CK BIRLA GROUP | ORIENT PAPER

June 21, 2019

The Secretary
BSE Limited.
Corporate Relationship Department, 1st Floor
New Trading Ring, Rotunda Building, P.J.Tower
Dalal Street, Fort,
Mumbai – 400001

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,5th Floor,
Bandra-Kurla Complex
Bandra (E), Mumbai – 400051

Dear Sir,

Sub: AGM-Annual Report 2018-19 and intimation of Book closure

We wish to inform you that 83rd Annual General Meeting (AGM) of the Company will be held on Friday, 19th July, 2019 at the registered office of the company at Unit-VIII, Plot No.7, Bhoinagar , Bhubaneswar-751012 (Odisha).

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the financial year 2018-19 along with Notice of AGM which is being mailed to the shareholders of the company by the permitted mode(s).

In this connection, the Register of Members and Share Transfer Books will be closed from **12th July, 2019 to 19th July, 2019 (both days inclusive)** for the purpose of payment of final dividend @ Re. 0.60 (60%) per share on 212185502 Equity shares of Re.1/- each as recommended by the Board of Directors of the Company at its meeting held on 2nd May, 2019. The dividend will be paid subject to the approval of the Shareholders.

The Annual Report and Notice of AGM are also being uploaded on the company's website i.e. www.orientpaperindia.com.

Thanking you,

Yours faithfully,
For ORIENT PAPER & INDUSTRIES LTD.

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

CC to:

The Manager
National Securities Depository Ltd.
4th floor, "A" Wing, Trade World
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai-400013

The Manager
Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Tower
17th floor ,Dalal Street
Mumbai-400001

Karvy Fintech Private Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District , Nanakramguda Hyderabad-500 032

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ORIENT PAPER & INDUSTRIES LIMITED
(CIN: L21011OR1936PLC000117)

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

NOTICE

TO
THE SHAREHOLDERS,

NOTICE is hereby given that the 83rd Annual General Meeting (AGM) of the Shareholders of Orient Paper & Industries Limited will be held on **Friday**, the **19th July 2019** at **11.00 a.m**. at the Registered Office of the Company at Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012 (Odisha) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, together with the Report of the Board of Directors and Auditors thereon.

2. To declare final dividend of Re. 0.60 (60%) per equity share and to approve the interim dividend of Re. 0.50 (50%) per equity share.

3. To appoint a Director in place of Mr. Chandra Kant Birla (DIN: 00118473), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED** that Mr. Srinivasan Vishvanathan (DIN:02255828), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 25, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 78 of the Articles of Association of the Company and who is eligible for appointment be and is hereby appointed as Director of the Company."

   "**RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Srinivasan Vishvanathan, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years commencing from March 25, 2019 to March 24, 2024."

5. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

   "**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Narendra Singh Sisodia (DIN:06363951), who was appointed as an Independent Director to hold office up to July 21, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing with effect from July 22, 2019 to January 13, 2020, i.e. upto his attaining the age of 75 years."

6. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED** that Pursuant to the provisions of Article 95 of the Articles of Association of the Company and Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and subject to such approvals as may be required, Mr. Manohar Lal Pachisia (DIN 00065431) be and is hereby re-appointed as Managing Director of the Company with effect from 1st April 2019 to 31st March, 2020, with liberty to either party to terminate the appointment on three months' notice in writing to the other, at a remuneration and other terms set out below.

I.	Basic Salary	₹ 12,50,000/- per month
II.	House Rent Allowance	₹ 7,50,000/- per month
III.	Other Allowances	₹ 2,90,000/- per month
IV.	**Other reimbursements/Perquisites**	
a)	Medical Allowances/Reimbursement	₹ 50,000/- per annum
b)	Leave	In accordance with the rules framed by the Company.
c)	Leave Travel Concession/Allowance	₹ 12,50,000/- per annum
d)	Club Fees	Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.
e)	Personal Accident Insurance	Premium not to exceed a sum of ₹ 4000/- per annum.
f)	Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company.	
g)	Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.	
h)	Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per rules of the Company.	
i)	Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for Private purpose shall be billed by the Company to the Managing Director. If the Managing Director engages a driver, he will be reimbursed ₹ 15,000/- per month on account of Driving charges.	
V.	In addition to the above, the Board may at its discretion pay to the Managing Director other allowances, benefits, perquisites and ex-gratia amount not exceeding ₹ 2,75,00,000/- per financial year.	
VI.	Minimum Remuneration: The remuneration as specified at Sl. Nos. I to V above subject to the approval of the Shareholders and such other approvals as may be required shall continue to be paid to Mr. Manohar Lal Pachisia as and by way of minimum remuneration notwithstanding inadequacy of profit during the tenure of his office.	

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

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 as amended vide notification no. 4823(E) dated 12th September 2018 issued by the Ministry of Corporate Affairs (MCA) read together with Schedule V of the Companies Act, 2013 (hereinafter referred to as the "Act") and other applicable provisions, if any of the Act, the consent of the Company be and is hereby accorded to waive recovery of the excess remuneration of ₹ 1,77,69,776/- (Rupees one crore seventy seven lac sixty nine thousand seven hundred seventy six only) paid to Mr. Manohar Lal Pachisia, Managing Director of the Company during the period from 1st April, 2015 to 31st March, 2016 in excess of the limit prescribed under Section 197 (before the amendment notified by the MCA vide notification no. 4823(E) dated 12th September 2018) read together with Schedule V of the Companies Act, 2013."

8. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 60,000/- (Rupees sixty thousand only) plus applicable tax, and reimbursement of actual travel and out of pocket expenses, to be paid to Mr. Somnath Mukherjee, Cost Accountant (Membership No. 5343), cost auditor of the Company for their cost audit work for the financial year 2019-20, as approved by the Board of Directors of the Company, at its meeting held on 2nd May, 2019, be and is hereby ratified and confirmed."

By Order of the Board
For **ORIENT PAPER & INDUSTRIES LIMITED**

P.K. Sonthalia
President (Finance) & CFO

Kolkata, the 12th day of June, 2019

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**

   Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

   A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

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

4. Details in respect of the Directors seeking appointment/re-appointment at the AGM are provided in the Report on Corporate Governance forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.

5. The Register of Members of the Company will remain closed from 12th July, 2019 to 19th July, 2019 (both days inclusive) for the purpose of payment of final dividend on Equity Shares.

6. Dividend on equity shares, if approved at the AGM, will be paid:

   i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Thursday, July 11, 2019;

   ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, July 11, 2019.

7. Members who have not so far encashed their dividend warrants/demand drafts may immediately claim their dividend from the Company. Information in respect of the unclaimed dividend as on the date of the previous AGM of the Company held on 12th July, 2018 has been uploaded on the website of the Ministry of Corporate Affairs (www.iepf.gov.in) and on the website of the Company (www.orientpaperindia.com). Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). The Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable law. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form no. IEPF 5 available on www.iepf.gov.in.

8. The SEBI Circular no. SEBI/HO/MIRSD/DOP1/ CIR/2018/73, inter alia, directed for payment of dividend to the shareholders through electronic modes or by physical instrument such as banker's cheque/demand draft incorporating bank details of the shareholders. Accordingly, shareholders holding shares in demat form are requested to update their demat account with the DP and those shareholders holding shares in physical form may send the bank account details to the Company.

9. The Annual Report 2018-19 and Notice of the AGM of the Company along with Attendance Slip and Proxy Form are being sent in electronic form to all the members whose email IDs are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

10. Members may also note that the Notice of the AGM and the Annual Report 2018-19 will also be available on the Company's website www.orientpaperindia.com. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same to the Company.

11. Members seeking any information with regard to accounts are requested to write to the Company Secretary at least ten days in advance of AGM, to enable the Company to keep the information ready.

12. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the AGM of the Company.

13. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013, respectively will be available for inspection by the members at the AGM.

14. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Karvy Fintech Private Limited ("Karvy") for assistance in this regard.

15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with Karvy in case the shares are held by them in physical form.

16. Members are requested to:

    a. Bring their copy of the annual report for the meeting

    b. Please note that the Registrar and Transfer Agent of the Company has been changed from M/s. MCS Share Transfer Agent Limited to **M/s. Karvy Fintech Private Limited** and hence members are requested to communicate with the new RTA by Quoting their DP ID No. /Client ID No. or folio number at the following address:

    M/s. Karvy Fintech Private Limited
    Unit: Orient Paper & Industries Limited
    Karvy Selenium Tower B, Plots No. 31 & 32,
    Financial District, Nanakramguda
    Hyderabad 500032 (Telangana)
    Toll free no. 18003454001
    Email: einward.ris@karvy.com
    Website: www.karvyfintech.com

    c. Intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, to their DPs in case the shares are held in electronic form and to Karvy in case the shares are held in physical form.

    d. Intimate changes, if any, in Bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Karvy in case the shares are held in physical form.

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

18. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and and rules made thereunder and in terms of regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the evoting services using an electronic voting system from a place other than venue of the AGM ("remote e-voting") provided by **Karvy Fintech Private Limited**.

II. **The remote e-voting period commences on Tuesday, 16th July 2019 (9:00 am IST) and ends on Thursday, 18th July, 2019 (5:00 pm IST)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 11th July, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

III. **The facility for voting through Polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.**

IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

V. A member can vote either by remote e-voting or at the AGM through polling paper. In case a member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.

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

VII. Instructions for Remote Electronic Voting (Remote E-voting)

(A) IN CASE A MEMBER RECEIVES AN EMAIL FROM KARVY [FOR MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY/DEPOSITORY PARTICIPANT(S)]:

i. Launch internet browser by typing the URL:https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case(a-z),one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Orient Paper and Industries Limited'.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at aklabhcs@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Orient Paper & Industries Limited -AGM".

(B) IN CASE OF MEMBERS RECEIVING PHYSICAL COPY OF NOTICE [FOR MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORY PARTICIPANTS(S)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

(C) OTHER INSTRUCTIONS:

i. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E- voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Orient Paper & Industries Limited) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plots 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

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

iii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Thursday, July 11, 2019, he/she may obtain the User ID and Password in the manner as mentioned below:

- If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space>E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

  Example for NSDL:
  MYEPWD <SPACE> IN12345612345678
  Example for CDSL:
  MYEPWD <SPACE> 1402345612345678
  Example for Physical:
  MYEPWD <SPACE> XXXX1234567890

- If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the Member may click "Forgot Password "and enter Folio No. or DPID Client ID and PAN to generate a password.

- Member may call Karvy's toll free number 1800-3454-001.

- Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

VIII. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Thursday, 11th July, 2019.

IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling paper.

X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

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

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

XIII. Subject to receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of the meeting i.e. Friday, July 19, 2019.

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

Item No. 4

The Board of Directors of the Company at its meeting held on 25th March 2019, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Srinivasan Vishvanathan, aged 65 years (DIN: 02255828) as an Additional Director and also an Independent Director, not liable to retire by rotation, for a term of 5 (Five) years with effect from 25th March, 2019, subject to approval of the shareholders of the Company.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 78 of the Articles of Association of the Company, Mr. Srinivasan Vishvanathan shall hold office upto the date of this Annual General Meeting.

Declaration has been received from the Director that he meets the criteria of Independence prescribed under Section 149 of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Further, in terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of your Board, Mr. Vishvanathan fulfils the conditions specified in the Companies Act, 2013 and the Rules thereunder and SEBI Listing Regulations, making him eligible for appointment as Independent Director and he is independent of the management of the Company.

Brief profile of Mr. Vishvanathan is provided below:

Mr. Srinivasan Vishvanathan has done his M.Sc. in physics and has completed MBA and CAIIB. He has National and International experience of 38 years in Wholesale Banking, Retail Banking and Markets. He led the largest Bank in India, State Bank of India, as the Managing Director and as a Director on its Central Board. He managed diverse businesses and stakeholders as the Managing Director (Associates & Subsidiaries) of the Bank.

Presently, he is on the Boards of Axis Bank Limited, AVTEC Limited and Orient Paper & Industries Limited as an Independent Director. He is the member of the Audit Committee of Axis Bank Limited, AVTEC Limited and Orient Paper & Industries Limited, member of Nomination and Remuneration Committee of Orient Paper & Industries Limited, member of Stakeholders' Relationship Committee of Axis Bank Limited.

He does not hold any equity shares in the Company. He has no relationship with any other directors of the Company.

In the view of your Board, the rich experience Mr. Vishvanathan brings with him would benefit the Company and hence the Board recommends the resolutions as set out at item no. 4 of this notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolutions set out at item no. 4 except Mr. Srinivasan Vishvanathan being an appointee.

Item No. 5

Mr. Narendra Singh Sisodia, aged 74 years (DIN: 06363951) was appointed as an Independent Director of the Company for a term of five consecutive years with effect from 22nd July 2014. The said term will be completed on 21st July, 2019.

The Board of Directors of the Company at its meeting held on 2nd May, 2019, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Narendra Singh Sisodia as an Independent Director, not liable to retire by rotation, for a second term commencing with effect from July 22, 2019 to January 13, 2020, i.e. upto his attaining the age of 75 years, subject to approval of the shareholders of the Company.

Declaration has been received from the Director that he meets the criteria of Independence prescribed under Section 149 of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Further, in terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of your Board, Mr. Sisodia fulfils the conditions specified in the Companies Act, 2013 and the Rules thereunder and SEBI Listing Regulations, making him eligible for his appointment as an Independent Director and he is independent of the management of the Company.

Brief profile of Mr. Sisodia is provided below:

Mr. Sisodia holds an Honours degree from St. Stephen's College Delhi and a Master degree from Harvard University, USA. Subsequently, he was also awarded M. Phil degree on his work relating to Industrial Development. During his 37 years as a civil servant, he served on number of key positions in the state of Rajasthan and Government of India. He was Collector and District Magistrate in four districts and spent nearly a decade working on various assignments in the field of Industries and Commerce. He was Secretary, Department of Industries and Commerce for 7 years. He also served as Chairman, State Industrial and Infrastructure Development Corporation and the State Electricity Board.

