-2015                                     | 546.22             | 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 | 81.74              | Asst Commissioner/ Commissioner Appeals/ Appellate Tribunal/ CESTAT                                   |
| Income Tax Act, 1961                              | Tax deducted at source (short deduction)  | 2005-06 to 2012-13  | 2.16               | Commissioner of Income Tax (Appeals)  |
| MP Sales Tax Act, 1961/Central Sales Tax Act 1956 | Demand with respect to disallowance of cash discount, levy of higher rate of purchase tax, difference in classification of goods etc. | 1998-99, 2000-02 & 2005-06                                      | 54.23              | 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   | 353.94             | 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 2011-12  | 5,415.55           | 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 term loans for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.
- (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, during the year the remuneration paid to/ provided for the Managing Director of the Company is in excess of the limit prescribed under section 197 read with Schedule V to the Companies Act, 2013 by ₹177.70 lacs.



Further, the Company has also paid managerial remuneration for the years 2013-14 and 2014-15 in excess of the limit prescribed under the applicable Companies Act by ₹127.42 lacs and ₹178.19 lacs respectively. The Company's application to the Central Government for such excess remuneration paid in 2014-15 is pending approval by the concerned authority and pending disposal of the same, no steps have been taken for recovery of the excess amount so paid. Also, the Company has shown the amount of ₹127.42 lacs as recoverable from the Managing Director in respect of excess remuneration paid for the year 2013-14 due to non-approval of the same by the Central Government and steps are being taken to recover the said amount. Also refer EOM para (b) 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 06, 2016

## 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, 2016 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, both 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, 2016, 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 06, 2016



# Balance Sheet as at 31 March 2016

₹ In lacs

|  | Notes | 31-Mar-16          | 31-Mar-15          |
|--|-------|--------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b>  |       |                    |                    |
| <b>Shareholders' funds</b>   |       |                    |                    |
| Share capital  | 3     | 2,048.79           | 2,048.79           |
| Reserves and surplus   | 4     | 39,372.25          | 37,886.61          |
|  |       | <b>41,421.04</b>   | <b>39,935.40</b>   |
| <b>Non-current liabilities</b>   |       |                    |                    |
| Long-term borrowings   | 5     | 15,486.36          | 8,735.29           |
| Deferred tax liabilities (Net)   | 14    | 32.51              | -                  |
| Other long-term liabilities  | 6     | 3,346.95           | 3,352.12           |
| Long-term provisions   | 7     | 1,676.34           | 1,978.00           |
|  |       | <b>20,542.16</b>   | <b>14,065.41</b>   |
| <b>Current liabilities</b>   |       |                    |                    |
| Short-term borrowings  | 8     | 25,818.26          | 26,517.22          |
| Trade payables   | 9     |                    |                    |
| - total outstanding dues of micro enterprises and small enterprises                      |       | 1,250.25           | 1,126.05           |
| - total outstanding dues of creditors other than micro enterprises and small enterprises |       | 26,019.48          | 29,096.87          |
| Other current liabilities  | 9     | 11,661.66          | 9,830.17           |
| Short-term provisions  | 7     | 3,227.57           | 1,760.92           |
|  |       | <b>67,977.22</b>   | <b>68,331.23</b>   |
| <b>TOTAL</b>   |       | <b>1,29,940.42</b> | <b>1,22,332.04</b> |
| <b>ASSETS</b>  |       |                    |                    |
| <b>Non-current assets</b>  |       |                    |                    |
| Fixed assets   |       |                    |                    |
| Tangible assets  | 10    | 49,403.49          | 50,600.76          |
| Intangible assets  | 11    | 950.39             | 863.08             |
| Capital work-in-progress   |       | 1,661.32           | 277.15             |
| Expenditure on Expansion/New projects (pending allocation)                               | 12    | 210.77             | -                  |
| Non-current investments  | 13    | 853.65             | 869.35             |
| Long-term loans and advances   | 15    | 3,262.67           | 1,762.25           |
| Trade receivables  | 16.1  | -                  | 389.35             |
| Other non-current assets   | 16.2  | 324.05             | 453.73             |
|  |       | <b>56,666.34</b>   | <b>55,215.67</b>   |
| <b>Current assets</b>  |       |                    |                    |
| Inventories  | 17    | 22,295.58          | 22,866.09          |
| Trade receivables  | 16.1  | 38,346.57          | 36,289.90          |
| Cash and bank balances   | 18    | 5,914.62           | 2,773.83           |
| Short-term loans and advances  | 15    | 5,520.60           | 4,087.22           |
| Other current assets   | 16.2  | 1,196.71           | 1,099.33           |
|  |       | <b>73,274.08</b>   | <b>67,116.37</b>   |
| <b>TOTAL</b>   |       | <b>1,29,940.42</b> | <b>1,22,332.04</b> |
| Summary of significant accounting policies   | 2.1   |                    |                    |

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

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

per Sanjay Kumar Agarwal

Partner

Membership no.: 060352

Place: New Delhi

Date: 6th May, 2016

For and on behalf of the board of directors

C. K. Birla

Chairman

P. K. Sonthalia

President Finance & CFO

M. L. Pachisia

Managing Director

R.P. Dutta

Company Secretary



# Statement of Profit and Loss

for the year ended 31 March 2016

₹ In lacs

|  | Notes | 31-Mar-16          | 31-Mar-15          |
|--|-------|--------------------|--------------------|
| <b>INCOME</b>  |       |                    |                    |
| Revenue from operations (gross)  | 19    | 1,96,716.95        | 1,79,671.72        |
| Less: excise duty  |       | 14,681.41          | 12,786.32          |
| <b>Revenue from operations (net)</b>   |       | <b>1,82,035.54</b> | <b>1,66,885.40</b> |
| Other income   | 20    | 1,738.64           | 2,014.99           |
| <b>Total Revenue (I)</b>   |       | <b>1,83,774.18</b> | <b>1,68,900.39</b> |
| <b>EXPENSES</b>  |       |                    |                    |
| Cost of raw material & components consumed   | 21    | 76,420.01          | 76,536.35          |
| Purchase of traded goods   | 22    | 29,183.81          | 26,378.83          |
| (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods        | 22    | 567.65             | (4,044.74)         |
| Employee benefits expense  | 23    | 18,286.73          | 16,518.25          |
| Other expenses   | 24    | 47,631.56          | 48,977.23          |
| <b>Total Expenses (II)</b>   |       | <b>1,72,089.76</b> | <b>1,64,365.92</b> |
| <b>Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I) - (II)</b>      |       | <b>11,684.42</b>   | <b>4,534.47</b>    |
| Depreciation and amortization expense  | 25    | 4,431.00           | 4,370.05           |
| Finance costs  | 26    | 5,118.83           | 4,377.99           |
| <b>Profit / (Loss) before tax</b>  |       | <b>2,134.59</b>    | <b>(4,213.57)</b>  |
| <b>Tax expenses</b>  |       |                    |                    |
| Current tax  |       | 548.66             | -                  |
| Less: MAT credit entitlement   |       | (548.66)           | -                  |
| Less: Income tax refund in respect of earlier years (net)  |       | -                  | (735.32)           |
| Net Current tax Expense / (Credit)   |       | -                  | (735.32)           |
| Deferred tax Charge / (Credit)   |       | 32.51              | (613.23)           |
| <b>Total tax expense / (Credit)</b>  |       | <b>32.51</b>       | <b>(1,348.55)</b>  |
| <b>Profit / (Loss) for the year</b>  |       | <b>2,102.08</b>    | <b>(2,865.02)</b>  |
| Basic & Diluted Earnings per equity share<br>[nominal value of share ₹1 (31 March 2015: ₹1) (₹)] | 27    | 1.03               | (1.40)             |
| <b>Summary of significant accounting policies</b>  | 2.1   |                    |                    |

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

As per our report of even date

For S.R.Batliboi &amp; Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

per Sanjay Kumar Agarwal

Partner

Membership no.: 060352

Place: New Delhi

Date: 6th May, 2016

For and on behalf of the board of directors

C. K. Birla

Chairman

P. K. Sonthalia

President Finance &amp; CFO

M. L. Pachisia

Managing Director

R.P. Dutta

Company Secretary

# Cash Flow Statement for the year ended 31 March 2016

₹ In lacs

|  | 31-Mar-16         | 31-Mar-15         |
|--|-------------------|-------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>                     |                   |                   |
| Net profit/ (loss) before tax  | 2,134.59          | (4,213.57)        |
| Non-cash adjustment to reconcile profit before tax to net cash flows |                   |                   |
| Depreciation and amortisation expenses                               | 4,431.00          | 4,370.05          |
| Interest expenses  | 4,711.16          | 4,108.17          |
| Other borrowing cost   | 407.67            | 269.82            |
| (Profit)/ loss on sale of fixed assets (net)                         | (13.03)           | 133.40            |
| Irrecoverable debts & advances written off                           | 53.83             | 49.62             |
| Provision for doubtful debts & advances                              | 119.21            | 178.26            |
| Provision no longer required written back                            | (166.86)          | (239.82)          |
| Unrealised foreign exchange loss/(gain) (net)                        | 95.82             | 2.77              |
| Interest & dividend income   | (592.74)          | (620.54)          |
| <b>Operating profit before working capital changes :</b>             | <b>11,180.65</b>  | <b>4,038.16</b>   |
| (Decrease) in trade payables   | (2,882.15)        | (27.43)           |
| Increase/ (decrease) in long term provisions                         | (301.66)          | 93.58             |
| Increase/ (decrease) in short term provisions                        | 806.00            | (138.92)          |
| Increase in other current liabilities                                | 958.21            | 559.96            |
| Increase/ (decrease) in other long term liabilities                  | (5.17)            | 0.70              |
| (Increase)/ decrease in trade receivables                            | (1,775.47)        | 6,092.06          |
| (Increase)/ decrease in inventories                                  | 570.51            | (6,575.42)        |
| (Increase)/ decrease in long term loans & advances                   | 103.07            | (4.45)            |
| (Increase) in short term loans & advances                            | (721.79)          | (502.48)          |
| (Increase)/ decrease in other long term assets                       | 196.90            | (96.30)           |
| (Increase) in other current assets                                   | (29.01)           | (357.29)          |
| <b>Cash generated from operations:</b>                               | <b>8,100.09</b>   | <b>3,082.17</b>   |
| Direct taxes paid (net)  | (488.24)          | 555.81            |
| <b>Net cash from operating activities</b>                            | <b>7,611.85</b>   | <b>3,637.98</b>   |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>                     |                   |                   |
| Proceeds from sale of fixed assets                                   | 180.27            | 55.28             |
| Purchase of fixed assets   | (5,923.95)        | (3,666.19)        |
| Advance against sale of fixed assets                                 | 618.40            | -                 |
| Interest received  | 327.99            | 396.60            |
| Dividend received  | 248.10            | 223.87            |
| Fixed deposits made (net)  | 0.60              | (38.47)           |
| <b>Net cash (used in) investing activities</b>                       | <b>(4,548.59)</b> | <b>(3,028.91)</b> |