In Government of India, he, inter-alia worked as Special Secretary, Ministry of Power, Secretary, Defence Production and Secretary (Financial Sector), Ministry of Finance. Earlier, he was Additional Secretary in the Cabinet Secretariat.

Presently, he is on the Boards of Orient Paper & Industries Limited and Carrier Airconditioning & Refrigeration Ltd. as an Independent Director. He is the member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Orient Paper & Industries Limited. He is also member of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Carrier Airconditioning & Refrigeration Limited.

He does not hold any equity shares in the Company. He has no relationship with any other directors of the Company.

Given his background, experience and contribution, the Board considers that his continued association will be in the interest of the Company and the Board recommends the resolution as set out at item no. 5 of this notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolution set out at item no. 5 except Mr. Narendra Singh Sisodia being an appointee.

Item No. 6

Pursuant to the resolution adopted by the Shareholders at the AGM held on 12th July, 2018, Mr. M.L Pachisia was re- appointed as the Managing Director of the Company from 01.04.2018 to 31.03.2019 at a remuneration and on the terms and conditions as stated in the said resolution.

On expiry of his term, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 23.01.2019 decided to re-appoint Mr. M.L. Pachisia as the Managing Director of the Company from 01.04.2019 to 31.03.2020 on the terms and conditions as stated in the Resolution subject to the approval of the Shareholders by Special Resolution and such other approvals as may be required.

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

Given his expertise, knowledge and experience, the Board considers that although Mr. Pachisia has attained the age of seventy four years, his re-appointment/continuation as Managing Director will be in the interest of the Company and recommends the resolution as set out at item no. 6 for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolution set out at item no. 6 except Mr. M.L. Pachisia being an appointee.

Item No. 7

Pursuant to the provisions of Section 197 read together with Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, the shareholders of the company at the Annual General Meeting held on 22nd August, 2016, accorded approval to the Board to waive recovery of the excess remuneration of ₹ 1,77,69,776/- (Rupees one crore seventy seven lac sixty nine thousand seven hundred seventy six only) paid to Mr. M. L. Pachisia, Managing Director of the Company during the period from 1st April, 2015 to 31st March, 2016 in excess of the limit prescribed under Section 197 read together with Schedule V of the Companies Act, 2013.

Thereafter, the company made an application to the Central Government under Section 197 of the Companies Act, 2013, for waiver of recovery of excess remuneration of ₹ 1,77,69,775/- paid during the financial year 2015-16, to Mr. M.L. Pachisia, the Managing Director of the company.

Ministry of Corporate Affairs vide its letter dated 23.10.2018 informed the company that pursuant to the provisions of section 197 of the Companies (Amendment) Act, 2017 coming into force with effect from 12.09.2018 (Notification No. S.O. 4823(E) dated 12.09.2018), the application made to the Central Govt. for waiver of recovery of excess remuneration pending with the Govt. has been abated.

In terms of amended provisions of Section 197 of the Companies Act, 2013, the company has to obtain approval of the shareholders by way of special resolution within one year from the date of commencement of the Notification issued on 12.09.2018.

The Board recommends the resolution as set out at item no. 7 for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution as set out at item no. 7 except Mr. M. L. Pachisia which pertains to the remuneration paid to him.

Item No. 8

The Board of Directors of the Company at their meeting held on 2nd May, 2019 has, on the recommendations of the Audit Committee, appointed Mr. Somnath Mukherjee, Cost Accountant (M. No. 5343), as Cost Auditor of the Company for the financial year 2019-20 at a remuneration of ₹ 60,000/- (Rupees sixty thousand only) plus applicable tax and out of pocket expenses in connection with the audit.

As per Section 148 of the Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditor is to be ratified by the members of the Company.

The Board considers the remuneration payable to the cost auditor as fair and recommends the resolution set out at item no. 8 for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said Resolution set out at item no. 8.

In respect of resolutions 6 & 7, the information in terms of Schedule V to the Companies Act, 2013, is given below:

I. GENERAL INFORMATION

(i) Nature of industry

The company is inter-alia engaged in the business of manufacture of Paper and Chemicals. The Company has manufacturing units located at Amlai (Madhya Pradesh) and Brajrajnagar (Odisha). The Brajrajnagar unit is non-operational since 1999.

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

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

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

Not applicable.

(iv) Financial performance based on given indicators

As per Audited Financial Results for the year	2016-17	2017-18	2018-19
Paid up Capital	21.22	21.22	21.22
Reserve & Surplus	486.12	1296.47	1363.90
Revenue from Operations	1875.19	671.80	710.04
Other Income	25.33	11.23	33.71
Total Revenue	1900.52	683.03	743.75
Total Expenses	1832.98	602.92	613.69
Profit before Taxation	67.54	80.11	130.06
Tax Expenses/(Income) including Deferred Tax	16.94	30.82	28.41
Profit after Tax	50.60	49.29	101.65

(v) Foreign investments or collaborations, if any

Nil

II. INFORMATION ABOUT THE APPOINTEE

(i) Background details

Mr. M.L. Pachisia, aged about 74 years, a Commerce Graduate, has over 50 years of experience in various industries.

(ii) Past remuneration:

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

	2016-17	2017-18	2018-19
Salary & Allowances	236.10	236.10	289.10
Perquisites	80.85	76.49	176.21
Total (A)	316.95	312.59	465.31
Contribution to:			
Provident Fund	15.12	15.12	18.00
Superannuation Fund	18.90	18.90	22.50
Total (B)	**34.02**	**34.02**	**40.50**
Grand Total (A)+(B)	**350.97**	**346.61**	**505.81**

(iii) Recognition or awards

Mr. M. L. Pachisia, Managing Director, has been instrumental in getting various awards for the Company. Under his stewardship, during the FY 2018-19, the Company has received various national/ international awards, such as -

- Greentech Environment – Platinum Award 2018
- Golden Peacock Award – 2018 for Environment
- CII National Energy Management Award – 2018
- CII National Award for excellence in water management – 2018
- IPMA Energy Conservation Award FY 17-18

(iv) Job profile and his suitability

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

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

(v) Remuneration proposed

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

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

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

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

Mr. M.L. Pachisia holds 37,948 equity shares of the Company. He does not have any other material pecuniary relationship directly or indirectly with Company. None of the other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in the said resolution.

OTHER INFORMATION

i) Reasons for loss or inadequate profits

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

ii. Steps taken or proposed to be taken for improvement

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

iii. Expected increase in productivity and profits in measurable terms

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

CK BIRLA GROUP | ORIENT PAPER

ORIENT PAPER & INDUSTRIES LIMITED
(CIN: L21011OR1936PLC000117)

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

PROXY FORM

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

Name of the Member(s):.....

Registered address:.....

E-mail ID:.....

Folio No.....

DP ID & Client ID No.*.....

I/We, being the Member(s) of ..... shares of Orient Paper & Industries Limited, hereby appoint:

(1) Name : .....

e-mail id : .....

Address : .....

Signature : ..... or failing him/her

(2) Name : .....

e-mail id : .....

Address : .....

Signature : ..... or failing him/her

(3) Name : .....

e-mail id : .....

Address : .....

Signature : ..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 19th July 2019 at 11.00 a.m. at Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha) and at any adjournment thereof in favour of/against the Resolutions as are indicated below:

Resolution No.	Description
Ordinary business	
1.	Consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, together with the Report of the Board of Directors and Auditors thereon.
2.	Declaration of final dividend of Re. 0.60 (60%) per equity share and approval of the interim dividend of Re. 0.50 (50%) per equity share.
3.	Re-appointment of Mr. Chandra Kant Birla who retires by rotation.
Special business	
4.	Appointment of Mr. Srinivasan Vishvanathan as a Director and as an Independent Director of the Company for a consecutive term of 5 years commencing from March 25, 2019 to March 24, 2024.
5.	Appointment of Mr. Narendra Singh Sisodia as an Independent Director of the Company for a second term commencing with effect from July 22, 2019 to January 13, 2020, i.e. upto his attaining the age of 75 years.
6.	Re-appointment of Mr. M. L. Pachisia as Managing Director of the Company with effect from 01.04.2019 to 31.03.2020.
7.	Waiver of recovery of excess remuneration paid to the Managing Director for the period from 01.04.2015 to 31.03.2016 in terms of the requirement of amended provisions of section 197 of the Companies Act, 2013 read together with Schedule V of the Companies Act, 2013.
8.	Ratification and confirmation of the Remuneration to be paid to the Cost Auditor for cost audit work for the financial year 2019-20

* Applicable for members holding shares in electronic form.

Signature of Member (s).....

Signature of Proxy holder(s).....

Affix Revenue Stamp

Signed this..... day of 2019

Notes:

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

CK BIRLA GROUP | ORIENT PAPER

ORIENT PAPER & INDUSTRIES LIMITED
(CIN: L21011OR1936PLC000117)

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

ATTENDANCE SLIP

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

1. Folio No./ DP ID & Client ID:* :

2. No. of share(s) held:

Full Name of the Member/ Proxy attending the meeting	

I/We hereby record my /our presence at the Annual General Meeting of the Company at Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Odisha) held on Friday, 19th July 2019 at 11.00 a.m.

.....

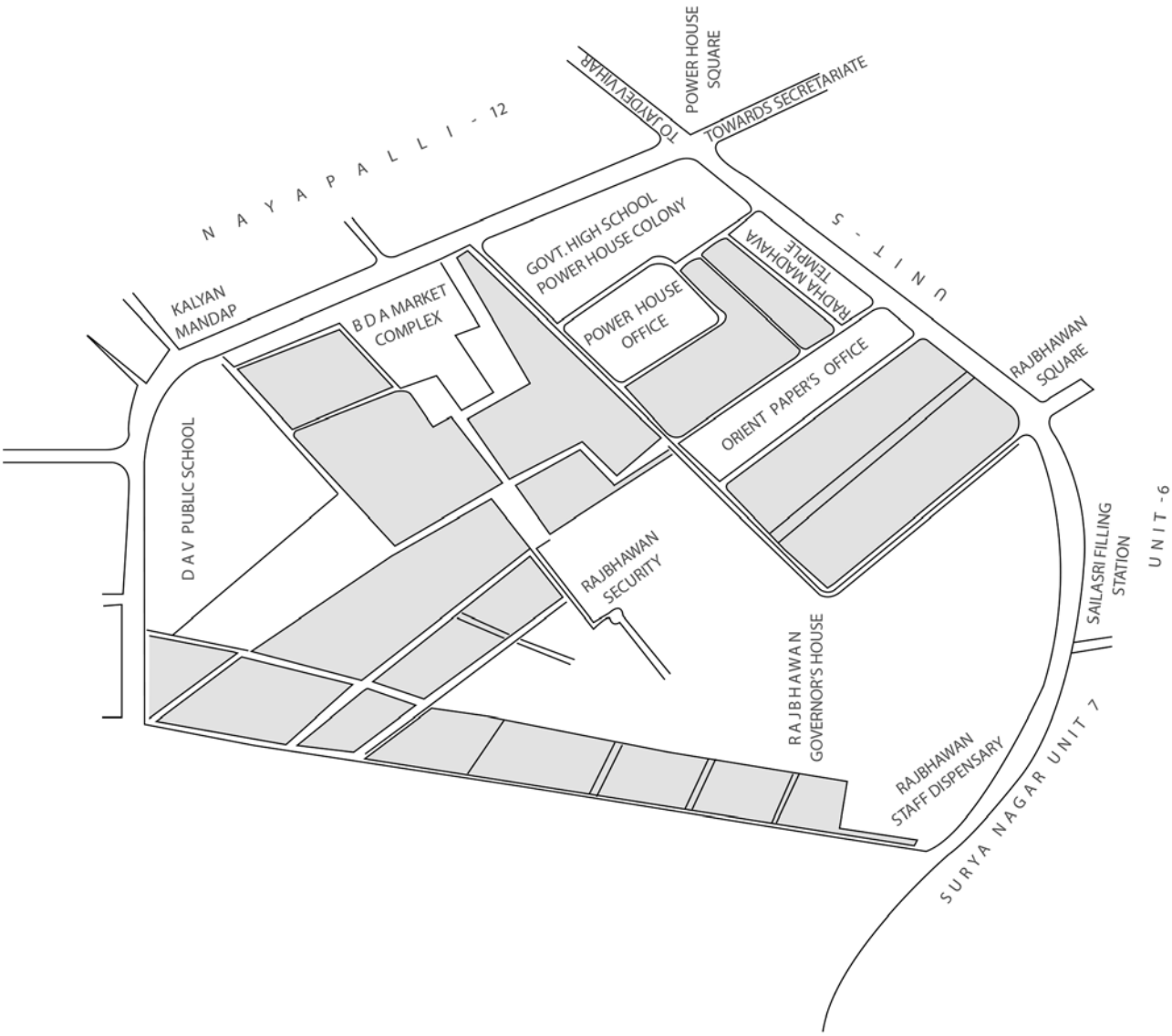
Signature of the attending Member/Proxy

* Applicable for members holding shares in electronic form.

Notes:

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

Route map for AGM venue



Orient Paper and Industries Limited
Annual Report 2018-19

CK BIRLA GROUP | ORIENT PAPER

Enhance. Enrich. Encourage.

At Orient Paper, we reported a record FY18-19 marked by profitable growth.

EBITDA improved to ₹171.64 cr.
Profit after tax strengthened to ₹101.65 cr.

This improvement was achieved by an overarching philosophy that comes down to three words.

Enhance. Enrich. Encourage.

PERFORMANCE HIGHLIGHTS

EBITDA increased by
39.4%

Cash profit increased by
43.7%

Net profit after tax increased by
106.2%

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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"We intend to retain our leadership in India's tissue paper niche and plan to expand related capacity once our pulp mill expansion is close to completion."

- C.K. BIRLA,

Dear Shareholders

At Orient Paper, we restructured the Company, increased our specialisation around tissue papers, strengthened cost reduction initiatives and reinforced our commitment around the environment to become nimbler.

The result is that we strengthened our sustainability and reported record revenues and profits during the year under review.

We have charted out our organisational vision of graduating to the next level through strategic initiatives like:

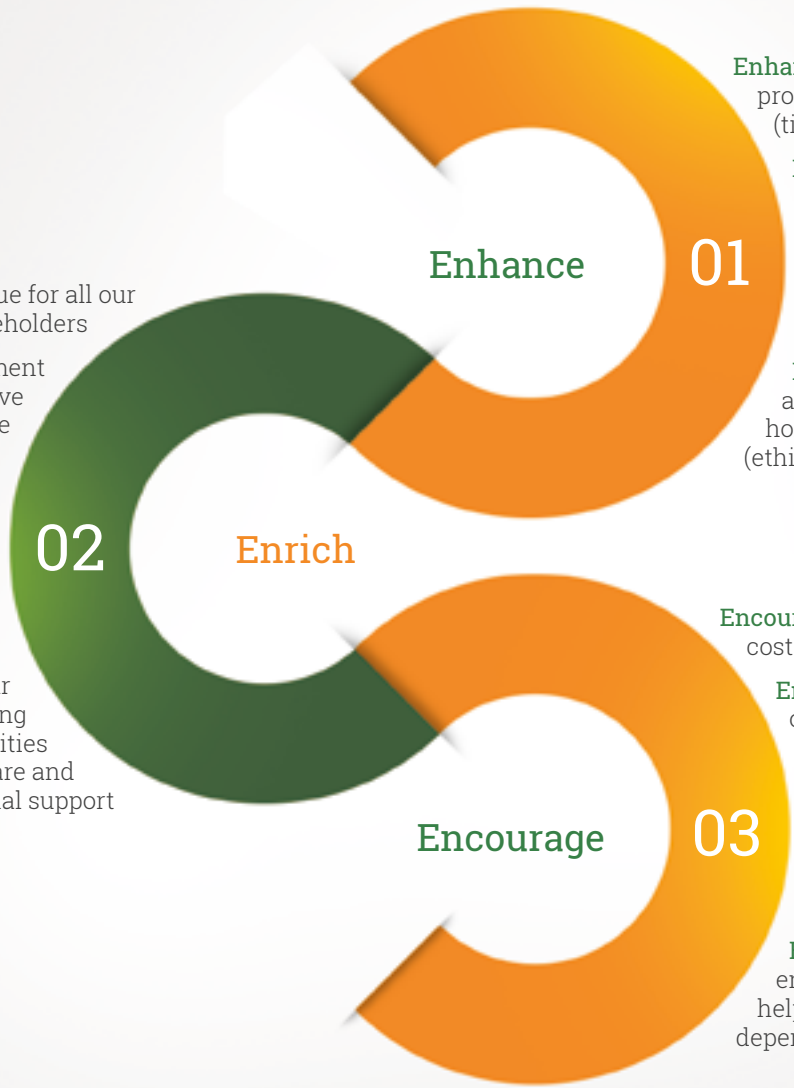
- We are increasing our pulping capacity, which is expected to further spur our growth.
- We are augmenting our plantation activities to meet our total wood requirement from within 200 kms in the next few years.
- We intend to retain our leadership in India's tissue paper niche and plan to expand related capacity once our pulp mill expansion is close to completion.
- We continue to moderate costs through timely investments, reducing coal consumption, increasing raw material yield and chemical recovery.
- We intend to consistently keep our environmental commitment ahead of the sectoral curve.
- We intend to enhance our community engagement through health care, education and plantations.
- We are ensuring long-term water security by building a concrete barrage on the river.

Through these initiatives, we expect to reinforce our commitment to the Three E's (Enhance. Enrich. Encourage) that should enrich our value proposition for all stakeholders.

With best wishes,

C.K. BIRLA,
Chairman

3 overarching philosophies at Orient Paper



Enhance the value-added proportion of our portfolio (tissue paper)

Enhance our capacity utilisation – generate more from less

Enhance our quality benchmarks in line with customer needs

Enhance our image around a superior holistic experience (ethics, quality, service)

Enrich value for all our stakeholders

Enrich the environment through proactive actions to achieve best-in-class standards

Enrich farmer incomes through increased plantations and assured buyback.

Enrich our neighbouring communities through heath care and educational support

Encourage our team to aim for cost and quality leadership

Encourage greening of the environment through plantations (1 cr trees planted)

Encourage farmers to adopt desirable practices to improve their yield

Encourage women empowerment by helping them become self-dependent.

The impact of our 3E approach in FY18-19

Highest ever profits

Lowest ever borrowings

Highest number of awards and accolades

Continuous cost reduction

Launch of pulp mill expansion project

CORPORATE SNAPSHOT

Orient Paper. Combining ethics with excellence.

OUR LINEAGE

Orient Paper and Industries Limited is a part of the C.K. Birla group. The CK Birla Group is a diversified conglomerate with interests spanning across diverse industries such as paper, cement, consumer electricals, precision bearings, heavy engineering products, building products, automobiles, auto components, healthcare, education and information technology.

The group has a long and enviable history of delivering enduring value to all its stakeholders.

OUR LOCATIONS

Our corporate office is located in Kolkata and manufacturing operations are in Amlai (Madhya Pradesh).

OUR VALUES

- EXCELLENCE
- INTEGRITY
- COLLABORATION
- TRUST
- CARE

OUR PRODUCTS

Product category	Product Features
Tissue paper	High quality facial, toilet, napkin and toweling papers
Writing and printing paper	High bulk and brightness writing & printing papers for publications and notebooks.
Caustic soda	Caustic soda lye, caustic soda flakes, chlorine and hydrochloric acid for industrial applications.

Our latest Tissue Plant

OUR ENVIRONMENTAL COMMITMENT

As a responsible corporate citizen, we have invested in eco-friendly plants, processes and practices. The result is that we have gained industry-wide respect for our ability to manufacture quality paper in a clean and responsible manner with no adverse environment impact. We ensure stringent compliance with all regulatory requirements pertaining to environment

We are making a meaningful contribution to the promotion of a green environment through social forestry under which we planted 1 cr trees in FY18-19 and intend to gradually increase this to 2 cr trees per year.

We emerged as the first Indian integrated paper manufacturing Company to achieve zero liquid discharge.

OUR LISTING

Our equity shares are listed on the Bombay and National Stock Exchanges.

OUR FINANCIAL PRUDENCE AND STRENGTH

- Our net worth stood at ₹1385.13 cr as on 31 March 2019
- Our total borrowings including working capital stood at only ₹28.49 cr at the end of FY18-19
- Our debt-equity ratio stood at only 0.01 as on 31 March 2019, making us virtually debt-free
- Our investments stood at ₹289.43 cr as on 31 March 2019
- Our credit rating was reaffirmed as A1+ for short term debts and AA- for long term debts

OUR RECOGNITIONS

We received a large number of awards and accolades from several agencies including the Government of India, Confederation of Indian Industries (CII), Indian Paper Manufacturers Association (IPMA), Greentech, Institute of Directors (Golden Peacock) and other NGOs.

OUR ACCREDITATIONS

We have been accorded several accreditations confirming our compliance with applicable standards of industrial, safety and quality practices.

OUR DISTRIBUTION NETWORK

The Company's products are distributed pan-India through longstanding distributors as well as directly to converters and consumers, most of whom have been associated with the Company for a long time.

In export markets, the Company has established a strong presence among regular customers through consistent quality and service.

A panoramic view of our plant

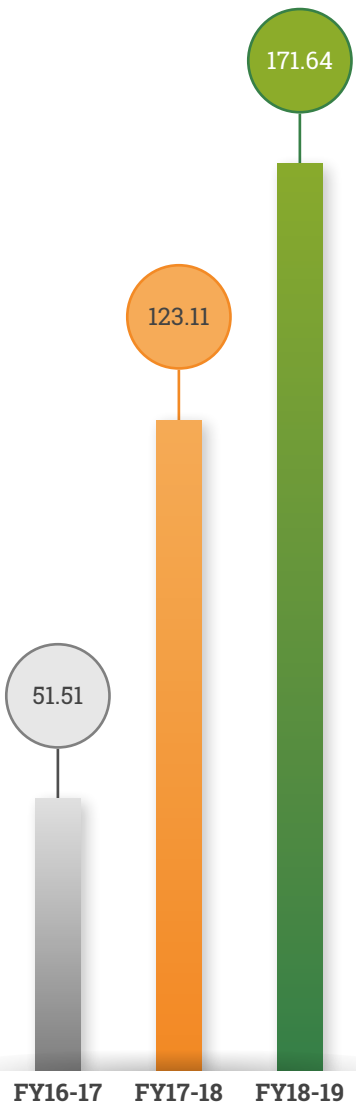
How we have grown since the demerger of our electric business

REVENUE
(₹ cr)

Performance

Aggregate revenues increased by 30% in last 3 years

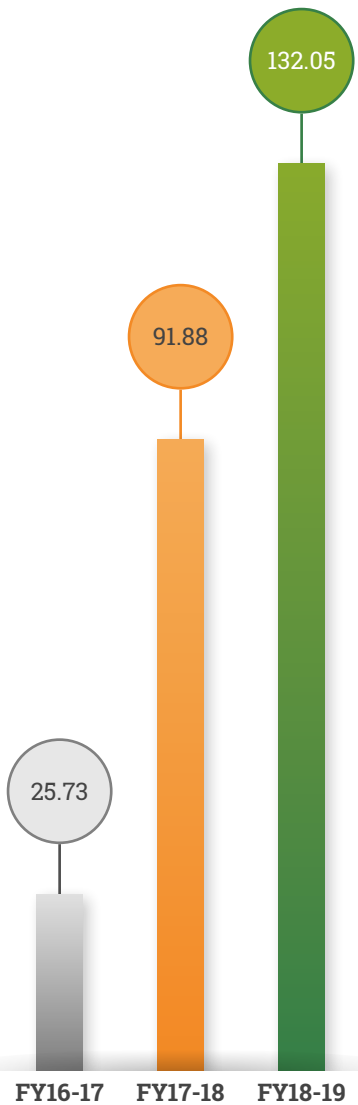
EBITDA
(₹ cr)



Performance

The Company's EBITDA increased by 333% in last 3 years

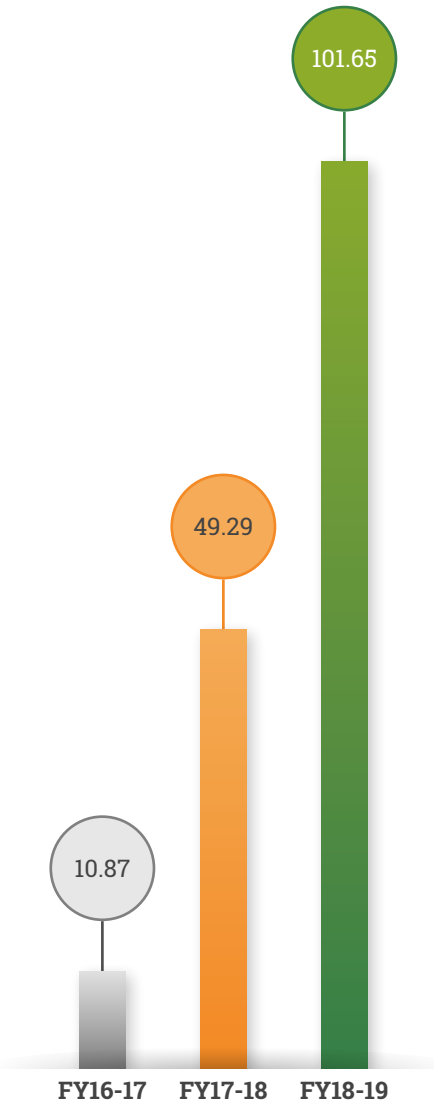
CASH PROFIT
(₹ cr)



Performance

The Company's cash profit increased by 513% in last 3 years

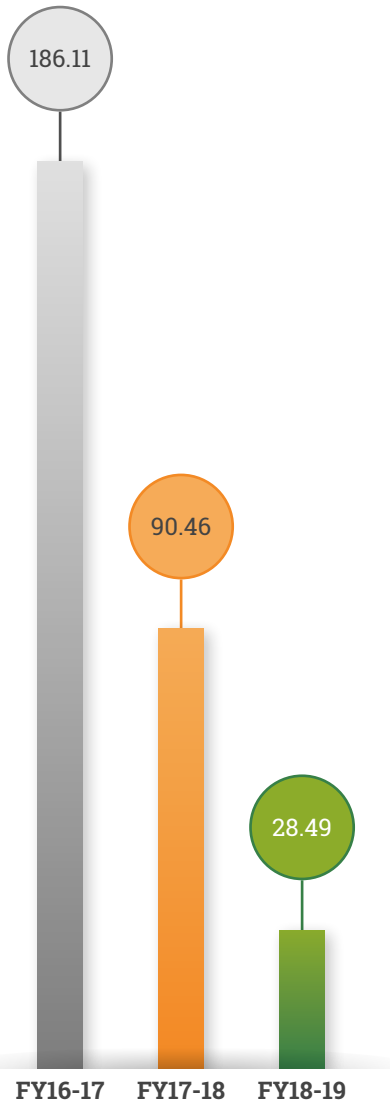
NET PROFIT AFTER TAX
(₹ cr)



Performance

The Company's net profit after tax increased by 935% in last 3 years

TOTAL DEBT
(₹ cr)



Performance

The Company's total debt reduced by ₹157.62 cr in last 3 years

NET WORTH
(₹ cr)