# Cash Flow Statement for the year ended 31 March 2016

₹ In lacs

|   | 31-Mar-16          | 31-Mar-15         |
|---|--------------------|-------------------|
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>          |                    |                   |
| Repayment of long term loans                              | (2,769.19)         | (1,000.00)        |
| Proceeds from long term loans                             | 9,000.00           | 7,500.00          |
| Repayment of short term borrowings (net)                  | (698.96)           | (2,201.83)        |
| Interest paid   | (4,673.10)         | (4,180.34)        |
| Other borrowing cost                                      | (526.61)           | (269.82)          |
| Dividend paid   | (213.05)           | (221.50)          |
| Dividend tax paid   | (40.96)            | (34.82)           |
| <b>Net cash from /(used in) financing activities</b>      | <b>78.13</b>       | <b>(408.31)</b>   |
| <b>Net changes in cash &amp; cash equivalents (A+B+C)</b> | <b>3,141.39</b>    | <b>200.76</b>     |
| <b>Cash &amp; cash equivalents - opening balance *</b>    | <b>2,688.55</b>    | <b>2,487.79</b>   |
| <b>Cash &amp; cash equivalents - closing balance *</b>    | <b>5,829.94 **</b> | <b>2,688.55**</b> |

\* Represents cash and bank balances as indicated in note 18 and excludes ₹84.68 lacs (₹85.28 lacs) being fixed deposits with maturity of more than three months.

\*\* Includes ₹79.56 lacs (₹87.74 lacs) lying in unpaid dividend account

## Note:

The above Cash Flow has been prepared under the indirect method set out in Accounting Standard - 3 on Cash Flow Statement notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

As per our report of even date

**For S.R.Batliboi & Co. LLP**

Firm registration number: 301003E / E300005

Chartered Accountants

per **Sanjay Kumar Agarwal**

Partner

Membership no.: 060352

Place: New Delhi

Date: 6th May, 2016

**For and on behalf of the board of directors**

**C. K. Birla**

Chairman

**P. K. Sonthalia**

President Finance & CFO

**M. L. Pachisia**

Managing Director

**R.P. Dutta**

Company Secretary

# Notes to financial statements as at and for the year ended 31 March 2016

## 1. Corporate information

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

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which revaluation is carried out.

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 ₹707.26 lacs (31 March 2015, ₹696.94 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 31 March 2016

| 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 effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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

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

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

### (e) Leases

#### 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 31 March 2016

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 31 March 2016

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 annual weighted average / transaction moving weighted average method.

Work-in-progress, finished goods and traded goods are valued at lower of cost and net realizable value. Cost includes 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 31 March 2016

### 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.



## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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 31 March 2016

### 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 31 March 2016

## 3. Share capital

|  | ₹ In lacs       |                 |
|--|-----------------|-----------------|
|  | 31-Mar-16       | 31-Mar-15       |
| <b>Authorised shares (No. in lacs)</b>                         |                 |                 |
| 7,500 (31 March 2015: 7,500) Equity Shares of ₹1/- each        | 7,500.00        | 7,500.00        |
| 25 (31 March 2015: 25) Preference Shares of ₹100/- each        | 2,500.00        | 2,500.00        |
| <b>Issued Shares (No. in lacs)</b>                             |                 |                 |
| 2,048.88 (31 March 2015 : 2,048.88) Equity Shares of ₹1/- each | 2,048.88        | 2,048.88        |
| <b>Total issued capital</b>                                    | <b>2,048.88</b> | <b>2,048.88</b> |
| <b>Subscribed and paid-up shares (No. in lacs)</b>             |                 |                 |
| 2,048.69 (31 March 2015: 2,048.69) Equity Shares of ₹1/- each  | 2,048.69        | 2,048.69        |
| Add: Forfeited shares (Amount Originally Paid-Up)              | 0.10            | 0.10            |
| <b>Total subscribed and paid-up share capital</b>              | <b>2,048.79</b> | <b>2,048.79</b> |

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

| Equity shares                             | 31-Mar-16       |                 | 31-Mar-15       |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 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                    | -               | -               | -               | -               |
| <b>Outstanding at the end of the year</b> | <b>2,048.69</b> | <b>2,048.69</b> | <b>2,048.69</b> | <b>2,048.69</b> |

### (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹0.25 per share (31 March 2015: ₹ 0.10 per share).

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

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

| Name of the shareholder                                   | 31-Mar-16   |                        | 31-Mar-15   |                        |
|---|-------------|------------------------|-------------|------------------------|
|   | No. in lacs | % holding in the class | No. in lacs | % holding in the class |
| Equity shares of ₹1 each fully paid                       |             |                        |             |                        |
| Central India Industries Limited                          | 506.44      | 24.72%                 | 506.44      | 24.72%                 |
| Reliance Capital Trustee Co. Ltd A/c Reliance Growth Fund | 136.23      | 6.65%                  | 136.23      | 6.65%                  |
| Shekhavati Investments & Traders Ltd.                     | 123.21      | 6.01%                  | 123.21      | 6.01%                  |

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

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

### 4. Reserves and surplus

|   | ₹ In lacs        |                  |
|---|------------------|------------------|
|   | 31-Mar-16        | 31-Mar-15        |
| <b>Investment Subsidy</b>   | 15.00            | 15.00            |
| <b>Revaluation reserve</b>  |                  |                  |
| Balance as per the last financial statements  | 599.95           | 599.95           |
| <b>General reserve</b>  |                  |                  |
| Balance as per the last financial statements  | 27,654.52        | 27,902.82        |
| Less: Adjustment on account of implementation of Schedule II of Companies Act, 2013 (net of deferred tax) | -                | 248.30           |
| <b>Closing Balance</b>  | <b>27,654.52</b> | <b>27,654.52</b> |
| <b>Surplus in the Statement of Profit and Loss</b>  |                  |                  |
| Balance as per last financial statements  | 9,617.14         | 12,727.99        |
| Profit / (Loss) for the year  | 2,102.08         | (2,865.02)       |
| <b>Less: Appropriations</b>   |                  |                  |
| Proposed equity dividend (amount per share ₹0.25 (31 March 2015: ₹0.10))                                  | 512.17           | 204.87           |
| Tax on proposed equity dividend   | 104.27           | 40.96            |
| Total appropriations  | 616.44           | 245.83           |
| <b>Net surplus in the statement of profit and loss</b>  | <b>11,102.78</b> | <b>9,617.14</b>  |
| <b>Total reserves and surplus</b>   | <b>39,372.25</b> | <b>37,886.61</b> |

### 5. Long-term borrowings

|  | ₹ In lacs           |                 |                    |                 |
|--|---------------------|-----------------|--------------------|-----------------|
|  | Non-current portion |                 | Current maturities |                 |
|  | 31-Mar-16           | 31-Mar-15       | 31-Mar-16          | 31-Mar-15       |
| <b>Term loans (Secured)</b>  |                     |                 |                    |                 |
| (a) From a Financial Institution   | 2,000.00            | 3,000.00        | 1,000.00           | 1,000.00        |
| (b) From Banks   | 8,970.59            | 5,735.29        | 1,764.71           | 1,764.71        |
| (c) From Others  | 3,750.00            | -               | 250.00             | -               |
| <b>Other loans (Secured)</b>   |                     |                 |                    |                 |
| Finance Lease Obligation   | 765.77              | -               | 29.74              | -               |
|  | <b>15,486.36</b>    | <b>8,735.29</b> | <b>3,044.45</b>    | <b>2,764.71</b> |
| Less amount disclosed under the head "other current liabilities"(note 9) | -                   | -               | (3,044.45)         | (2,764.71)      |
| <b>Net amount</b>  | <b>15,486.36</b>    | <b>8,735.29</b> | <b>-</b>           | <b>-</b>        |

#### 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 @ 12.05% p.a. (31 March 2015: 12.50 % 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 ₹5735.29 lacs carries interest @11.10 % p.a (31 March 2015: 11.50% p.a.) and ₹5000 lacs carries interest @ 10.55% p.a. (31 March 2015: Nil). 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)



## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

### 5. Long-term borrowings (contd.)

- (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 2015: Nil) and is repayable in 16 equal quarterly instalments starting from 21 March, 2017 (upto 21 December, 2020).
- (d) Finance lease obligation is secured against the plant & machinery 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.