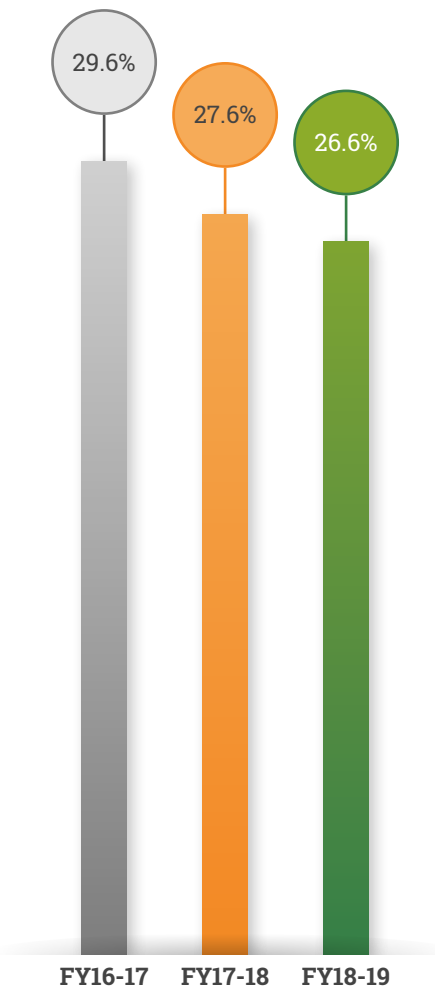
Performance

The Company's net worth increased by ₹175.33 cr in last 3 years

Superior profitability riding on the back of cost reductions

Continuous efforts to reduce all major costs have become an integral part of our day-to-day life. Our performance in this aspect is manifested by the results achieved year-on-year:

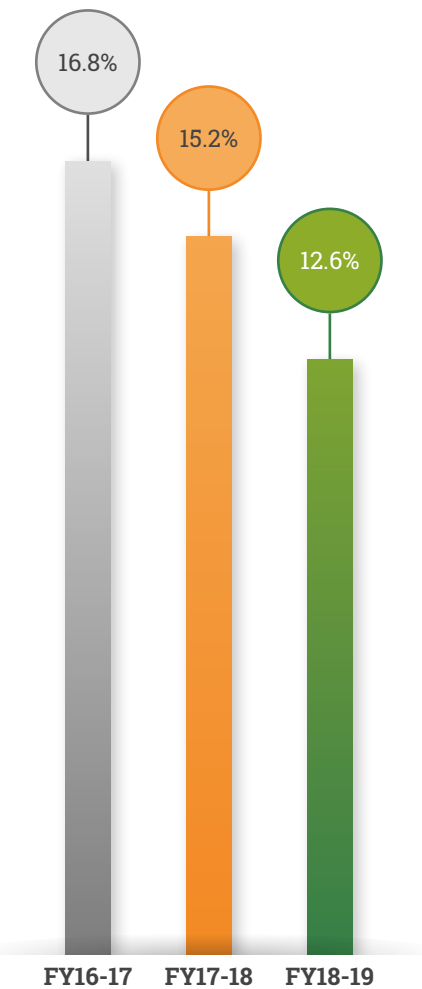
RAW MATERIAL COSTS AS % OF REVENUE



Reason

Higher procurement from local areas

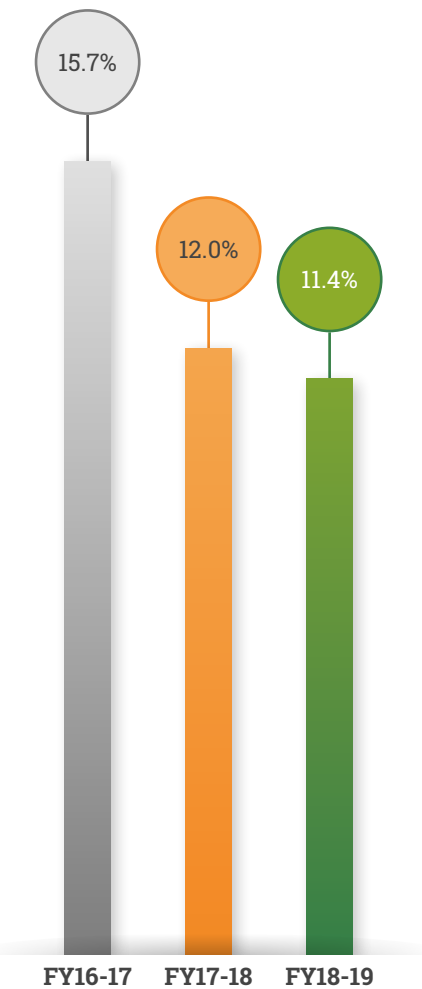
POWER FUEL COST AS % OF REVENUE



Reason

Reduction in steam and power consumption

EMPLOYEE COSTS AS % OF REVENUE



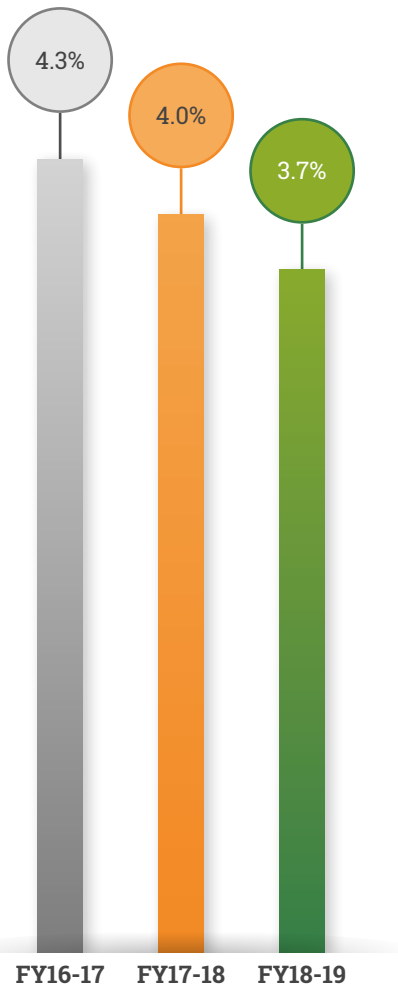
Reason

Higher productivity per employee

STORES AND SPARES COSTS AS % OF REVENUE

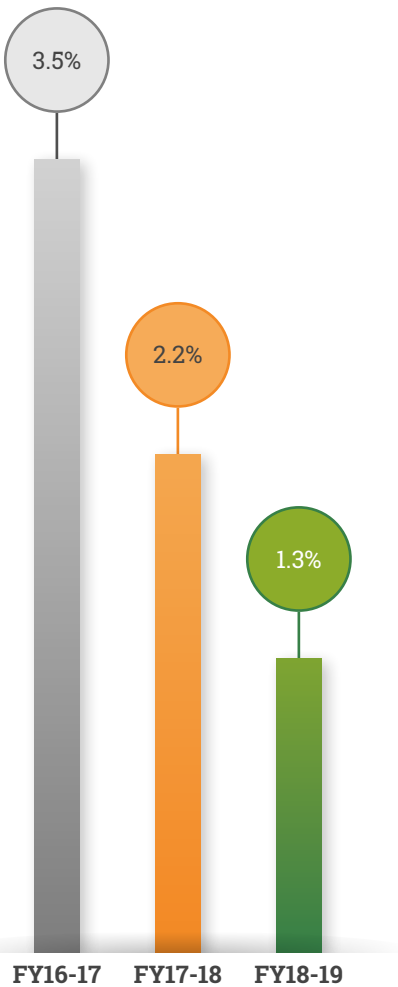
Reason
Efficient utilisation

REPAIRS & MAINTENANCE COSTS AS % OF REVENUE



Reason
Better maintenance practices

INTEREST COST AS % OF REVENUE



Reason
Substantial reduction in debts

At Orient Paper, our long-term sustainability is derived from a culture that emphasises 'Enhance, Enrich and Encourage.'

Your Company has delivered a record performance during the year under review.

- Our revenues increased by 5.7% despite the 21-day planned shutdown that we took for long-term maintenance
- Our EBITDA improved to ₹171.64 cr compared to ₹123.11 cr in the previous year
- Our net profit after tax increased to ₹101.65 cr compared to ₹49.29 cr in the previous year
- We became virtually debt-free
- We achieved these record numbers because we strengthened our commitment to 'Enhance, Enrich and Encourage' through various initiatives.

EBITDA
₹171.64cr

PAT
₹101.65 cr

We believe that these attributes are increasingly relevant when profits need to be generated through improvements from within and where improvements need to be institutionalised as opposed to one-off occurrence.

ENHANCE

At Orient Paper, our efforts to 'enhance' made it possible to moderate operating costs, increase competitiveness and generate additional profits.

We embarked on an ambitious plan a decade ago to enhance resource security and reduce resource procurement costs. Even as this approach looked particularly long-drawn and challenging, we kept faith. A large portion of our major resource needs is now serviced from within a radius of 200 kms from our manufacturing plant. The result is a progressively lower delivered cost, enhancing our competitiveness and profitability .

During the year under review, we enhanced efficiencies through debottlenecking initiatives, which translated into higher capacity utilisation and lower costs.

We reported record sales in our caustic soda business.

We executed several new ideas with the potential to generate attractive returns with comparatively low investments.

ENRICH

At Orient Paper, our efforts to 'enrich' were increasingly driven by our desire to ensure environment protection and enrichment. We set out to better the cause of nature and communities around our facilities through plantations which widened the green cover while ensuring a higher income for local farmers.

We reduced our carbon footprint through a significant moderation in energy and water consumption.

During the year under review, we undertook proactive measures to monitor emissions and enrich soil quality through our 'green belt' initiative.

We serviced customers better, which helped achieve high customer retention of 95%.

We helped farmers generate a stable livelihood.

We began to use treated water across our plantations, which moderated water consumption to only 47 cubic metres per ton of paper in FY18-19.

We also made sizable investments in assets, training and best practices that improved our performance over the last few years.

ENCOURAGE

We 'encourage' all stakeholders to contribute towards making Orient Paper an outperformer. We celebrate initiative-taking, we empower aggressively and we focus on making the good better.

The result is that our teams are continuously working on ideas and initiatives to improve productivity and reduce costs, which manifest in the continuously improving results.

We encourage the spread of education and health awareness within our local community through various initiatives.

We encourage farmers proximate to our facilities to plant more trees; we provide them assistance in best practices related to land preparation to enhance yields.

The convergence of the Three E's has extended to the fourth E, which comprises a culture of organisational Excellence.

I am happy to say that this culture is pervasive and a vibrant reality. The result is that we are consistently performing better than before.

I am optimistic that this culture of outperformance is here to stay because excellence at our Company is not about just being better than before but striving towards achieving the best-in-class performance.

M.L. PACHISIA

Managing Director

ORIENT PAPER.

An outperformer

Many companies faced a downgrade in their credit rating in FY18-19.	Orient Paper maintained its rating of A1+ for short-term debt and AA- for long-term debt.
Not many Indian paper companies could achieve global competitiveness.	Orient Paper successfully exported 50% of its tissue paper output in FY18-19.
Most Indian paper companies were challenged by wood scarcity and increasing costs thereof.	Orient Paper reduced its pulp wood cost in FY18-19 and is optimistic of soon turning wood-positive from within a 200 kms radius of its plant.
Most companies in capital-intensive businesses have a large debt on their books.	Orient Paper is virtually debt-free as on 31 March 2019.

Many companies were not able to service their debts timely.	Orient Paper pre-paid a part of its debt in FY18-19.
Most companies in capital-intensive sectors use debt to grow their business.	Orient Paper is attractively positioned to grow its business through internal accruals.
Most Indian paper companies are still striving to achieve zero liquid discharge.	Orient Paper is the only Indian integrated paper company to achieve zero liquid discharge.
Most companies in India's paper sector are influenced by commodity price movements.	Orient Paper has graduated to a lifestyle positioning through its tissue paper products.

Our passionate philosophies

1. Turning possibilities into realities

When normal understanding indicated that getting more out of legacy equipment was difficult, we disagreed. We believed the opposite was true.

We continued to contemporarise our manufacturing facilities. We refurbished at a low cost. We trained our people.

As a result: our 57 gsm writing and printing paper is considered as good as the 61 gsm from other companies.

The philosophy of 'Enhance. Enrich. Encourage' turns possibilities into realities at Orient Paper.

2. Increased proportion of value-added products

When the total Indian tissue paper market was only 3000 tons a year, Orient commenced tissue paper production with an annual capacity of 10000 tons and has gradually expanded its tissue paper capacity to 50000 tons a year.

When most industry observers felt that Indian tissue paper makes would, at best, remain domestic players, Orient Paper embraced the challenge. We developed high-strength towel grades (inter-fold, kitchen towel, bath tissue etc.). We developed quality facial and toilet grades. We began to prospect and develop global markets.. The result: we export 50% of our tissue paper output to a number of countries today with repeat business derived from happy customers.

The philosophy of 'Enhance. Enrich. Encourage' at Orient Paper proves that perseverance pays.

3. Enhancing resource security

WATER
A few years ago, perennial water availability through Sone River was threatened by a weak monsoon and an upstream dam (40 kms away). Orient Paper could have said, 'We are cornered.' On the contrary, the Company responded with a never-say-die spirit. The Company invested in building water reservoirs on its own land and has now embarked upon building a concrete barrage on the river to ensure complete water security.

PULP WOOD
For some time, we were exposed to volatile wood prices and erratic availability. We resolved to find a lasting solution. We embarked on long-term clonal plantations. Despite challenges, Orient Paper has by now covered 48000 hectares. Today, close to 40% of the Company's requirement of wood is generated from within a 200 kms radius. Logistics costs have declined. Farmer incomes have improved. Best of all, Orient Paper is confident of soon becoming completely self-sufficient for its wood requirement.