### 6. Other long-term liabilities

|                        | 31-Mar-16       | 31-Mar-15       |
|------------------------|-----------------|-----------------|
| Trade & Other Deposits | 3,346.95        | 3,352.12        |
|                        | <b>3,346.95</b> | <b>3,352.12</b> |

### 7. Provisions

|   | Long-term       |                 | Short-term      |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 31-Mar-16       | 31-Mar-15       | 31-Mar-16       | 31-Mar-15       |
| <b>Provision for employee benefits</b>  |                 |                 |                 |                 |
| Provision for gratuity (note 28)  | 653.04          | 864.72          | 642.89          | 585.21          |
| Provision for leave benefits  | 726.08          | 670.68          | 196.85          | 170.58          |
|   | <b>1,379.12</b> | <b>1,535.40</b> | <b>839.74</b>   | <b>755.79</b>   |
| <b>Other provisions</b>   |                 |                 |                 |                 |
| Provision for warranties  | 297.22          | 442.60          | 1,481.35        | 759.30          |
| Provision for Taxation (Net of advance tax ₹258.62 lacs (31 March 2015: Nil)) | -               | -               | 290.04          | -               |
| Proposed equity dividend  | -               | -               | 512.17          | 204.87          |
| Provision for tax on proposed equity dividend                                 | -               | -               | 104.27          | 40.96           |
|   | <b>297.22</b>   | <b>442.60</b>   | <b>2,387.83</b> | <b>1,005.13</b> |
|   | <b>1,676.34</b> | <b>1,978.00</b> | <b>3,227.57</b> | <b>1,760.92</b> |

#### Provision for warranties

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

|                               | 31-Mar-16       | 31-Mar-15       |
|-------------------------------|-----------------|-----------------|
| At the beginning of the year  | 1,201.90        | 1,451.14        |
| Arising during the year       | 1,717.82        | 977.50          |
| Utilized during the year      | (1,141.15)      | (1,226.74)      |
| <b>At the end of the year</b> | <b>1,778.57</b> | <b>1,201.90</b> |
| Current portion               | 1,481.35        | 759.30          |
| Non-current portion           | 297.22          | 442.60          |

# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 8. Short-term borrowings

|   | ₹ In lacs        |                  |
|---|------------------|------------------|
|   | 31-Mar-16        | 31-Mar-15        |
| Cash credit (including Working Capital Demand Loans) from banks (secured) | 13,191.54        | 13,104.44        |
| Other Loans :-  |                  |                  |
| Secured :   |                  |                  |
| Term Loan from Others   | 3,000.00         | 3,793.75         |
| Unsecured :   |                  |                  |
| Term Loans  |                  |                  |
| From a Bank   | 4,000.00         | 4,000.00         |
| From Others   | 5,000.00         | 5,000.00         |
| Buyers Credit   | 626.72           | 619.03           |
|   | <b>25,818.26</b> | <b>26,517.22</b> |

### Notes:

- 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 @ 9.75% p.a. to 10.80% p.a. (31 March 2015 : 10.25 % p.a. to 11.35% p.a.)
- Loan from Others is secured against pledge of shares held as investments in Century Textiles & Industries Limited by the Company and carries interest @ 10.50% p.a. (31 March 2015: 11.25% ) and is repayable on 16 August, 2016.
- Unsecured Term Loans from a Bank / Others carry interest @ 9.80% to 10.90% p.a. (31 March 2015 : 10.25% to 11.00%) and are repayable in 90 days to 366 days .
- Buyers Credit carries interest @ 0.86 % to 1.18% (31 March 2015 0.86 % p.a. to 1.16 % ) p.a and is repayable in 90 days .

## 9. Other current liabilities

|  | ₹ In lacs        |                  |
|--|------------------|------------------|
|  | 31-Mar-16        | 31-Mar-15        |
| Trade payables (including acceptances of ₹7.85 lacs (31 March 2015: ₹71.09 lacs)) (refer note 38 for details of dues to micro and small enterprises) |                  |                  |
| - total outstanding dues of micro enterprises and small enterprises  | 1,250.25         | 1,126.05         |
| - total outstanding dues of creditors other than micro enterprises and small enterprises   | 26,019.48        | 29,096.87        |
|  | <b>27,269.73</b> | <b>30,222.92</b> |
| Other liabilities  |                  |                  |
| Payables against purchase of Fixed Assets  | 1,776.51         | 1,831.25         |
| Current maturities of long-term borrowings (note 5)  | 3,014.71         | 2,764.71         |
| Current portion of finance lease obligations (note 5)  | 29.74            | -                |
| Advance against Sale of goods/ fixed Assets  | 1,526.97         | 532.63           |
| Interest accrued but not due on borrowings   | 123.36           | 85.30            |
| Preference Share Redemption Amount   | 5.18             | 5.18             |
| Investor Education and Protection Fund will be credited by following amounts (as and when due)   |                  |                  |
| Unpaid dividend  | 79.56            | 87.74            |
| Others   |                  |                  |
| Trade & Other Deposits   | 390.92           | 333.44           |
| Current portion of Deferred Payment Liabilities (Voluntary Retirement Scheme)  | 0.24             | 2.79             |
| Statutory dues payable   | 4,680.55         | 4,164.54         |
| Other Miscellaneous  | 33.92            | 22.59            |
|  | <b>11,661.66</b> | <b>9,830.17</b>  |
|  | <b>38,931.39</b> | <b>40,053.09</b> |





## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

### 10. Tangible assets

₹ In lacs

|                           | Freehold Land | Leasehold Land | Factory Buildings | Non-Factory Buildings (b) | Railway Sidings | Plant and equipment (e) | Furniture and fixtures | Office equipment | Vehicles      | Total            |
|---------------------------|---------------|----------------|-------------------|---------------------------|-----------------|-------------------------|------------------------|------------------|---------------|------------------|
| Cost or valuation         |               |                |                   |                           |                 |                         |                        |                  |               |                  |
| <b>At 1 April 2014</b>    | 223.03        | 202.45         | 5,996.34          | 3,358.09                  | 96.89           | 77,836.71               | 1,289.75               | 663.80           | 469.05        | 90,136.11        |
| Additions                 | -             | -              | 91.85             | -                         | -               | 3,797.81                | 166.28                 | 178.56           | 72.73         | 4,307.23         |
| Disposals / Deductions    | -             | -              | 58.86             | 1.33                      | -               | 1,023.49                | 3.45                   | 1.09             | 58.00         | 1,146.22         |
| <b>At 31 March 2015</b>   | <b>223.03</b> | <b>202.45</b>  | <b>6,029.33</b>   | <b>3,356.76</b>           | <b>96.89</b>    | <b>80,611.03</b>        | <b>1,452.58</b>        | <b>841.27</b>    | <b>483.78</b> | <b>93,297.12</b> |
| 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           |
| <b>At 31 March 2016</b>   | <b>222.99</b> | <b>202.45</b>  | <b>6,314.95</b>   | <b>3,348.43</b>           | <b>96.89</b>    | <b>82,698.94</b>        | <b>1,551.60</b>        | <b>1,027.13</b>  | <b>407.03</b> | <b>95,870.41</b> |
| <b>Depreciation</b>       |               |                |                   |                           |                 |                         |                        |                  |               |                  |
| <b>At 1 April 2014</b>    | -             | 110.16         | 1,880.68          | 998.66                    | 65.11           | 34,076.00               | 612.43                 | 368.66           | 253.67        | 38,365.37        |
| Charge for the year       | -             | 4.03           | 198.35            | 77.98                     | 3.40            | 3,711.46                | 115.81                 | 113.68           | 44.36         | 4,269.07         |
| Charge to general reserve | -             | -              | 24.12             | 10.13                     | 0.01            | 258.43                  | 17.52                  | 60.27            | 0.48          | 370.96           |
| Disposals / Deductions    | -             | -              | 13.45             | -                         | -               | 278.04                  | 0.67                   | 0.55             | 16.33         | 309.04           |
| <b>At 31 March 2015</b>   | <b>-</b>      | <b>114.19</b>  | <b>2,089.70</b>   | <b>1,086.77</b>           | <b>68.52</b>    | <b>37,767.85</b>        | <b>745.09</b>          | <b>542.06</b>    | <b>282.18</b> | <b>42,696.36</b> |
| Charge for the year       | -             | 4.41           | 232.17            | 82.02                     | 1.94            | 3,628.27                | 164.11                 | 114.21           | 34.66         | 4,261.79         |
| Disposals / Deductions    | -             | -              | -                 | 6.29                      | -               | 432.06                  | 1.17                   | 4.74             | 46.97         | 491.23           |
| <b>At 31 March 2016</b>   | <b>-</b>      | <b>118.60</b>  | <b>2,321.87</b>   | <b>1,162.50</b>           | <b>70.46</b>    | <b>40,964.06</b>        | <b>908.03</b>          | <b>651.53</b>    | <b>269.87</b> | <b>46,466.92</b> |
| <b>Net Block</b>          |               |                |                   |                           |                 |                         |                        |                  |               |                  |
| <b>At 31 March 2015</b>   | <b>223.03</b> | <b>88.26</b>   | <b>3,939.63</b>   | <b>2,269.99</b>           | <b>28.37</b>    | <b>42,843.18</b>        | <b>707.49</b>          | <b>299.21</b>    | <b>201.60</b> | <b>50,600.76</b> |
| <b>At 31 March 2016</b>   | <b>222.99</b> | <b>83.85</b>   | <b>3,993.08</b>   | <b>2,185.93</b>           | <b>26.43</b>    | <b>41,734.88</b>        | <b>643.57</b>          | <b>375.60</b>    | <b>137.16</b> | <b>49,403.49</b> |

- Includes assets held in Joint Ownership ₹1,344.72 lacs (31 March 2015, ₹1,344.72 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.
- Includes ₹79.87 lacs (31 March 2015, ₹79.87 lacs) in respect of flats whose registration in the Company's name is pending.
- Includes depreciation ₹188.64 lacs (31 March 2015: ₹197.06 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.
- Land, Buildings and Plant & Equipments of the Paper units at Amlai & Brajrajnagar, Air Conditioning unit at Kolkata and land at Faridabad unit of the Company were revalued in earlier years and the resultant surplus thereon was transferred to Revaluation Reserve.
- Includes plant and equipment taken on finance lease :- gross block of ₹800 lacs (31 March 2015: ₹ Nil) and Net block ₹787.33 lacs (31 March 2015: ₹ Nil)

# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 11. Intangible assets

₹ In lacs

|                     | Computer Software | Technical Know How | Total    |
|---------------------|-------------------|--------------------|----------|
| Gross block         |                   |                    |          |
| At 1 April 2014     | 564.94            | -                  | 564.94   |
| Additions           | 121.09            | 750.97             | 872.06   |
| At 31 March 2015    | 686.03            | 750.97             | 1,437.00 |
| Additions           | 240.82            | -                  | 240.82   |
| At 31 March 2016    | 926.85            | 750.97             | 1,677.82 |
| Amortization        |                   |                    |          |
| At 1 April 2014     | 488.64            | -                  | 488.64   |
| Charge for the year | 71.08             | 14.20              | 85.28    |
| At 31 March 2015    | 559.72            | 14.20              | 573.92   |
| Charge for the year | 78.41             | 75.10              | 153.51   |
| At 31 March 2016    | 638.13            | 89.30              | 727.43   |
| Net block           |                   |                    |          |
| At 31 March 2015    | 126.31            | 736.77             | 863.08   |
| At 31 March 2016    | 288.72            | 661.67             | 950.39   |

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

₹ In lacs

|  | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| a) Pre-Operative & Trial Run Expenses:             |           |           |
| Salary & Wages                                     | 87.32     | 151.82    |
| Interest   | 51.89     | -         |
| Rent   | -         | 150.00    |
| Miscellaneous Expenses                             | 71.56     | 46.50     |
|  | 210.77    | 348.32    |
| b) Add: Balance brought forward from previous year | -         | 71.29     |
| c) Less: Allocated to Fixed Assets during the year | -         | (419.61)  |
| d) Balance carried to Balance Sheet                | 210.77    | -         |



# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 13. Non-current investments

|  | ₹ In lacs     |               |
|--|---------------|---------------|
|  | 31-Mar-16     | 31-Mar-15     |
| <b>Investment property (at cost less accumulated depreciation)</b>   |               |               |
| Cost of land and building given on operating lease (a)   | 809.61        | 809.61        |
| Less: Accumulated depreciation   | 147.36        | 131.66        |
| <b>Net block</b>   | <b>662.25</b> | <b>677.95</b> |
| <b>Trade investments (valued at cost unless stated otherwise)</b>  |               |               |
| Unquoted equity instruments  |               |               |
| <b>Investment in joint venture</b>   |               |               |
| 173.99 lacs (31 March 2015: 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 2015 ₹413.92 lacs)   |               |               |
| <b>Government securities (unquoted)</b>  |               |               |
| 6 Years National Savings Certificates (b)  | 0.90          | 0.90          |
| <b>Non-trade investments (valued at cost unless stated otherwise)</b>  |               |               |
| <b>Investment in equity instruments (quoted)</b>   |               |               |
| 0.25 lac (31 March 2015: 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 2015: ₹0.77 lac)  |               |               |
| 200 (31 March 2015: 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 2015: ₹0.02 lac)   |               |               |
| 9.06 lacs (31 March 2015: 9.06 lacs) equity shares of ₹10 each fully paid-up in Hyderabad Industries Ltd.  | 127.12        | 127.12        |
| 15.45 lacs (31 March 2015: 15.45 lacs) equity shares of ₹10 each fully paid-up in Century Textiles & Industries Ltd. (c)   | 6.73          | 6.73          |
| <b>Investment in equity instruments (unquoted)</b>   |               |               |
| 0.30 lac (31 March 2015: 0.30 lac) equity shares of ₹10 each fully paid-up in Birla Buildings Ltd.   | 3.01          | 3.01          |
| 0.06 lac (31 March 2015: 0.06 lac) equity shares of ₹10 each fully paid-up in GMMCO Ltd.   | 53.64         | 53.64         |
|  | <b>191.40</b> | <b>191.40</b> |
| <b>Total</b>   | <b>853.65</b> | <b>869.35</b> |
| Aggregate amount of quoted investments (Market value: ₹12,855.99 lacs (31 March 2015: ₹15,381.36 lacs))  | 133.85        | 133.85        |
| Aggregate amount of unquoted investments   | 57.55         | 57.55         |
| Carrying value of investment property  | 662.25        | 677.95        |
| 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 2015: ₹432.94 lacs) in the name of the Company is still pending.
- b) Government Securities of Face Value ₹0.90 lac (31 March 2015: ₹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 31 March 2016

## 14. Deferred tax liability (net)

₹ In lacs

|   | 31-Mar-16       | 31-Mar-15       |
|---|-----------------|-----------------|
| <b>Deferred tax liability</b>   |                 |                 |
| Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting     | 7,869.23        | 7,673.82        |
| <b>Gross deferred tax liability</b>   | <b>7,869.23</b> | <b>7,673.82</b> |
| <b>Deferred tax asset</b>   |                 |                 |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis | 1,352.14        | 1,269.86        |
| Provision for doubtful debts and advances   | 240.31          | 199.87          |
| Provision for warranties  | 615.53          | 408.52          |
| Unabsorbed depreciation and carried forward business loss   | 5,628.74        | 5,795.57        |
| <b>Gross deferred tax asset</b>   | <b>7,836.72</b> | <b>7,673.82</b> |
| <b>Net deferred tax Liability</b>   | <b>32.51</b>    | <b>-</b>        |

## 15. Loans and advances

₹ In lacs

|   | Non-current     |               | Current         |                 |
|---|-----------------|---------------|-----------------|-----------------|
|   | 31-Mar-16       | 31-Mar-15     | 31-Mar-16       | 31-Mar-15       |
| <b>(Unsecured)</b>  |                 |               |                 |                 |
| <b>Capital advances</b>   |                 |               |                 |                 |
| Considered good   | 1,808.46        | 206.77        | -               | -               |
| Considered doubtful   | -               | 1.80          | -               | -               |
|   | <b>1,808.46</b> | <b>208.57</b> | <b>-</b>        | <b>-</b>        |
| Less: Provision for doubtful Capital Advances   | -               | 1.80          | -               | -               |
| <b>(A)</b>  | <b>1,808.46</b> | <b>206.77</b> | <b>-</b>        | <b>-</b>        |
| <b>Trade &amp; Other Deposits</b>   |                 |               |                 |                 |
| Considered good   | 819.21          | 960.87        | 24.13           | 36.69           |
| Considered doubtful   | -               | -             | 10.00           | 10.00           |
|   | <b>819.21</b>   | <b>960.87</b> | <b>34.13</b>    | <b>46.69</b>    |
| Less: Provision for doubtful Trade & Other Deposits   | -               | -             | 10.00           | 10.00           |
| <b>(B)</b>  | <b>819.21</b>   | <b>960.87</b> | <b>24.13</b>    | <b>36.69</b>    |
| <b>Advances recoverable in cash or in kind or for value to be received or pending adjustments</b> |                 |               |                 |                 |
| Considered good   | 111.47          | 106.78        | 2,490.47        | 2,191.05        |
| Considered doubtful   | -               | -             | 12.86           | -               |
|   | <b>111.47</b>   | <b>106.78</b> | <b>2,503.33</b> | <b>2,191.05</b> |
| Less: Provision for doubtful advances   | -               | -             | 12.86           | -               |
| <b>(C)</b>  | <b>111.47</b>   | <b>106.78</b> | <b>2,490.47</b> | <b>2,191.05</b> |



# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 15. Loans and advances (contd.)

₹ In lacs

|   | Non-current     |                 | Current         |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 31-Mar-16       | 31-Mar-15       | 31-Mar-16       | 31-Mar-15       |
| <b>Other loans and advances ( Considered Good)</b>  |                 |                 |                 |                 |
| Loan to employees   | -               | -               | 2.83            | -               |
| Deposits against demand under dispute   | 512.11          | 481.99          | 97.56           | 157.25          |
| Prepaid Expenses  | 11.42           | 5.84            | 290.70          | 227.77          |
| Advance payment of Income tax, tax deducted at source & refunds receivable etc. (Net of provision for tax ₹26.50 lacs (31 March 2015: ₹26.50 lacs)) | -               | -               | 737.48          | 507.86          |
| MAT Credit Entitlement  | -               | -               | 548.66          | -               |
| Balances with Excise, Customs, Port Trusts and Other Government Authorities   | -               | -               | 1,328.77        | 966.60          |
| (D)   | 523.53          | 487.83          | 3,006.00        | 1,859.48        |
| <b>Total (A+B+C+D)</b>  | <b>3,262.67</b> | <b>1,762.25</b> | <b>5,520.60</b> | <b>4,087.22</b> |
| <b>Advances due by director/ officer of the Company.</b>  |                 |                 |                 |                 |
| 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-16   | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |             |           |           |           |
| Secured, considered good  | -           | -         | 25.79     | 25.50     |
| Unsecured, considered good  | -           | -         | 409.97    | 500.41    |
| Considered doubtful   | -           | -         | 584.74    | 469.49    |
|   | -           | -         | 1,020.50  | 995.40    |
| Less: Provision for doubtful trade receivables  | -           | -         | 584.74    | 469.49    |
| (A)   | -           | -         | 435.76    | 525.91    |
| <b>Other receivables</b>  |             |           |           |           |
| Secured, considered good  | -           | -         | 2,649.33  | 2,437.64  |
| Unsecured, considered good  | -           | 389.35    | 35,261.48 | 33,326.35 |
| Considered doubtful   | -           | -         | 99.64     | 106.74    |
|   | -           | 389.35    | 38,010.45 | 35,870.73 |
| Less: Provision for doubtful trade receivables  | -           | -         | 99.64     | 106.74    |
| (B)   | -           | 389.35    | 37,910.81 | 35,763.99 |
| (A)+(B)   | -           | 389.35    | 38,346.57 | 36,289.90 |

# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

### 16.2. Other Assets

|   | Non-current   |               | Current         |                 |
|---|---------------|---------------|-----------------|-----------------|
|   | 31-Mar-16     | 31-Mar-15     | 31-Mar-16       | 31-Mar-15       |
| <b>Unsecured, considered good</b>               |               |               |                 |                 |
| Interest accrued on Loans, Debts, Deposits etc. | -             | -             | 20.16           | 3.51            |
| Export Benefit Receivable                       | -             | -             | 680.12          | 684.66          |
| Claims & Refunds Receivable                     | 149.48        | 346.38        | 409.71          | 376.16          |
| Unamortised ancillary cost of borrowings        | 174.57        | 107.35        | 86.72           | 35.00           |
|   | <b>324.05</b> | <b>453.73</b> | <b>1,196.71</b> | <b>1,099.33</b> |

## 17. Inventories

|   | Note | 31-Mar-16        | 31-Mar-15        |
|---|------|------------------|------------------|
| <b>Valued at Lower of Cost and Net Realisable Value</b> |      |                  |                  |
| Raw materials & components                              | 21   | 7,054.87         | 7,054.42         |
| Work-in-progress  | 22   | 1,007.12         | 924.46           |
| Finished goods  | 22   | 8,093.89         | 8,772.78         |
| Traded goods  | 22   | 3,452.15         | 3,361.60         |
| Stores, Chemicals and spare parts etc.                  |      | 2,597.82         | 2,577.29         |
| <b>At Estimated Realisable Value</b>                    |      |                  |                  |
| By-Products   |      | 1.95             | 4.03             |
| Scrap   |      | 87.78            | 171.51           |
|   |      | <b>22,295.58</b> | <b>22,866.09</b> |
| The above includes stock in transit:                    |      |                  |                  |
| Finished Goods  |      | 234.58           | 109.40           |
| Traded goods  |      | 34.47            | -                |
| Stores, Chemicals and spare Parts etc.                  |      | 20.72            | 20.69            |
|   |      | <b>289.77</b>    | <b>130.09</b>    |





# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 18. Cash and bank balances

|  | ₹ In lacs       |                 |
|--|-----------------|-----------------|
|  | 31-Mar-16       | 31-Mar-15       |
| <b>Cash and cash equivalents</b>   |                 |                 |
| Balances with banks:   |                 |                 |
| – On current accounts (including ₹5.18 lacs (31 March 2015, ₹5.18 lacs) in earmarked accounts) | 5,728.39        | 2,569.91        |
| – Deposits with original maturity of less than three months                                    | 0.09            | 0.09            |
| – On unpaid dividend account   | 79.56           | 87.74           |
| In Post office savings bank account  | -               | 0.68            |
| Cheques on hand  | 0.93            | 1.60            |
| Unpaid matured deposits  | 3.60            | 3.60            |
| Cash on hand   | 17.37           | 24.93           |
|  | <b>5,829.94</b> | <b>2,688.55</b> |
| Other bank balances *  |                 |                 |
| Deposits with original maturity for more than 12 months  | 0.86            | 8.65            |
| Deposits with original maturity for more than 3 months but less than 12 months                 | 83.82           | 76.63           |
|  | <b>84.68</b>    | <b>85.28</b>    |
|  | <b>5,914.62</b> | <b>2,773.83</b> |

\* Receipts/Pass Books for ₹77.26 lacs (31 March 2015: ₹77.28 lacs) are lodged with Government Departments/Banks as security.

## 19. Revenue from operations

|  | ₹ In lacs          |                    |
|--|--------------------|--------------------|
|  | 31-Mar-16          | 31-Mar-15          |
| <b>Revenue from operations</b>         |                    |                    |
| Sale of products                       |                    |                    |
| Finished goods                         | 1,60,018.97        | 1,47,262.91        |
| Traded goods                           | 37,762.41          | 32,945.44          |
|  | <b>1,97,781.38</b> | <b>1,80,208.35</b> |
| Less: Cash Discount, Rebates etc.      | 4,864.04           | 5,090.19           |
|  | <b>1,92,917.34</b> | <b>1,75,118.16</b> |
| Other operating revenue                |                    |                    |
| Scrap sales                            | 2,369.41           | 3,321.34           |
| Export Incentives                      | 1,178.36           | 1,029.42           |
| Other Receipts                         | 251.84             | 202.80             |
| <b>Revenue from operations (gross)</b> | <b>1,96,716.95</b> | <b>1,79,671.72</b> |
| Less: Excise duty                      | 14,681.41          | 12,786.32          |
| <b>Revenue from operations (net)</b>   | <b>1,82,035.54</b> | <b>1,66,885.40</b> |

# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 19. Revenue from operations (contd.)

### Detail of products sold

|                                  | ₹ In lacs          |                    |
|----------------------------------|--------------------|--------------------|
|                                  | 31-Mar-16          | 31-Mar-15          |
| <b>Finished goods sold</b>       |                    |                    |
| Paper & Board                    | 44,867.32          | 42,029.28          |
| C.S.Lye                          | 4,945.12           | 4,253.58           |
| C.S.Flakes                       | 4,040.58           | 2,970.61           |
| Liquid Chlorine                  | 187.05             | 195.59             |
| Hydrochloric Acid                | 53.84              | 96.50              |
| Electrical Fans                  | 79,693.88          | 79,119.36          |
| Lights & Luminaries              | 21,277.40          | 14,277.22          |
| Switchgears                      | 804.65             | 3.26               |
| Air Pollution Control Equipments | 196.48             | 171.79             |
| Industrial Blowers               | 429.69             | 449.84             |
| Other Miscellaneous Items        | 120.67             | 193.57             |
|                                  | <b>1,56,616.68</b> | <b>1,43,760.60</b> |
| <b>Traded goods sold</b>         |                    |                    |
| Electrical Fans                  | 18,046.58          | 16,423.23          |
| Lights & Luminaries              | 10,077.66          | 7,796.78           |
| Appliances                       | 8,128.46           | 7,137.55           |
| Switch Gear                      | 47.96              | -                  |
|                                  | <b>36,300.66</b>   | <b>31,357.56</b>   |
|                                  | <b>1,92,917.34</b> | <b>1,75,118.16</b> |

## 20. Other income

|  | ₹ In lacs       |                 |
|--|-----------------|-----------------|
|  | 31-Mar-16       | 31-Mar-15       |
| <b>Interest income on</b>  |                 |                 |
| Debts, deposits, advances etc.   | 344.64          | 396.67          |
| <b>Dividend income on</b>  |                 |                 |
| Long-term investments  | 248.10          | 223.87          |
| Rental income on investment property   | 299.38          | 214.38          |
| Insurance & Other Claims   | 145.35          | 340.77          |
| Rent & Hire Charges  | 261.01          | 254.09          |
| Unspent Liabilities, Provisions no longer required and Unclaimed Balances written back | 166.86          | 239.82          |
| Gain on Exchange Rate Fluctuations (net)   | -               | 131.98          |
| Profit on sale of fixed assets (net)   | 13.03           | -               |
| Miscellaneous Income   | 260.27          | 213.41          |
|  | <b>1,738.64</b> | <b>2,014.99</b> |



## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

|   | 31-Mar-16        | 31-Mar-15        |
|---|------------------|------------------|
| Inventory at the beginning of the year              | 7,054.42         | 5,057.43         |
| Add: Purchases & procurement expenses / job charges | 76,820.65        | 78,667.94        |
|   | <b>83,875.07</b> | <b>83,725.37</b> |
| Less: Sales   | 400.19           | 134.60           |
| Less: inventory at the end of the year              | 7,054.87         | 7,054.42         |
| Cost of raw materials & components consumed         | <b>76,420.01</b> | <b>76,536.35</b> |

### Details of raw materials & components consumed

|                               | 31-Mar-16        | 31-Mar-15        |
|-------------------------------|------------------|------------------|
| Bamboo                        | 5,379.42         | 8,180.42         |
| Wood                          | 10,368.34        | 7,972.92         |
| Salt                          | 1,560.69         | 1,513.24         |
| Copper Wire Rod & Strips      | 6,583.81         | 8,162.18         |
| CRCA, Silicon Sheets & Plates | 6,650.24         | 9,052.27         |
| Blades for Ceiling Fans       | 7,763.88         | 8,569.04         |
| Miscellaneous Items #         | 38,113.63        | 33,086.28        |
|                               | <b>76,420.01</b> | <b>76,536.35</b> |

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

### Details of inventory

|                               | 31-Mar-16       | 31-Mar-15       |
|-------------------------------|-----------------|-----------------|
| Raw materials & components    |                 |                 |
| Bamboo                        | 1,233.00        | 1,307.30        |
| Wood                          | 901.62          | 842.34          |
| Salt                          | 236.28          | 180.76          |
| Copper Wire Rod & Strips      | 163.36          | 193.40          |
| CRCA, Silicon Sheets & Plates | 75.61           | 117.92          |
| Blades for Ceiling Fans       | 214.63          | 237.90          |
| Miscellaneous Items           | 4,230.37        | 4,174.80        |
|                               | <b>7,054.87</b> | <b>7,054.42</b> |