POWER AND STEAM
Orient's paper business was passing through a lean period some years ago. Even during this phase, Orient Paper took a bold decision to commission a state-of-the-art 55 MW power plant to become self-sufficient for its total steam and power requirement across its paper and caustic soda businesses with spare capacity to address prospective expansions. The result is that disruptions due to power shortages have become a thing of the past, our caustic soda plant does not have to depend on expensive grid power and our energy costs have come down significantly.

The philosophy of 'Enhance. Enrich. Encourage' makes difficult things happen at Orient..

4. Establish thought leadership in achieving zero-liquid discharge

When Orient Paper resolved to eliminate all liquid discharge, there was no equivalent model in the country's pulp and paper sector. The Company embraced the challenge. Water consumption moderated: from 150 cubic metre per ton of paper manufactured to 47 cubic metre by 2018. The number of plantation sites was increased to absorb nearly 9000 cubic metre of treated effluents. The white water generated was recycled to the pulp mill; the treated water was allocated to non-critical applications.

This is how the Company succeeded in achieving zero liquid discharge for the first time among integrated paper mills in India.

The philosophy of 'Enhance. Enrich. Encourage' raises the bar at Orient Paper.

Building a reinvented and future-proofed Orient Paper

01

RESOURCE SECURITY

- The Company embarked on wood plantations when business was challenging
- The Company sustained investments through market cycles
- The Company continued its focus on moderating its carbon footprint
- The Company increased local wood sourcing to 40% of its requirement
- The Company is accelerating plantations with the objective of becoming wood-positive from local areas
- Local wood availability will enhance resource security and moderate procurement costs, strengthening profitability

02

INCREASED RESPONSIBILITY

- The Company is strengthening its overall environment responsibility
- The Company moderated its consumption of water, energy and carbon footprint
- The Company upgraded its effluent treatment plant; installed equalisation tanks with diffused aeration system; developed High Rate Transpiration System sites. The Company became the first and so far the only Indian integrated pulp and paper manufacturer to achieve complete zero liquid discharge
- The Company optimised hardwood and bamboo bleaching process (enhanced chemical recovery)
- The Company built water percolation tanks on farmer lands, raising their water table

INCREASED TISSUE PAPER OUTPUT

- Focused attention on tissue paper space
- The Company has grown to become India's largest tissue paper manufacturer
- The Company generates ~45% revenues from tissue paper (half of output exported)
- The Company competes successfully in the export markets with China and Europe
- The Company regularly showcases tissue products in international exhibitions
- The Company intends to retain its leadership through timely capacity enhancements

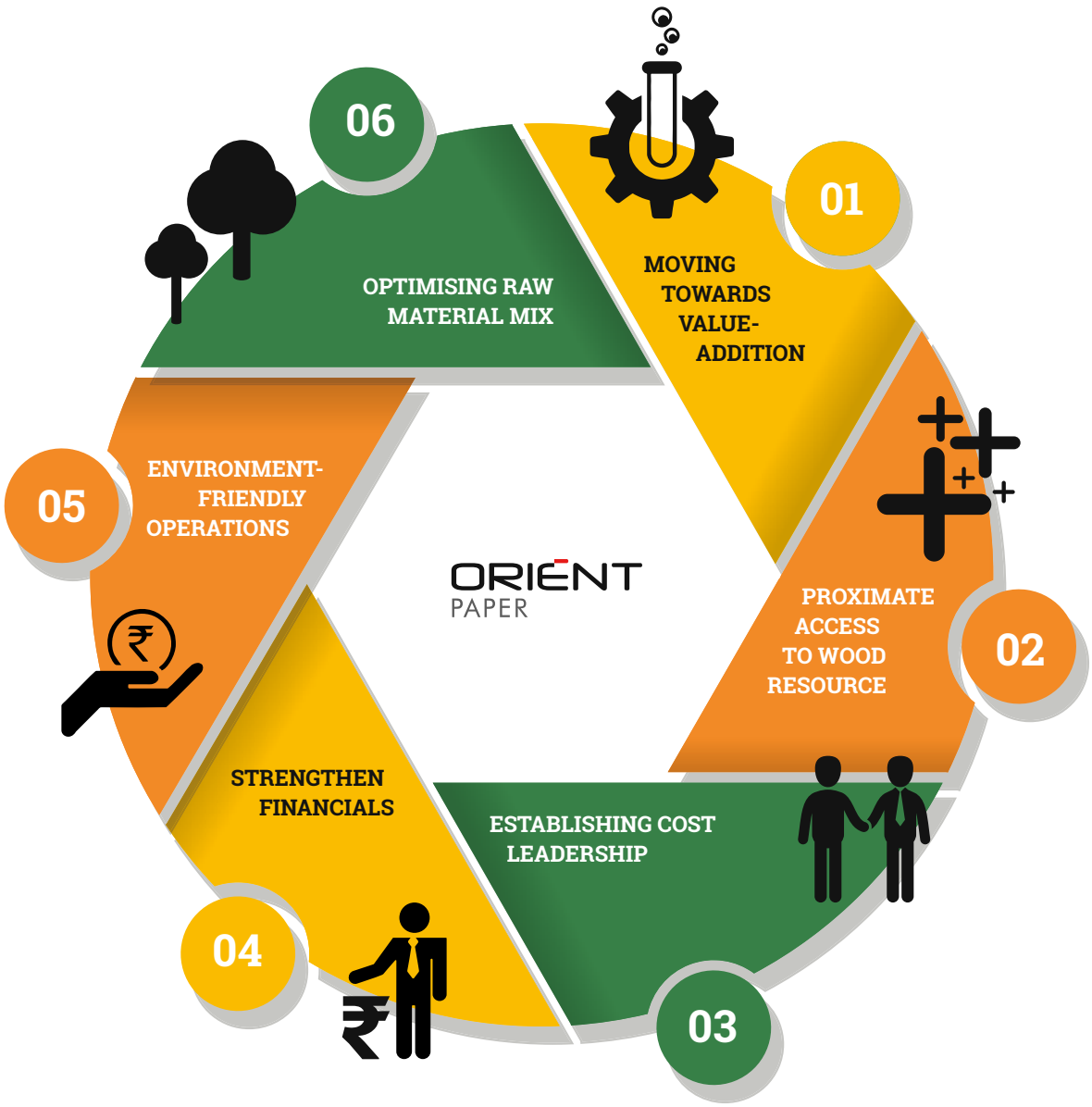
BALANCING PULP AND PAPER CAPACITIES

- The Company is increasing its pulping capacity to 100000 TPA at an investment of ₹225 cr
- This project is likely to be commissioned in FY20-21
- Most of this investment is expected to be funded from internal accruals
- This expansion will also reduce coal consumption and power costs
- This expansion will make the Company self-sufficient for its pulp needs
- The expansion is expected to generate an ROCE of over 20%

ROBUST BALANCE SHEET

- The Company is focused on growing its business without stretching its fundamentals
- The Company has already become virtually debt-free
- The Company's high liquidity is expected to enhance business sustainability
- The Company maintained its robust credit rating of A1+ for short term and AA- for long term debts

How we have transformed our business in the last few years



1 HOW WE HAVE BEEN ENHANCING VALUE-ADDITION

- We were once a printing and writing paper manufacturer
- We commenced tissue manufacture in 2013
- Our first tissue unit (T1) capacity was 10000 MT per annum
- In 2017, we commissioned our third tissue unit (T3)
- Our tissue manufacturing capacity is now 50000 MT per annum
- Tissue accounts for ~50% of our production; 50% tissue output is exported.

2 HOW WE ENSURED PROXIMATE ACCESS TO WOOD RESOURCE

- At one time, we procured only 15% of our wood resource from within 200 kms
- We embarked on a long-term agenda to increase our proximate access to wood
- We encouraged farmers within 200 kms of our plant to engage in wood plantation
- We provided clonal saplings, cultivation knowledge and a buyback commitment
- ~40% of our wood requirement is now procured from within a 200 kms radius
- We are intensifying this effort to procure 100% of our wood needs soon from within 200 kms.

3 HOW WE ENHANCED OUR COST COMPETITIVENESS

- We invested in a number of initiatives to reduce costs
- We retrofitted recovery boiler and its ESP to enhance chemical recovery improved raw material yield to ~38%
- We optimised power & steam consumption
- We reduced pulp wood costs by optimising furnish and source mix

4 HOW WE STRENGTHENED OUR FINANCIALS

- We were once a debt-heavy company
- Cost management and quality initiatives enhanced profitability
- The Company prepaid / repaid ₹157.62 cr of debt in last 3 years
- Our credit rating for long-term debt has been upgraded to CARE AA-
- Our rating for short-term debts has been enhanced to A1+

5 HOW WE HAVE REINFORCED OUR POSITIONING AS AN ENVIRONMENTALLY RESPONSIBLE CORPORATE

- We strengthened our environment compliance
- We conducted special sample analysis of effluents. We upgraded our effluent treatment plant; installed equalisation tanks with diffused aeration system
- We developed High Rate Transpiration System sites to treat effluents in plantation areas
- We reduced water consumption per ton of paper
- We became the first Indian integrated pulp and paper manufacturer to achieve zero liquid discharge

6 USING INNOVATIVE IDEAS TO OPTIMISE OUR RAW MATERIAL MIX

- We conducted intensive trials to enhance our pulp quality
- We researched bamboo wood characteristics (Assam, Bengal, Jharkhand and Odisha)
- We selected Assam Bamboo wood for better viscosity and yield
- We arrived at a superior bamboo mix (quality and cost)

Our business model

Under-penetration: India's paper sector is vastly under-penetrated. Per-capita consumption was a little above 13 kgs compared to a global average of 57 kgs, indicating a large headroom.

Population growth: India is the second most populous country, adding approximately 15 million to its population each year – a growing market for writing & printing and tissue papers.

Lifestyle: India is increasingly developing its eating out, hygiene, health care and hospitality sectors that consume large quantities of tissue papers.

Increasing literacy: Increasing literacy catalyses the market for writing & printing paper. India's average literacy rate saw robust growth from ~65% in 2001 to ~73% in 2011 and is expected to grow aggressively.

Income growth: India's per capita income has doubled in seven years, income growth is translating into increased aspiration and offtake of lifestyle products

OUR CONVICTION

Value-enhancing approach: Our business sustainability has been reinforced through five value-enhancing strategies - investment in our people; investment in relevant technologies; investment in operational excellence; investment in value-addition and investment in environment compliance.

Integration: At Orient Paper, we believe in a culture of consistent growth marked by backward integration – captive production of major ingredients like pulp, caustic soda, power and steam

Corporate governance: Over the years, our governance has resulted in a complete alignment with the certification and compliance needs. We are process-driven and transparent. Our controls and risk management systems are responsive.

Capacity expansion: The Company has prudently invested in enhancing its tissue manufacturing capacities as warranted by market developments while ensuring adequate returns.

Sell-and-make strategy: The Company's products are benchmarked with the best standards and customised around user needs. A sell-and-make strategy has allowed the Company to de-risk, protect margins and enhance revenue visibility over a make-to-sell approach.

Product standards: We enhanced product value-addition through customisaton. We developed products with enhanced features (increased softness in facial tissues and better wet and dry strength in inter-fold tissues), strengthening the customer experience

Risk management: The management balances business risks and opportunities to analyse potentially negative or positive outcomes. The Control and Risk Committee and the head of the Audit department regularly reviews Risks and their mitigation plans which are validated by the Board-appointed Statutory and Internal Auditors.

Our plantation initiatives

A decade ago, we embarked on a challenging long-term agenda to promote social / farm forestry with the twin objective of helping our local farmers and to achieve 100% procurement of our wood requirements from within a 200 kms radius of our facility at Amlai. We believe that in four years from now, we shall achieve our target and become a wood-positive company from within 200 kms radius of plant, promote greening of the environment and the well-being of our farming community.

INITIATIVES

The Company has set up a world-class clonal development centre which,develops high-yielding eucalyptus with a harvesting cycle of only four to five years. These saplings are provided to farmers at a subsidised cost with a commitment to buy the harvested wood.

The Company has also promoted the concept of agro-forestry where appropriate cash crops are planted along with trees to ensure regular income to farmers.

Persistent efforts in this direction have started yielding positive results with 1 cr trees having been planted in FY18-19.

OUTLOOK

The Company intends to increase plantation area coverage year-on-year. A target of planting 1.5 cr saplings has been taken for FY19-20 which will increase to 2 cr saplings per year from FY20-21.

Necessary infrastructure and investments for increasing our clonal propagation facilities have already been made to meet these targets.

Creating value for farmers

BHUBANESHWAR PATEL
Kuriha, Shahdol district

Bhubaneshwarbhai commenced plantation activity five years ago. He started small and tentative as he was not completely convinced how the initiative would pan out. He harvested his first crop last year. Only now has the import of the initiative dawned on him. The size of returns, the speed of sale, the security of buyback and the ongoing agricultural support (from the OPM Farm Forestry team). The result is that he has extended plantation across 6 acres. Intercropping the trees with coriander, tomato, garlic and onion. He is more than just a successful plantation farmer; he has turned into an advocate of this approach to other farmers!

DEVCHARAN GUPTA
Manpur, Umaria district.

Devcharanji was convinced that Orient Paper's plantation model would work the moment he heard of it, which explains why he planted eucalyptus trees in varied agro-forestry models across a large acreage.

The amazing thing is that he hasn't stopped since. He continues to plant eucalyptus each year under irrigated conditions. Inter-cropping with non-traditional crops like turmeric, ginger, red gram etc. Devcharanji's entrepreneurial mindset has paid off. He has been able to generate chunky returns from eucalyptus on one hand and is able to generate attractive periodic returns from agriculture crops on the other.

He has a good cricketing way of putting it: "I keep taking my singles with the agriculture crops; I keep hitting periodic sixes through my plantation sales."