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

|   | ₹ In lacs        |                   |
|---|------------------|-------------------|
|   | 31-Mar-16        | 31-Mar-15         |
| Inventories at the end 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            |
|   | <b>12,642.89</b> | <b>13,234.38</b>  |
| Inventories at the beginning of the year        |                  |                   |
| Traded goods                                    | 3,361.60         | 2,690.06          |
| Work-in-progress                                | 924.46           | 900.09            |
| Finished goods                                  | 8,772.78         | 4,926.41          |
| By Products                                     | 4.03             | 3.40              |
| Scrap   | 171.51           | 98.23             |
|   | <b>13,234.38</b> | <b>8,618.19</b>   |
|   | <b>591.49</b>    | <b>(4,616.19)</b> |
| (Increase)/decrease of excise duty on inventory | (23.84)          | 571.45            |
|   | <b>567.65</b>    | <b>(4,044.74)</b> |

### Details of purchase of traded goods

|                     | ₹ In lacs        |                  |
|---------------------|------------------|------------------|
|                     | 31-Mar-16        | 31-Mar-15        |
| Electrical Fans     | 14,604.44        | 14,049.92        |
| Lights & Luminaries | 8,419.56         | 6,520.71         |
| Appliances          | 6,118.31         | 5,794.19         |
| Switchgears         | 41.50            | 14.01            |
|                     | <b>29,183.81</b> | <b>26,378.83</b> |

### Details of inventory

|                                  | ₹ In lacs       |                 |
|----------------------------------|-----------------|-----------------|
|                                  | 31-Mar-16       | 31-Mar-15       |
| <b>Traded goods</b>              |                 |                 |
| Electrical Fans                  | 690.68          | 559.32          |
| Lights & Luminaries              | 1,210.08        | 944.43          |
| Appliances                       | 1,532.04        | 1,843.84        |
| Switchgears                      | 19.35           | 14.01           |
|                                  | <b>3,452.15</b> | <b>3,361.60</b> |
| <b>Work-in-progress</b>          |                 |                 |
| Paper                            | 355.03          | 351.53          |
| Salt                             | 16.43           | 16.63           |
| CS Lye                           | 289.87          | 286.59          |
| Fans & Components                | 302.65          | 216.61          |
| Lights & Luminaries              | 40.23           | 50.75           |
| Air Pollution Control Equipments | 0.49            | 0.24            |
| Industrial Blowers               | 2.42            | 2.11            |
|                                  | <b>1,007.12</b> | <b>924.46</b>   |



# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

| Details of inventory             | 31-Mar-16       | 31-Mar-15       |
|----------------------------------|-----------------|-----------------|
|                                  | ₹ In lacs       |                 |
| <b>Finished goods</b>            |                 |                 |
| Pulp, Paper & Board              | 1,306.27        | 1,793.58        |
| C.S.Lye                          | 76.92           | 291.12          |
| C.S.Flakes                       | 34.75           | 11.90           |
| Electrical Fans                  | 5,758.92        | 6,161.98        |
| Lights & Luminaries              | 687.88          | 451.18          |
| Switchgears                      | 221.04          | 49.54           |
| Air Pollution Control Equipments | 2.96            | 9.43            |
| Industrial Blowers               | 5.15            | 4.05            |
|                                  | <b>8,093.89</b> | <b>8,772.78</b> |
| <b>By-products</b>               |                 |                 |
| Liquid Chlorine                  | 1.68            | 3.42            |
| Hydrochloric Acid                | 0.27            | 0.61            |
|                                  | <b>1.95</b>     | <b>4.03</b>     |

## 23. Employee benefits expense

|   |                  |                  |
|---|------------------|------------------|
|   | 31-Mar-16        | 31-Mar-15        |
|   | ₹ In lacs        |                  |
| Salaries, wages and bonus                 | 15,786.19        | 13,974.37        |
| Contribution to provident and other funds | 951.51           | 890.65           |
| Gratuity expense (note 28)                | 326.20           | 543.81           |
| Staff welfare expenses                    | 1,222.83         | 1,109.42         |
|   | <b>18,286.73</b> | <b>16,518.25</b> |

## 24. Other expenses

|  |           |           |
|--|-----------|-----------|
|  | 31-Mar-16 | 31-Mar-15 |
|  | ₹ In lacs |           |
| Consumption of stores (after adjusting Sales & Claims ₹0.83 lacs (31 March 2015, ₹3.20 lacs) | 7,128.57  | 7,498.64  |
| Handling & Other charges to contractors  | 1,513.74  | 1,463.39  |
| Power and fuel   | 10,898.19 | 11,998.79 |
| Packing, Freight and forwarding charges  | 9,819.09  | 9,643.22  |
| Rent & Hire Charges  | 1,544.57  | 1,226.21  |
| Rates and taxes  | 323.13    | 335.67    |
| Insurance  | 262.34    | 216.22    |
| Repairs and maintenance  |           |           |
| Plant and machinery  | 2,199.98  | 2,081.43  |
| Buildings  | 407.42    | 433.79    |
| CSR Expenditure  | 74.71     | 83.38     |
| Advertising and sales promotion  | 4,647.93  | 6,847.97  |
| Directors' Sitting Fees  | 22.00     | 29.80     |

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

### 24. Other expenses (contd.)

|   | ₹ In lacs        |                  |
|---|------------------|------------------|
|   | 31-Mar-16        | 31-Mar-15        |
| Commission on sales                                 | 712.45           | 635.56           |
| 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             | 7.50             |
| For certificates & other services                   | 13.03            | 3.56             |
| Reimbursement of expenses                           | 1.67             | 4.37             |
| Payment to cost auditor                             | 1.07             | 0.53             |
| Warranty Claims                                     | 3,005.47         | 2,204.97         |
| Less: Utilisation against provision                 | (1,141.15)       | (1,226.74)       |
|   | 1,864.32         | 978.23           |
| Exchange Rate Fluctuations (net)                    | 98.64            | -                |
| Professional & Consultancy Charges                  | 1,460.21         | 1,015.85         |
| Bad debts / advances written off (net of reversals) | 53.83            | 49.62            |
| Sales Tax, Surcharge & Turnover Tax etc.            | 183.97           | 198.48           |
| Provision for doubtful debts and advances           | 119.21           | 178.26           |
| Loss on sale of fixed assets (net)                  | -                | 133.40           |
| Miscellaneous expenses                              | 4,221.49         | 3,861.36         |
|   | <b>47,631.56</b> | <b>48,977.23</b> |

### 25. Depreciation and amortization expense

|                                     | ₹ In lacs       |                 |
|-------------------------------------|-----------------|-----------------|
|                                     | 31-Mar-16       | 31-Mar-15       |
| Depreciation of tangible assets     | 4,261.79        | 4,269.07        |
| Amortization of intangible assets   | 153.51          | 85.28           |
| Depreciation of investment property | 15.70           | 15.70           |
|                                     | <b>4,431.00</b> | <b>4,370.05</b> |

### 26. Finance costs

|                      | ₹ In lacs       |                 |
|----------------------|-----------------|-----------------|
|                      | 31-Mar-16       | 31-Mar-15       |
| Interest on loans    | 4,711.16        | 4,108.17        |
| Other Borrowing Cost | 407.67          | 269.82          |
|                      | <b>5,118.83</b> | <b>4,377.99</b> |





# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 27. Earnings per share (EPS)

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

|   | ₹ In lacs   |             |
|---|-------------|-------------|
|   | 31-Mar-16   | 31-Mar-15   |
| Profit / (Loss) after Tax   | 2,102.08    | (2,865.02)  |
| Net profit for calculation of basic and diluted EPS                         | 2,102.08    | (2,865.02)  |
|   | No. in Lacs | No. in Lacs |
| Weighted average number of equity shares in calculating basic & diluted EPS | 2,048.69    | 2,048.69    |
| Basic & Diluted Earnings per equity share                                   | 1.03        | (1.40)      |
| [nominal value of share ₹1 (31 March 2015: ₹1) (₹)]                         |             |             |

## 28. Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms not less 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-16     | 31-Mar-15     |
| Current service cost                               | 268.89        | 224.14        |
| Interest cost on benefit obligation                | 337.32        | 320.46        |
| Expected return on plan assets                     | (273.61)      | (250.94)      |
| Past Service Cost                                  | -             | -             |
| Net actuarial( gain) / loss recognized in the year | 60.70         | 340.70        |
| <b>Net benefit expense *</b>                       | <b>393.30</b> | <b>634.36</b> |
| Actual return on plan assets                       | 249.71        | 219.74        |

\* includes ₹67.10 lacs ( 31 March,2015 ₹90.55 lacs) debited under other head of expenses.

### Balance sheet

Benefit asset/ liability

|   | ₹ In lacs  |            |
|---|------------|------------|
|   | Gratuity   |            |
|   | 31-Mar-16  | 31-Mar-15  |
| Present value of defined benefit obligation | (4,675.50) | (4,400.37) |
| Fair value of plan assets                   | 3,379.57   | 2,950.44   |
| Plan asset / (liability)                    | (1,295.93) | (1,449.93) |

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

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

|  | ₹ In lacs |           |
|--|-----------|-----------|
|  | Gratuity  |           |
|  | 31-Mar-16 | 31-Mar-15 |
| Opening defined benefit obligation       | 4,400.37  | 3,993.85  |
| Current service cost                     | 268.89    | 224.14    |
| Interest cost                            | 337.32    | 320.46    |
| Benefits paid                            | (367.88)  | (447.59)  |
| Actuarial (gains) / losses on obligation | 36.80     | 309.51    |
| Past Service Cost                        | -         | -         |
| Closing defined benefit obligation       | 4,675.50  | 4,400.37  |

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

|                                   | ₹ In lacs |           |
|-----------------------------------|-----------|-----------|
|                                   | Gratuity  |           |
|                                   | 31-Mar-16 | 31-Mar-15 |
| Opening fair value of plan assets | 2,950.44  | 2,608.42  |
| Expected return                   | 273.61    | 250.94    |
| Contributions by employer         | 531.11    | 505.79    |
| Benefits paid                     | (351.69)  | (383.52)  |
| Actuarial gains / (losses)        | (23.90)   | (31.19)   |
| Closing fair value of plan assets | 3,379.57  | 2,950.44  |

The Company expects to contribute ₹550 lacs to gratuity fund in the next year (31 March 2015: ₹525 lacs).

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

|                          | Gratuity  |           |
|--------------------------|-----------|-----------|
|                          | 31-Mar-16 | 31-Mar-15 |
| Investments with insurer | 100%      | 100%      |

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

|                                | Gratuity   |  |
|--------------------------------|--|--|
|                                | 31-Mar-16  | 31-Mar-15  |
| Discount rate                  | 8.00%  | 8.00%  |
| Expected return on plan assets | 9.00%  | 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 31 March 2016

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

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

|  | 31-Mar-16  | 31-Mar-15  | 31-Mar-14  | 31-Mar-13  | 31-Mar-12  |
|--|------------|------------|------------|------------|------------|
| Gratuity                                   |            |            |            |            |            |
| Defined benefit obligation                 | 4,675.50   | 4,400.37   | 3,993.85   | 3,716.19   | 4,625.71   |
| Plan assets                                | 3,379.57   | 2,950.44   | 2,608.42   | 2,277.08   | 2,641.20   |
| Surplus / (deficit)                        | (1,295.93) | (1,449.93) | (1,385.43) | (1,439.11) | (1,984.51) |
| Experience adjustments on plan liabilities | (36.80)    | (36.89)    | 21.32      | (330.80)   | (228.95)   |
| Experience adjustments on plan assets      | (23.90)    | (31.19)    | (17.87)    | (13.99)    | (23.59)    |

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

## Defined Contribution Plan

|   | 31-Mar-16 | 31-Mar-15 |
|---|-----------|-----------|
| Contribution to Provident / Pension Funds | 761.12    | 721.00    |
| Contribution to Superannuation Fund       | 175.80    | 153.61    |

## 29. 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:

|   | 31-Mar-16        |                      | 31-Mar-15        |                      |
|---|------------------|----------------------|------------------|----------------------|
|   | Minimum Payments | Present Value of MLP | Minimum Payments | Present Value of MLP |
| Within 1 year                               | 162.00           | 29.74                | -                | -                    |
| After one year but not more than five years | 810.00           | 253.14               | -                | -                    |
| More than five years                        | 725.50           | 512.63               | -                | -                    |
| Total minimum lease payments                | 1697.50          | 795.51               | -                | -                    |
| Less: amounts representing finance charges  | 901.99           | -                    | -                | -                    |
| Present value of minimum lease payments     | 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.

|  | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
| Lease payments made for the year                             | 1,544.57  | 1,226.21  |
| Contingent rent recognized in the Statement of Profit & Loss | -         | -         |
|  | 1,544.57  | 1,226.21  |

### 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 31 March 2016

### 30. Interest in a joint venture

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

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

### 31. Segment information

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

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

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

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

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

#### Business segments

As at and for the year ended 31 March 2016

| Particulars  | Paper            | Electrical<br>Consumer<br>Durables | Others        | ₹ In lacs<br>Total |
|--|------------------|------------------------------------|---------------|--------------------|
| <b>Revenue *</b>   |                  |                                    |               |                    |
| External   | 51,852.15        | 1,29,611.84                        | 571.55        | 1,82,035.54        |
| Inter segment  | -                | -                                  | -             | -                  |
| <b>Total</b>   | <b>51,852.15</b> | <b>1,29,611.84</b>                 | <b>571.55</b> | <b>1,82,035.54</b> |
| <b>Results</b>   |                  |                                    |               |                    |
| Segment results  | 895.97           | 6,762.43                           | 49.64         | 7,708.04           |
| Unallocated Income / (Expenses) (net of unallocable expenses/<br>income) |                  |                                    |               | (454.62)           |
| <b>Operating profit</b>  |                  |                                    |               | <b>7,253.42</b>    |
| Finance costs  |                  |                                    |               | 5,118.83           |
| <b>Profit / (Loss) before tax</b>  |                  |                                    |               | <b>2,134.59</b>    |
| Income tax expense / (credit)  |                  |                                    |               | 32.51              |
| <b>Net profit / (Loss)</b>   |                  |                                    |               | <b>2,102.08</b>    |
| <b>As at 31 March 2016</b>   |                  |                                    |               |                    |
| Segment assets   | 56,189.78        | 69,108.02                          | 350.04        | 1,25,647.84        |
| Unallocated assets   |                  |                                    |               | 4,292.58           |
| <b>Total assets</b>  |                  |                                    |               | <b>1,29,940.42</b> |
| Segment liabilities  | 12,281.48        | 26,713.51                          | 145.53        | 39,140.52          |
| Unallocated liabilities  |                  |                                    |               | 49,378.86          |
| <b>Total liabilities</b>   |                  |                                    |               | <b>88,519.38</b>   |



## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

### 31. Segment information (contd.)

#### Business segments

As at and for the year ended 31 March 2016

| Particulars                      | Paper    | Electrical<br>Consumer<br>Durables | Others | ₹ In lacs<br>Total |
|----------------------------------|----------|------------------------------------|--------|--------------------|
| <b>Other segment information</b> |          |                                    |        |                    |
| 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             |

As at and for the year ended 31 March 2015

| Particulars  | Paper            | Electrical<br>Consumer<br>Durables | Others        | ₹ In lacs<br>Total |
|--|------------------|------------------------------------|---------------|--------------------|
| <b>Revenue *</b>   |                  |                                    |               |                    |
| External   | 47,314.73        | 1,18,983.26                        | 587.41        | 1,66,885.40        |
| Inter segment  | -                | -                                  | -             | -                  |
| <b>Total</b>   | <b>47,314.73</b> | <b>1,18,983.26</b>                 | <b>587.41</b> | <b>1,66,885.40</b> |
| <b>Results</b>   |                  |                                    |               |                    |
| Segment results  | (3,776.28)       | 4,528.75                           | 17.49         | 769.96             |
| Unallocated Income / (Expenses) (net of unallocable expenses/<br>income) |                  |                                    |               | (605.54)           |
| <b>Operating profit</b>  |                  |                                    |               | 164.42             |
| Finance costs  |                  |                                    |               | 4,377.99           |
| <b>Profit / (Loss) before tax</b>  |                  |                                    |               | (4,213.57)         |
| Income tax expense / (credit)  |                  |                                    |               | (1,348.55)         |
| <b>Net profit / (Loss)</b>   |                  |                                    |               | <b>(2,865.02)</b>  |
| <b>As at 31 March 2015</b>   |                  |                                    |               |                    |
| Segment assets   | 52,842.17        | 65,834.29                          | 308.05        | 1,18,984.51        |
| Unallocated assets   |                  |                                    |               | 3,347.53           |
| <b>Total assets</b>  |                  |                                    |               | <b>1,22,332.04</b> |
| Segment liabilities  | 12,505.36        | 27,374.09                          | 150.28        | 40,029.73          |
| Unallocated liabilities  |                  |                                    |               | 42,366.91          |
| <b>Total liabilities</b>   |                  |                                    |               | <b>82,396.64</b>   |
| <b>Other segment information</b>   |                  |                                    |               |                    |
| Capital expenditure:- **   |                  |                                    |               |                    |
| Tangible assets  | 567.68           | 3687.62                            | 0.60          | 4,255.90           |
| Intangible assets  | -                | 872.05                             | -             | 872.05             |
| Depreciation ***   | 2,577.48         | 1,642.34                           | 2.34          | 4,222.16           |
| Amortization   | -                | 85.28                              | -             | 85.28              |

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

|                                  | ₹ In lacs   |                       |             |
|----------------------------------|-------------|-----------------------|-------------|
|                                  | India       | Overseas              | Total       |
| <b>Year ended 31 March 2015</b>  |             |                       |             |
| <b>Revenue *</b>                 |             |                       |             |
| Sales to external customers      | 1,44,376.49 | 22,508.91             | 1,66,885.40 |
| <b>Other segment information</b> |             |                       |             |
| Segment assets                   | 1,15,814.73 | 3,169.78 <sup>#</sup> | 1,18,984.51 |

# represents trade receivable

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

\* Net of excise duty.

\*\* Excluding ₹21.20 lacs (31 March 2015, ₹4.43 lacs) being unallocated corporate/other assets.

\*\*\* Excluding ₹57.81 lacs (31 March 2015, ₹62.61 lacs) on unallocated corporate/other assets.