GOVIND SINGH RATHORE
Bhelma, Bilaspur district.

If there is a model farmer that Orient Paper would like to showcase it would be Govindji. He commenced plantation farming well before anyone considered this important or viable (1991). Because of a simple reason: in those days Orient Paper would procure plantation wood from as far as Assam. Govindji wondered: 'If the Company can buy wood from hundreds of kilometres away, it would be even happier to buy from next door."

Today, he grows eucalyptus across large acres. In doing so, has emerged as an advocate for this kind of farming and emerged as an important link between the Company and other farmers. His words on the subject: "Orient Paper has been destiny-transforming! Afsar-log ne kismet badal di!"

RAJKUMAR SAHU
Gadasarai village, Dindori district .

All Raj Kumar babu had to show for his hard work was barren rocky land. Until he encountered the Farm Forestry team of Orient Paper. They were among the first to convince him that he was sitting on a priceless asset. They encouraged him to rehabilitate his land with eucalyptus. He was cautious: he started with only 2000 seed-rooted plants. From 2008, onwards he commenced planting clonal saplings. He generated a surplus large enough to establish saw mills in Dindori. "Orient Paper ne aankhein khol di!" he says.

Our environment engagement

Orient Paper is a respected and responsible corporate citizen in an environmentally-sensitive industry whose business is woven around the '3 R's – Reduce, Recycle and Reuse.

OVERVIEW

At Orient Paper, we are engaged in an environmentally-sensitive business.

This reality places a growing responsibility on our Company to invest pro-actively in environment protection.

At Orient Paper, we believe that the most effective environment intervention is to consume less and dispose waste responsibly.

In line with these priorities, the Company has invested extensively in relevant technologies, enhanced training, undertook reforestation and documented initiatives. The Company has been accredited with

all applicable certifications and has emerged as a zero liquid discharge Company, the first in India's paper industry.

The Company's efforts in this direction have been acknowledged by several awards and certifications from different institutions.

ORIENT PAPER'S ENVIRONMENT MANAGEMENT SYSTEM

Water conservation initiatives

In a world where water stress is beginning to appear in a number of regions and in a business that consumes a large quantity of water, there is a premium to access, store and consume water in a responsible way.

Over the years, the Company embarked on numerous water conservation initiatives.

The Company has started re-using treated white water in the pulp and paper production, moderating fresh water consumption.

The Krofta performance monitoring of the three tissue machines helped measure pulp consistency leading to a reduction in consumption of water, chemicals and fibre.

Regular analysis of water and soil samples from surrounding areas helps ascertain condition of water tables surrounding the mill.

The result is visibly reflected in a significant reduction of water consumption to only 47 cubic meters per ton of paper in FY18-19.

Energy conservation initiatives

In a business that consumes a large quantity of steam and power, there is a growing need to moderate consumption and related costs.

The Company invested in several variable frequency drives at various mill locations to reduce power consumption.

The Company's coal consumption has declined to 2.21 MT per ton of paper in FY18-19 despite the 21 days of maintenance shutdown.

The Company has installed solar panels in its caustic soda unit to produce 100 KW of power and is now in the process of installing a 1 MW solar facility in its paper plant.

Soil conservation initiatives

The Company kickstarted an extensive soil management programme to check soil erosion and monitor the presence of soluble ions by testing alkalinity and texture, among others.

The Company has set up a high-rate transpiration systems across ~400 hectares in 20 plantation sites to ensure cost-effective wastewater treatment. The system promotes green belt development and also functions as a bio-sink for greenhouse gases.

Infrastructure investments

The Company has invested in the uninterrupted monitoring of emissions and effluents.

The Company has installed a state-of-the-art dust collection system at its crusher house and bunker unit. The system comprises bag filters, chimneys, ducts, screw conveyors and fans for sucking in fine particles at transfer points.

The Company has also installed a dust suppression system which suppresses dust in and around its facilities through a sprinkler type dust suppression system.

The Company has developed a green belt (633 acres) and has planted 1 cr saplings during FY18-19.

Awards and accolades

National Water Award from Ministry of WRD including a cash award of ₹150000.

IPMA Energy Conservation Award FY17- 18

CII National Award for Excellence in Water Management - 2018

CII National Energy Management Award - 2018

MP state Government award for Skill development

Golden Peacock Award for Energy Efficiency

Green tech Environment - Platinum Award 2018

National CSR Leadership in Water Excellence - 2018

Greentech Safety Award - 2018

Apex India Energy Efficiency Awards - 2018

Apex India Environment Excellence Awards - 2018

BEE NECA Award - 2018 for energy efficiency

Our certifications

Orient Paper at the forefront of corporate social responsibility

Orient Paper is a responsible corporate citizen. The Company has always focused on the welfare of the community around its plant. This commitment has been drawn from the longstanding values of the CK Birla Group.

Some of our CSR initiatives during FY18-19

EDUCATION AND YOUTH WELFARE

OPM SHIKSHAN KENDRA set up by the Company provides schooling facility to the children from the local community at a subsidised cost.

Orient Paper also donated classroom furniture, built toilets and provided drinking water facilities to several schools in Atariya, Bakaho, Jhagarha and other nearby villages in FY18-19.

School furniture donation to the school at Ataria

Donation of school furniture to the school at Jhagraha village

Donation of school furniture to the school at Bakaho village

Computer education at OPM Sikshan Kendra

WATER & SANITATION

The Company regurlarly supplies drinking water to villages like Bargawan, Indra Nagar, Intta Bhatta, Bakaho, Jhagarha, Rawal Market, Bakahi, Batura etc through stainless steel tankers, ensuring high hygiene and has also built toilet facilities in schools and villages and built drinking water facilities in the surrounding communities.

Water supply by tankers

Construction of Ladies toilet

Running water facilities in several schools and villages

Drinking water facility near a marriage hall

Orient Paper at the forefront of corporate social responsibility

WOMEN EMPOWERMENT

HEALTH CARE

Orient Paper's hospital, fully manned by a qualified doctor and para medics, provides primary health care to the local community. During FY18-19, the hospital treated 7297 patients in its OPD and 101 indoor patients from surrounding villages and panchayats.

Besides, the Company organises free health check camps where free medicines are also provided.

Health check-up camps at Bakaho village

Health check-up camps at Jhagraha village

CHECKING SOIL EROSION AND MOISTURE CONSERVATION ALONG THE RIVER SONE

Orient Paper commissioned facilities for water harvesting not only on its own land but provided water harvesting pits, ponds and check dams on nearby farms to help raise the water table.

Orient Paper embarked in a unique initiative by undertaking watershed management along the banks of the River Sone planting of 2000 native species like Bargad, Peepal, Neem, Bamboo, Gulmohar, Sheesham and Karanj. This was supplemented by building water recharging moisture-conservation facilities along the bank of the River Sone greening the barren lands.

COMMUNITY ACTIVITIES AND CELEBRATIONS

Dussehra celebration at Orient Paper – open to the entire community

Dussehra celebration at Orient – open to the entire community

Navratri festival

Some comments by beneficiaries of the Company's CSR activities

"Orient Paper provided us with a water cooler, fan, benches, tables, staff chairs and rugs besides installing a clean water connection."

- Principal, Shach Prath School, Jhagarha

"I am thankful to Orient Paper for installing a water connection in the kitchen and washroom of our school, enhancing overall hygiene."

- Headmaster, Govt. Primary School, Rampur

"Orient Paper provided benches and desks for the children of primary and secondary schools of Atariya, raising our school's standard."

- Headmaster, Govt. Middle School, Atariya, Shahdol

"Orient Paper constructed a check dam and planted trees, enhancing land productivity and earnings."

- Radhika Prasad Yadav, farmer, Batura village

"Orient Paper provided our school with a water cooler with purifier, a loud speaker with mike, switch stand, chairs, tables and benches, strengthening our infrastructure."

- Principal, Govt. Middle School, Bakaho, district Shahdol (M.P.)

Our people

At Orient Paper, people represent our core assets

We believe that process improvements by just 1% in different areas makes a meaningful contribution to our cost competitiveness.

We believe in emotional ownership, where every employee believes she/he 'owns' the Company.

We have enhanced the accessibility of our senior management through regular review of our performance and targets with wider audience.

EXECUTION

We believe that process savings provide the lowest cost resource for growth.

We believe in the power of process improvements that generate reasonable payback

We invite operational kaizen suggestions from across our organisation – the majority of suggestions come from the shopfloor.

We engage in cross-functional morning meetings at the manufacturing facility, enhancing awareness on the one hand and collective solution-seeking on the other.

We engage in monthly business reviews at the senior management level, prompting validation or course-correction.

Training in our human development centre

PHILOSOPHY

At Orient Paper, our operating culture can be concised in three sentences.

One team. One mind. One mission..

One team

At Orient Paper, we believe that we are one – irrespective of our function, location, capability and position.

This translates into a respect for the individual. We treat every performance on merit. We believe we can only be as good as our weakest link. We believe that no challenge is insurmountable if we respond with collective unity.

One mind

At Orient Paper, we believe that sustainable growth is the result of an alignment – between a stated objective and organisational preparedness.

This preparedness is achieved through the entire teams' buy-in of stretch targets and focus on profitability and sustainability.

One mission

At Orient Paper, we believe that sustainable success can be achieved through sustained pursuit of organisational objectives.

This is derived from minimising mismatches between budgets and outcomes and the ability of the organisation to be driven by the same strategic priorities.

Profile of Board of Directors

PARTICULARS	AGE	DATE OF JOINING	OTHER DIRECTORSHIP
Shri Chandra Kant Birla 24, Dr. A. P. J. Abdul Kalam Road New Delhi 110 011 Chairman Industrialist, Indian	64	29.09.1978	1. Orient Cement Ltd. 2. National Engineering Industries Ltd. 3. AVTEC Ltd. 4. HIL Ltd. 5. Birla Brothers Pvt. Ltd. 6. Orient Electric Ltd. 7. Birlasoft Ltd. 8. NeoSym Industry Ltd. 9. Birlasoft Inc., USA 10. Birlasoft (U.K.) Ltd., London 11. ASS AG, Switzerland
Shri Michael Bastian 'Cecilia Abode', 21st Cross, 14th Main, H.S.R. Layout, Sector - 3, Bengaluru - 560 102 Director Consultant, Indian	74	27.10.2009	Artson Engineering Ltd.
Shri Narendra Singh Sisodia 403, Blossom B-30, Jyoti Marg, Bapunagar, Jaipur 302015 Director IAS (Retired), Indian	74	31.10.2012	Carrier Air Conditioning & Refrigeration Ltd.
Ms. Gauri Rasgotra 6B, HUDCO Place, Andrews Ganj extension Behind Ansal Plaza, New Delhi 110 049 Director Advocate, Indian	51	26.09.2014	HIL Ltd.
Shri Srinivasan Vishvanathan 560, SFS Flats Mandakini Enclave, Alaknanda New Delhi 110 019 Director Retired Bank official, Indian	65	25.03.2019	1. Axis Bank Ltd. 2. AVTEC Ltd.
Shri Manohar Lal Pachisia 4, Alipore Park Place, 3rd floor Kolkata - 700 027 Managing Director Service, Indian	74	23.09.1997	1. National Engineering Industries Ltd. 2. GMMCO Ltd. 3. Gwalior Finance Corporation Ltd. 4. Birla Buildings Ltd. 5. Soorya Vanijya & Investment Ltd. 6. National Bearing Co. (Jaipur) Ltd 7. Special Engineering Services Ltd. 8. Nigeria Enginerring Works Ltd., Nigeria

Corporate Information

BOARD OF DIRECTORS

Shri Chandra Kant Birla (Chairman)

Shri Michael Bastian

Shri Narendra Singh Sisodia

Ms. Gauri Rasgotra

Shri Srinivasan Vishvanathan

Shri Manohar Lal Pachisia (Managing Director)

BOARD COMMITTEES

Audit Committee

Shri Michael Bastian (Chairman)

Shri Narendra Singh Sisodia

Ms. Gauri Rasgotra

Shri Srinivasan Vishvanathan

Stakeholders Relationship Committee

Shri Michael Bastian (Chairman)

Ms. Gauri Rasgotra

Shri Manohar Lal Pachisia

Nomination & Remuneration Committee

Shri Narendra Singh Sisodia (Chairman)

Shri Michael Bastian

Shri Srinivasan Vishvanathan

Corporate Social Responsibility Committee

Shri Narendra Singh Sisodia (Chairman)

Ms. Gauri Rasgotra

Shri Manohar Lal Pachisia

AUDITORS

Price Waterhouse & Co. Chartered Accountants LLP

Chartered Accountants

Plot no. 56 & 57
Block - DN, Sector - V, Salt lake
Kolkata - 700091 (West Bengal)

REGISTERED OFFICE

Unit-VIII, Plot No.7
Bhoinagar, Bhubaneswar-751 012 (Odisha)

PLANTS

Amlai, Madhya Pradesh
Brajrajnagar (Odisha)

SHARE TRANSFER AGENT

Karvy Fintech Private Ltd.

Karvy Selenium Tower- B
Plots No. 31 & 32
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad-500032 (Telengana)

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, 2019.