# Notes to financial statements (contd.) as at and for the year ended 31 March 2016

## 32. Related party disclosures

### Names of related parties and related party relationship

#### Related parties with whom transactions have taken place during the year

|  |   |
|--|---|
| Associate  | Central India & Industries Ltd  |
| Key management personnel   | Mr. M. L. Pachisia (Managing director)<br>Mr. P. K. Sonthalia (President Finance & CFO)<br>Mr. Rakesh Khanna ( w.e.f 1st December 2014 )<br>Mr. Manoj Verma (upto 31st July 2014 )<br>Mr. Ajay Gupta<br>Mr. N. K. Saha (upto 3rd February2015 )<br>Mr. B. S. Gilra<br>Mr. R. P. Dutta (Company Secretary) |
| Enterprises owned or significantly influenced by key management personnel or their relatives | Origami Tissues<br>Origami Products<br>Origami Cellulo Pvt Ltd<br>Origami Enterprises   |

### Related party transactions

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

| a. Sale of goods   | ₹ In lacs  |               |                        |                                 |
|--|------------|---------------|------------------------|---------------------------------|
|  | Year ended | Sale of goods | Miscellaneous Receipts | Amount owed by related parties* |
| Enterprises owned or significantly influenced by key management personnel or their relatives |            |               |                        |                                 |
| Origami Tissues  | 31-Mar-16  | -             | -                      | -                               |
|  | 31-Mar-15  | 19.00         | -                      | -                               |
| Origami Products   | 31-Mar-16  | -             | -                      | -                               |
|  | 31-Mar-15  | 3.64          | -                      | -                               |
| Origami Cellulo Pvt Ltd  | 31-Mar-16  | -             | -                      | -                               |
|  | 31-Mar-15  | 29.03         | -                      | -                               |
| Origami Enterprises  | 31-Mar-16  | -             | 2.14                   | -                               |
|  | 31-Mar-15  | -             | 3.78                   | 0.16                            |
| <b>Total</b>   | 31-Mar-16  | -             | 2.14                   | -                               |
|  | 31-Mar-15  | 51.67         | 3.78                   | 0.16                            |

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

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

#### b. Dividend Paid

|                                 | Year ended | Dividend Paid | Amount owed by related parties | ₹ In lacs<br>Amount owed to related parties |
|---------------------------------|------------|---------------|--------------------------------|---|
| <b>Associate</b>                |            |               |                                |   |
| Central India & Industries Ltd  | 31-Mar-16  | 50.64         | -                              | -   |
|                                 | 31-Mar-15  | 50.64         | -                              | -   |
| <b>Key management personnel</b> |            |               |                                |   |
| Mr. M.L. Pachisia               | 31-Mar-16  | 0.04          | -                              | -   |
|                                 | 31-Mar-15  | 0.04          | -                              | -   |
| <b>Total</b>                    | 31-Mar-16  | 50.68         | -                              | -   |
|                                 | 31-Mar-15  | 50.68         | -                              | -   |

#### c. Remuneration to key managerial personnel

|   | Year ended | Transaction during the year | Amount owed by related parties | ₹ In lacs<br>Amount owed to related parties |
|---|------------|-----------------------------|--------------------------------|---|
| Mr. M.L. Pachisia                             | 31-Mar-16  | 209.41*                     | 62.43                          | -   |
|   | 31-Mar-15  | 337.03                      | -                              | 65.00                                       |
| Mr. P. K. Sonthalia (President Finance & CFO) | 31-Mar-16  | 158.52                      | -                              | -   |
|   | 31-Mar-15  | 137.01                      | -                              | -   |
| Mr. Rakesh Khanna                             | 31-Mar-16  | 197.76                      | -                              | -   |
|   | 31-Mar-15  | 76.33                       | -                              | -   |
| Mr. Manoj Verma                               | 31-Mar-16  | -                           | -                              | -   |
|   | 31-Mar-15  | 115.23                      | -                              | -   |
| Mr. Ajay Gupta                                | 31-Mar-16  | 82.57                       | -                              | -   |
|   | 31-Mar-15  | 9.94                        | -                              | -   |
| Mr. B.S. Gilra                                | 31-Mar-16  | 30.23                       | -                              | -   |
|   | 31-Mar-15  | 25.92                       | -                              | -   |
| Mr. N. K. Saha                                | 31-Mar-16  | -                           | -                              | -   |
|   | 31-Mar-15  | 56.27                       | -                              | -   |
| Mr. R.P. Dutta (Company Secretary)            | 31-Mar-16  | 17.16                       | -                              | -   |
|   | 31-Mar-15  | 14.80                       | -                              | -   |
| <b>Total</b>                                  | 31-Mar-16  | 695.65                      | 62.43                          | -   |
|   | 31-Mar-15  | 772.53                      | -                              | 65.00                                       |

\* Net of reversal of ₹127.42 lacs towards excess managerial remuneration for the year 2013-14

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.

### 33. Capital and other commitments

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹890.51 lacs (31 March 2015: ₹353.20 lacs).
- For commitments relating to lease arrangements refer note 29.



## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

### 34. Contingent liabilities

|   | ₹ In lacs              |           |
|---|------------------------|-----------|
|   | 31-Mar-16              | 31-Mar-15 |
| a) Outstanding bank guarantees  | 3,960.65               | 1,476.59  |
| b) Bills Discounted under channel finance facilities  | 1,839.57               | 2,278.02  |
| c) Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company: (*)  |                        |           |
| Excise Duty   | 2,124.34               | 1,741.90  |
| Sales Tax   | 638.79                 | 547.30    |
| Income Tax  | 234.50                 | 163.53    |
| Water Tax   | 8,287.38               | 6,496.46  |
| Cess on Captive Power consumption   | 5,415.55               | 4,377.63  |
| Krishi Upaj Mandi Fees  | 1,229.56               | 1,229.56  |
| Others  | 2,727.10               | 2,983.73  |
|   | 20,657.22              | 17,540.11 |
| Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.  | 842.00                 | 639.24    |
| (*) 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 |           |

**35.** In October 1963, the paper division of the Company had applied to the Public Work Department (Irrigation) of the Madhya Pradesh State Government for drawing water without any charge from 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 ₹47434.91 lacs (including interest and penalty of ₹46021.91 lacs) as at 31 March 2016, 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 31 March 2016

**36.** 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. The Company has applied to the Central government, for approval of excess remuneration amounting to ₹178.19 lacs for the year ended 31 March 2015 and is in the process of applying for obtaining approval for excess remuneration of ₹177.70 lacs for the year ended 31 March 2016.

### 37. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

- (i) Trade Receivables ₹3199.77 lacs (USD 34.71 lacs), (HKD 104.91 lacs), (Euro 0.01 lacs) [31 March 2015 ₹3169.78 lacs (USD 50.51 lacs)], (HKD Nil), (Euro 0.18 lacs).
- (ii) Trade Payables ₹2304.80 lacs (USD 19.84 lacs), (Euro 11.68 lacs) & (JPY 167.98 lacs) [31 March 2015 ₹1766.21 lacs (USD 14.59 lacs)], (Euro 11.71 lacs) (JPY 109.38 lacs)].
- (iii) Buyers Credit ₹626.72 lacs (USD 9.42 lacs) [31 March 2015 ₹619.03 lacs (USD 9.87 lacs)].

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

₹ In lacs

|   | 31-Mar-16       | 31-Mar-15       |
|---|-----------------|-----------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year  |                 |                 |
| Principal amount due to micro and small enterprises   | 1,250.25        | 1,126.05        |
| Interest due on above   | -               | 0.10            |
|   | <b>1,250.25</b> | <b>1,126.15</b> |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year   | 139.71          | 2.52            |
| 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  | 1.05            | 2.52            |
| 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 31 March 2016

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

₹ In lacs

|                            | 31-Mar-16       | 31-Mar-15       |
|----------------------------|-----------------|-----------------|
| Capital goods              | 1,141.49        | 1,430.37        |
| Trading goods              | 419.96          | 1,036.17        |
| Raw materials & components | 8,007.42        | 6,600.27        |
| Spares Parts & Chemicals   | 312.98          | 366.01          |
|                            | <b>9,881.85</b> | <b>9,432.82</b> |

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

₹ In lacs

|                  | 31-Mar-16    | 31-Mar-15     |
|------------------|--------------|---------------|
| Sales Commission | 20.93        | 14.70         |
| Miscellaneous    | 60.92        | 101.37        |
|                  | <b>81.85</b> | <b>116.07</b> |

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

|                            | %age of total<br>consumption | Value<br>(₹ in lacs) | %age of total<br>consumption | Value<br>(₹ in lacs) |
|----------------------------|------------------------------|----------------------|------------------------------|----------------------|
|                            | 31-Mar-16                    | 31-Mar-16            | 31-Mar-15                    | 31-Mar-15            |
| Raw Materials & components |                              |                      |                              |                      |
| Imported                   | 10.34%                       | 7,899.57             | 8.31%                        | 6,361.02             |
| Indigenously obtained      | 89.66%                       | 68,520.44            | 91.69%                       | 70,175.33            |
|                            | <b>100.00%</b>               | <b>76,420.01</b>     | <b>100.00%</b>               | <b>76,536.35</b>     |
| Spare parts                |                              |                      |                              |                      |
| Imported                   | 8.33%                        | 300.88               | 13.72%                       | 367.36               |
| Indigenously obtained      | 91.67%                       | 3,310.73             | 86.28%                       | 2,309.23             |
|                            | <b>100.00%</b>               | <b>3,611.61</b>      | <b>100.00%</b>               | <b>2,676.59</b>      |

### 42. Net dividend remitted in foreign exchange

| Year of remittance (ending on)                               | 31-Mar-16                        | 31-Mar-15                        |
|--|----------------------------------|----------------------------------|
| Pertains to the accounting year                              | 1 April 2014 to<br>31 March 2015 | 1 April 2013 to<br>31 March 2014 |
| Number of non-resident shareholders                          | 291                              | 287                              |
| Number of equity shares held on which dividend was due       | 62,03,342                        | 51,83,657                        |
| Amount remitted and / or paid in Indian Currency (₹ in lacs) | <b>6.20</b>                      | <b>5.18</b>                      |

## Notes to financial statements (contd.) as at and for the year ended 31 March 2016

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

₹ In lacs

| Year of remittance (ending on)   | 31-Mar-16 | 31-Mar-15 |
|----------------------------------|-----------|-----------|
| Exports of goods at F.O.B. Value | 21,780.13 | 19,565.40 |
| Royalty Income                   | -         | 1.94      |
|                                  | 21,780.13 | 19,567.34 |

### 44. Previous year figures

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

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

per Sanjay Kumar Agarwal

Partner

Membership no.: 060352

Place: New Delhi

Date: 6th May, 2016

For and on behalf of the board of directors

C. K. Birla

Chairman

P. K. Sonthalia

President Finance & CFO

M. L. Pachisia

Managing Director

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  
Bhojnagar  
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

# Orient Paper & Industries Limited

Phone: +91 33 3057 3700/ 3041 0900

Fax: +91 33 2243 0490