Financial results

The financial performance of the Company for the year ended 31st March, 2019 is summarised below:

(₹ in crores)

Particulars	2018-19	2017-18
Revenue from Operations	710.04	671.80
Other Income	33.71	11.23
Total Income	743.75	683.03
Earnings before Interest, Depreciation, Amortisation & Taxation	**171.64**	**123.11**
Interest/Finance costs	9.97	14.69
Profit before Depreciation and Taxation	**161.67**	**108.42**
Depreciation	31.61	28.31
Profit before Taxation	**130.06**	**80.11**
Taxation	28.41	30.82
Profit for the year	**101.65**	**49.29**
Other Comprehensive Income	(6.07)	94.35
Total Comprehensive Income	**95.58**	**143.64**
STATEMENT OF RETAINED EARNINGS		
At the beginning of the year	839.84	796.20
Add: Profit for the year	101.65	49.29
Add: Transfer from FVOCI – sale of equity investments (net of taxes)	0.29	30.68
Less: Other Comprehensive Loss (net of taxes)	3.43	0.57
Dividend on Equity shares	23.34	29.71
Corporate dividend tax	4.80	6.05
At the end of the year	910.21	839.84
EPS (₹)	**4.79**	**2.32**

Operational and Financial Performance

The performance of your Company showed a marked improvement in the year under review. Orient Paper registered a revenue of ₹710.04 crores for the financial year ended March 31, 2019, an increase of 5.69% over the previous year. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) stood at ₹171.64 crores, up by 39.42% compared to the previous year, on the back of rising demand for your Company's products and control over costs. The Finance Cost was reduced by 32.13%. Profit before Tax (Before Exceptional Items) stood at ₹130.06 crores, up by 62.35% compared to the previous year. Net Profit for financial year ended March 31, 2019 stood at ₹101.65 crores as compared to ₹49.29 crores in the previous year.

Share Capital

There was no change in the share capital of the Company during the financial year 2018-19.

Dividend

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of final dividend of ₹0.60 (60%) per equity share of ₹1/- each. This is in addition to the Interim Dividend of Re. 0.50 (50%) per equity share of ₹1/- each declared on 23rd January, 2019 by the Board of Directors of the Company, bringing the total dividend for the year ₹1.10/- (110%).

Economic climate and our performance

India's economy is acknowledged as the world's fastest growing major economy and is expected to record a growth of ~7% for the year under review.

There continues to be a strong push on development of infrastructure and education by the Government. Private sector investments have also started picking up gradually. RBI's recent reduction in rates should provide further impetus to investments and economic growth.

We therefore feel that our country's economy is in a reasonably stable state and should grow even faster going forward.

The Indian Paper industry also performed well based on healthy growth in demand and a balanced supply/demand equation. Higher International prices of Pulp & Paper also contributed to higher exports.

This is also reflected in our performance for the year during which we have achieved the best ever results in our history despite the 21 days maintenance shut during the 1st quarter. This has been possible due to our relentless push towards cost reduction and efficiency improvements.

We are now in the process of upgrading our pulp mill to become ECF compliant and also increase its capacity to reduce our dependence on imported pulp for meeting the increased pulp requirement for our expanded paper capacity after installation of the 3rd Tissue paper machine last year. As a part of this project we are going to set up an energy efficient recovery boiler and a "7-effect falling film evaporator", which will significantly contribute to reduction in our costs further.

Sustainable Development and Environment

We have always considered environment protection and sustainable development as integral part of our business philosophy. We are happy to report that we meet or exceed all the latest environmental standards including Zero liquid discharge.

We have also been contributing to greening of our environment and provide assistance to the farmers around our plants by aggressively promoting farm forestry and achieved plantation of one crore trees covering 4500 Ha. during the year under review.

Our efforts towards conservation of water and energy have been widely recognized by several institutions including the Ministry of water resources, Government of India, CII and others as detailed elsewhere in this report.

Cash Flow Analysis

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 2(40) of the Companies Act, 2013, the cash flow statement for the year ended 31st March 2019 is included in the annual accounts.

Corporate Governance

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

Management Discussion and Analysis

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

Deposits

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

Particulars of Loans, Guarantee and Investments

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

Corporate Social Responsibility

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

Extract of Annual Return

The extract of Annual Return in form MGT 9 is annexed herewith as Annexure II. The Annual Return of the Company for the year ended 31st March, 2018 is available on the website of the Company www.orientpaperindia.com.

Directors and Key Managerial Personnel

Directors

(i) Resignation

During the year, Shri Amitabha Ghosh (DIN:00055962), an Independent Director of the Company, resigned from the Board of the Company with effect from 31st January, 2019. The Board of Directors place on record their deep appreciation for his immense and valuable contribution to the growth and development of the Company during his long tenure as a director of the Company.

(ii) Appointment

The Board of Directors of the Company at its meeting held on 25th March, 2019, has appointed Mr. Srinivasan Vishvanathan (DIN:02255828) as an Additional Director and an Independent Director for a period of five years effective from 25th March, 2019, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

Re-appointment

The term of appointment of Mr. Narendra Singh Sisodia (DIN:06363951) as an Independent Director for a period of five years will be completed on 21st July 2019. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 2nd May, 2019 approved the re-appointment of Mr. Narendra Singh Sisodia as an Independent Director for a period from 22.07.2019 to 13.01.2020, upon his attaining the age of 75 years, subject to the approval of the shareholders of the Company.

The term of appointment of Mr. Manohar Lal Pachisia (DIN:00065431) as the Managing Director of the Company ended on 31st March, 2019. The Nomination & Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 23rd January, 2019 approved the re-appointment of Mr. Manohar Lal Pachisia as Managing Director (a Key Managerial Personnel) from 1st April 2019 to 31st March, 2020, subject to the approval of shareholders of the Company.

(iii) Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Chandra Kant 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, of the directors individually as well as the evaluation of its various Committees. The process of evaluation has been 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 and regulation 16(b) of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Auditors & Audit Reports

(i) Statutory Auditors

The Shareholders of the Company at the Annual General Meeting held on 9th August, 2017 appointed M/s. Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E-300009) as the Auditors of the Company for a period of 5 years.

The Auditors' Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark. Further, in terms of section 143 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended, notifications/ circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

Note No. 51(c) appearing in the Notes to Financial Statements referred to in the Auditors' Report is self-explanatory.

(ii) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 and rules made there under, Mr. Somnath Mukherjee, Cost Accountant (Membership no. M/5343) was appointed for the financial year ending 31st March 2019 to conduct cost audit for the products covered under the said rule. The Board of Directors of the Company, on the recommendation of the Audit Committee has further appointed Shri Somnath Mukherjee, Cost Accountant as Cost Auditor for auditing the cost accounts of the Company for the financial year 2019-20. The Auditor has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Cost Auditor of the Company.

(iii) Secretarial Auditor

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 appointed Mr. A. K. Labh, Company Secretary in Practice (CP Regn. No. 3238) to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Report of the Secretarial Auditor is annexed to this report as Annexure III. The comments mentioned in the Secretarial Audit Report are self-explanatory.

The Board of Directors of the Company have further appointed Mr. A. K. Labh, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2019-20.

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.

Information of employees

The prescribed information of Employees as 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on arm's 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 is presented before the Audit Committee and Board of Directors on a quarterly basis specifying the nature, value and terms and conditions of the transactions. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 have been given in the prescribed form AOC -2 as Annexure VII. Web link for the policy in the website is https://orientpaperindia.com/codes-policies.

Remuneration Policy

The Board has, on the recommendation of its Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration.

The Remuneration Policy is stated in the Corporate Governance Report. Web link for the policy in the website is https://orientpaperindia.com/codes-policies.

Risk Management

Pursuant to Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a risk management policy. The policy comprises of a robust business risk management framework to identify, evaluate and mitigate potential business risks. The business risk framework defines the risk level including documentation and reporting.

Whistle Blower Policy

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

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

Prevention of Sexual Harassment of Women at Workplace

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

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

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

Internal Financial Controls with reference to Financial Statements

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

Material Changes and Commitment Affecting Financial Position of the Company

There are no material changes and commitment affecting financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March 2019 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
(DIN: 00118473)

New Delhi, 2nd May, 2019

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 Company has framed a CSR Policy as required under section 135 of the Companies Act, 2013 and brief outline of the policy has been given in the Corporate Governance Report. The policy is available on the website of the Company https://www.orientpaperindia.com.

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.**

   ₹5242 lacs

4. **Prescribed CSR Expenditure for the financial year 2018-19 (two per cent of the amount as in items 3 above)**

   ₹104.84 lacs

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year 2018-19: ₹104.84 lacs

   (b) Amount spent: ₹87.24 lacs

   (c) Amount unspent: ₹17.60 lacs

(d) 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)	60.00	58.77	261.09	Directly
2	Supply of Free Water & sewing machines	Rural Development	Amlai, MP (Local Area)	15.00	12.28	42.39	Directly
3	Contribution towards maintenance of School	Promoting Education	Amlai, MP (Local Area)	15.00	9.20	69.47	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	Nil	14.85	Directly
5	Construction of water harvesting structure, planting trees of nature species like bergad, neem etc.	Conservation of Natural resources and maintaining quality of soil, water	Amlai, MP (Local Area)	Nil	6.99	6.99	Directly
Total				100.00	87.24	394.79	Directly

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

   The Company has earmarked funds in line with its policy as well as prescribed CSR Expenditure but the projects/ programmes could not be completed during the financial year under review. However, initiatives have been taken for earliest completion of the projects. Considering the same where projects at time extends beyond the financial year, there is no shortfall as such in CSR expenditure.

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.

	Manohar Lal Pachisia	Gauri Rasgotra
New Delhi, 2nd May, 2019	Managing Director	Chairman CSR Committee

Annexure II

Extract of Annual Return

as on the financial year ended 31st March 2019

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

FORM NO. MGT 9

I. Registration and other details

(i)	CIN	L21011OR1936PLC000117
(ii)	Registration Date	25th July, 1936
(iii)	Name of the Company	ORIENT PAPER & INDUSTRIES LTD.
(iv)	Category /Sub-Category of the Company	Company having share capital
(v)	Address of the Registered Office and Contact details	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, (Odisha) 0674-2396930
(vi)	Whether listed company	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent	Karvy Fintech Private Limited Karvy Selenium Tower B Plots 31-32, Financial District Nanakramguda Hyderabad-500 032 Toll free no. 18003454001 Email: einward.ris@karvy.com www.karvyfintech.com

II. Principal Business Activities of the Company

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

Sr. No.	Name & description of main products/ services	NIC Code of the product/service	% to total turnover of the Company
(i)	Pulp & Paper	1701	100

III. Particulars of Holding, Subsidiary and Associate Companies

Sr.No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NIL				

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

i. Category-wise Shareholding

Category of shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A(1)	Promoters Indian									
(a)	Individual/HUF	7604945	-	7604945	3.58	7604945	-	7604945	3.58	0.00
(b)	Central Govt.	-	-	-	-	-	-		-	-
(c)	State Govt.	-	-	-	-	-	-		-	-
(d)	Bodies Corp.	74128349	-	74128349	34.94	74128349	-	74128349	34.94	0.00
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1)		81733294	-	81733294	38.52	81733294	-	81733294	38.52	0.00
A(2)	Foreign									
(a)	NRIs-Individual	-	-	-	-	-	-	-	-	-
(b)	Other-Individual	-	-	-	-	-	-	-	-	-
(c)	Bodies-Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2)		-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A)=(A)(1)+(A)(2)		81733294	-	81733294	38.52	81733294	-	81733294	38.52	0.00
B. Public Shareholding										
(1) Institutions										
(a)	Mutual Funds/UTI	30894723	-	30894723	14.56	27419470	-	27419470	12.92	(1.64)
(b)	Banks/FI	215906	876900	1092806	0.52	291414	94460	385874	0.18	(0.33)
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	8062889	-	8062889	3.80	3556346	-	3556346	1.68	(2.12)
(g)	FIIs/Foreign Portfolio Investor	3633315	-	3633315	1.71	906070	-	906070	0.43	(1.29)
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others	2256725	-	2256725	1.06	2605464	-	2605464	1.23	0.16
Sub-total(B)(1)		45063558	876900	45940458	21.65	34778764	94460	34873224	16.44	(5.22)
(2) Non-Institutions										
(a)	Bodies Corporate	37235210	336420	37571630	17.71	37423273	13980	37437253	17.64	(0.06)
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lacs	28452661	975200	29427861	13.87	38808733	801823	39610556	18.67	4.80
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lacs	10912119	-	10912119	5.14	10969343	-	10969343	5.17	0.03

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

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	
(c)	Others									
	i) NRI	1105809	-	1105809	0.52	1031633	-	1031633	0.49	(0.03)
	NRI non-repatriation	520495	-	520495	0.25	790395	-	790395	0.37	0.13
	ii) OCB	3813748	-	3813748	1.80	3813748	-	3813748	1.80	0.00
	iii) NBFC	110889	-	110889	0.05	38674	-	38674	0.02	(0.03)
	iv) Clearing members	175112	-	175112	0.08	273004	-	273004	0.13	0.05
	v) Trusts	66649	4000	70649	0.03	806940	4000	810940	0.38	0.35
	vi) IEPF	803438	-	803438	0.38	803438	-	803438	0.38	0.00
	vii) Qualified Foreign investor	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)		83196130	1315620	84511750	39.83	94759181	819803	95578984	45.05	5.22
Total Public shareholding (B)=(B)(1)+(B)(2)		128259688	2192520	130452208	61.48	129537945	914263	130452208	61.48	0.00
TOTAL(A)+(B)		209992982	2192520	212185502	100.00	211271239	914263	212185502	100.00	0.00
C. Shares held by custodian for GDRs & ADRs		-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)		209992982	2192520	212185502	100.00	211271239	914263	212185502	100.00	0.00

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/or encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/or encumbered to total shares	
1	Central India Industries Ltd.	52559648	24.77	-	52559648	24.77	-	-
2	Shekhavati Investments & Traders Ltd.	12760895	6.01	-	12760895	6.01	-	-
3	Nirmala Birla	3606410	1.70	-	3606410	1.70	-	-
4	Chandra Kant Birla	3405893	1.61	-	3405893	1.61	-	-
5	Hindusthan Discounting Co. Ltd.	2310678	1.09	-	2310678	1.09	-	-
6	Gwalior Finance Corporation Ltd.	1649375	0.78	-	1649375	0.78	-	-
7	Amer Investments (Delhi) Ltd.	1422000	0.67	-	1422000	0.67	-	-
8	Universal Trading Co. Ltd.	912280	0.43	-	912280	0.43	-	-
9	National Engineering Industries Ltd.	537400	0.25	-	537400	0.25	-	-
10	Rajasthan Industries Ltd.	690035	0.33	-	690035	0.33	-	-
11	Ashok Investment Corporation Ltd.	683038	0.32	-	683038	0.32	-	-
12	Amita Birla	328000	0.15	-	328000	0.15	-	-

ii. Shareholding of Promoters (Contd.)

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/or encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/or encumbered to total shares	
13	Jaipur Finance & Dairy Products Pvt. Ltd.	208000	0.10	-	208000	0.10	-	-
14	India Silica Magnesite Works Ltd.	200000	0.09	-	200000	0.09	-	-
15	Bengal Rubber Co. Ltd.	195000	0.09	-	195000	0.09	-	-
16	Avani Birla	130000	0.06	-	130000	0.06	-	-
17.	Avanti Birla	134642	0.06	-	134642	0.06	-	-
	Total	**81733294**	**38.52**	**-**	**81733294**	**38.52**	**-**	**-**

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 Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01.	At the beginning of the year	81733294	38.52	81733294	38.52
02.	Increase/Decrease in promoters shareholding during the year:	-	-	-	-
	At the end of the year	81733294	38.52	81733294	38.52

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No	Name	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	L & T Mutual Fund Trustee Limited	7245417	3.41	10737820	5.06
2.	Reliance Capital Trustee Co.Ltd.	18394345	8.66	10000000	4.71
3.	Principal Trustee Co.Pvt.Ltd.	1378800	0.65	5340000	2.52
4	Birla Institute of Technology & Science	3519850	1.66	3519850	1.66
5	Rukmani Birla Educational Society	3472140	1.64	3472140	1.64
6	Shree Jagannath Educational Institute	3170000	1.49	3170000	1.49
7	Sri Govinddeo Educational Institute	3005000	1.42	3005000	1.42
8	Shri Venkateshwara Educational Institute	2851860	1.34	2851860	1.34
9.	National Insurance Co Ltd.	2506096	1.18	2506096	1.18
10.	ICICI Prudential Life Insurance Co Ltd.	2142999	1.01	2142999	1.01

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.	Mr. C.K. Birla, Chairman				
	At the beginning of the year	3405893	1.60	3405893	1.60
	Purchase/(sale) of shares during the year	-	-	-	-
	At the end of the year	3405893	1.60	3405893	1.60
2.	Mr. A. Ghosh, Director (ceased to be director w.e.f. 31.01.2019)				
	At the beginning of the year	7400	0.003	7400	0.003
	Purchase/(sale) of shares during the year	-	-	-	-
	At the end of the year	7400	0.003	7400	0.003
3.	Mr. M. Bastian, Director				
	At the beginning of the year	26733	0.013	26733	0.013
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	26733	0.013	26733	0.013
4.	Mr. N. S. Sisodia, Director				
	At the beginning of the year	-	-	-	-
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	Ms. Gauri Rasgotra, Director				
	At the beginning of the year	-	-	-	-
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. S. Vishvanathan, Director (appointed w.e.f. 25.03.2019)				
	At the beginning of the year	-	-	-	-
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. M. L. Pachisia, Managing Director				
	At the beginning of the year	37948	0.018	37948	0.018
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	37948	0.018	37948	0.018
8.	Mr. P. K. Sonthalia, CFO				
	At the beginning of the year	15920	0.007	15920	0.007
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	15920	0.007	15920	0.007
9.	Mr. R. P. Dutta, Company Secretary				
	At the beginning of the year	205	-	205	-
	Purchase /(sale) of shares during the year	-	-	-	-
	At the end of the year	205	-	205	-

V. Indebtedness

Indebtedness of the Company including interest outstanding /accrued but not due for payment (₹in crores)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	88.23	2.24	12.57	103.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.05	-	-	0.05
Total (i+ii+iii)	**88.28**	**2.24**	**12.57**	**103.09**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	59.76	2.24	2.45	64.45
Net Change	**(59.76)**	**(2.24)**	**(2.45)**	**(64.45)**
Indebtedness at the end of the financial year				
i) Principal Amount	28.49	-	10.12	38.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.03	-	-	0.03
Total (i + ii + iii)	**28.52**	**-**	**10.12**	**38.64**

VI. Remuneration of Directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Directors and /or Manager: (₹in lacs)

Sr. No.	Particulars of remuneration	M.L.Pachisia (Managing Director)
	Gross Salary	
1(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961.	289.10
(b)	Value of perquisites under Section 17(2) Income tax Act,1961	197.20
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act,1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	- As % of profit - Others specify	- -
5.	Others, please specify:	-
	Total (A)	**486.30**
	Ceiling as per the Act	**570.96**

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

B. Remuneration to other Directors:

(i) Independent Directors (₹in lacs)

Sr. No.	Particulars of remuneration	Mr. A. Ghosh *	Mr. M. Bastian	Mr. N.S. Sisodia	Ms. G. Rasgotra	Mr. S. Vishvanathan**	Total
1.	Fee for attending Board/ Committee meetings	7.00	13.50	12.50	9.50	1.00	43.50
2.	Commission	10.41	12.50	12.50	12.50	0.24	48.15
3.	Others, please specify	-	-	-	-	-	-
	Total (B)(i)	**17.41**	**26.00**	**25.00**	**22.00**	**1.24**	**91.65**

*Ceased w.e.f. 31.01.2019

** Appointed w.e.f. 25.03.2019

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

Sr. No.	Particulars of remuneration	Mr. C. K. Birla
1.	Fee for attending Board/Committee meetings	5.00
2.	Commission	40.00
3.	Others, please specify	-
	Total (B)(ii)	45.00
	Total B (i+ii)	136.65
	Total Managerial Remuneration (A+B)	**622.95**
	Overall ceiling as per the Act	**1256.11**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (₹in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	196.14	22.99	219.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	20.16	1.18	21.34
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit	-	-	-
	- Others specify	-	-	-
5.	Others, please specify:	-	-	-
	Total	**216.30**	**24.17**	**240.47**

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, 2019.

Annexure III

Secretarial Audit Report

For the financial year ended 31.03.2019

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2019 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 statues 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 31.03.2019 according to the provisions of (as amended) :

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

(ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;

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

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

(v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

1. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
2. The Petroleum Act, 1934 and The Petroleum Rules, 2002;
3. Explosives Act, 1884

to the extent of its applicability to the Company during the financial year ended 31.03.2019 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, environmental laws, etc.

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

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

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;

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

(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;

(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 Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views, 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.

We further report that :

a) In terms of Section 124(6) of the Act read with Rule 6 of The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company transferred equity shares to the account of Investor Education and Protection Fund Authority (IEPF) during the financial year 2017 - 2018. However, in the process of transfer, the Registrar and Share Transfer Agent of the Company had transferred the entire shares lying in the unclaimed suspense account of the Company instead of actual number of shares required to be transferred to IEPF for which certain steps have been taken for reversal/ transfer of such shares back from the concerned authority (ies).

b) The Company has paid a fine of ₹10,000/- each to NSE and BSE, under protest, for alleged non-compliance of prior intimation for declaration of interim dividend under Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c) The Company has decided to close the Industrial Blowers / Pollution equipment unit situated at 17, Taratolla Road, Kolkata in view of non renewal of lease of land by the Kolkata port Trust at which the unit was operating. Accordingly, the said land has been surrendered to the Kolkata Port Trust.

d) The Company has appointed Karvy Fintech Private Limited ("Karvy") as the new Registrar and Share Transfer Agent {"RTA") of the Company in place of existing RTA, MCS Share Transfer Agent Private Limited ("MCS") in terms of Tripartite Agreement dated 06.03.2019 executed between MCS, Karvy and the Company.

e) The Company had applied to the Central Government for approval of payment of excess remuneration to the Managing Director of the Company during the financial year ended 31.03.2016. However, as per the MCA Notification dated 12th September, 2018, the application stands abated and as informed by the management, the Company would be proposing the same to the shareholders for their approval at the ensuing AGM of the Company.

For A. K. LABH & Co.
Company Secretaries

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

Place : Kolkata
Dated : 02.05.2019

Annexure IV

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

(A) CONSERVATION OF ENERGY

Energy conservation measures taken in FY 2018-19:

Sl. No.	Description of Proposal Implemented	Quantity
1	Installed 75 kW VFD at Treated Effluent Recycling Pump for ash quenching & chips washing.	01 No.
2	Installed 55kW VFD at ClO2 Tower Stock Pump in Pulp Mill.	01 No.
3	Installed 55kW VFD at BHD Tower Pulp supply Pump in Pulp Mill.	01 No.
4	Installed & Commissioned Vapour Absorption Machine Chiller of 500TR at Clo2 Plant	01 No.
5	Optimization of Vacuum System by stopping of one Vacuum Pump at Main Machine.	01 No.
6	Installed & Commissioned single new Screw Compressor of 700 CFM in place of 2 Nos. old inefficient 312CFM dedicated compressor at Tissue M/c 1 & Tissue M/c 2.	01 No.
7	Stoppage of Jumbo Compressor after Installation of New energy efficient IR Screw Compressors (4 Nos.) in Power House.	01 Nos.
8	substitution of High-pressure Pump for Disc Filter in Paper Machine	01 No.
9	Installation & commissioning of new Deflaker at Tissue # 3 "	01 No.
10	Starting of250kvar capacitor bank in PCC# 2 at tissue#2	01 No.
11	Converted HT power at PB1 ID fan drive to LT with VFD "	01 No.
12	Installation of Transparent sheets at Roof tops and side walls of Workshop, Paper M/c and Finishing H/s for reduction in lighting load	150No.

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

Sl. No.	Energy Conservation Proposal	Estimated Investments in next 3 years (₹in lacs)
1	Installation of energy efficient Vacuum system at main machine.	250
2	Installation of VFD at various locations: 10 Nos.	100
3	Installation of LT motor with VFD at in place of HT motor at Power Boiler#2 ID Fan.	25
4	Conversion of approach flow of Main mc to Double dilution system for Energy conservation	150
5	Installation of LED light fittings.	10
6	Fixing of transparent sheets in place of asbestos sheets for utilization of Natural sun light.	10
7	Electricals accessories (Transformers & Circuit breakers and cables for Solar plant of 1MW (OPEX) mode	25
8	Installation of New Energy Efficient Evaporator street & new Recovery Boiler	18500
	TOTAL INVESTMENTS	19070

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

Sl. No.	Energy Form	Unit	2016-17	2017-18	2018-19
1	Power (Excl. colony, Aux. & export power)*	KWH/MT of paper	1805	1760	1814*
2	Steam (excl. Own cons.)	MT/MT of paper	18.28	16.91	17.09*
3	Water (excl. Own cons.)	M3/MT of paper	84	47	49*
4	Coal*	MT/MT of paper	2.3	2.2	2.2*

During the financial year 2018-19 consumptions per ton of paper have been impacted due to maintenance shutdown of 21days during the 1st quarter of the year.

CO2 Emissions & Sequestrated for last Five (5) Years:

Sl. No.		UOM	2014-15	2015-16	2016-17	2017-18	2018-19
1	CO2 Sequestrate	tCO2/MT of Paper	15.83	15.88	17.67	15.40	17.61
2	CO2 Emission through OPM	tCO2/MT of Paper	3.96	3.84	3.74	3.41	3.49
3	Carbon Positive	tCO2/MT of Paper	11.86	12.05	13.92	11.99	14.12

(D) TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT

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

1. Analysis of all the species of plants to evaluate their suitability in for Paper Plant.
2. Optimization of fibrous Raw material in different proportion to get the desired quality of pulp without compromising the parameter of end product.
3. Carrying out oxygen delignification on pilot scale basis in the lab to check quality of pulp for bleaching like Kappa No., Brightness, Viscosity & characteristic of the effluent generated.
4. Study on quality of ClO2 & imported pulp received by giving mechanical action (PFI mill) to enhance properties of fibre.
5. Fiber classification of the pulp on Buer Mc nett fiber classifier to check out retention of fiber on specific screen size and generation of fines so as to minimize fiber loss during paper making.
6. Bleaching study of pulp to optimize chemical doses inn bleaching process and checking the environment load of the effluent generated.
7. Monitor water holding capacity of pulp before and after mechanical treatment at Tissue machines by Schopper Reigler freeness tester.
8. Determining Chemical Oxygen demand of unbleached pulp from Post ODL process to ensure efficiency of washing during the process.
9. Moisture determination of all Fibrous Raw material received to arrive at ADMT weight.
10. Micro-biological analysis of various locations at Paper Machines and White Water Clarifier to check healthiness of the system in terms of bacterial growth.
11. Analysis of Scales samples from various locations to understand the reason of scale formation and to take corrective actions.
12. Comparative studies of fibre morphology of different source of Pulp sample sheet (Imported pulp as well as own pulp)
13. Fibre morphology analysis of competitors' tissue paper samples and comparison with our samples.
14. Analysis of AOX in the Effluent samples as well as discharge according to guide line of MPPCB and CPCB.
15. Analysis of pH, C.O.D, B.O.D, S.S, Colour, Chloride, T.D.S, on daily basis to fulfill the norm of PCB according to standard methods.
16. Checking on monthly basis the piezo samples received from nearby locations to ensure quality of ground water.
17. Analysis of important parameters of soil samples like Ca, Mg, Na & SAR value to check health of the soil of nearby area.
18. Analysis of treated water used in HRTS.

19. Heavy metal analysis of effluent sample by using Atomic absorption spectrophotometer equipment.
20. Analysis of Drinking water on regular basis according to IS standards.
21. Analysis of Drain samples from different locations..
22. Monitoring of Ambient Air and Stack at different locations to check air quality..
23. Monitoring of Dust emission in all the four direction of the Mill.
24. Analysis of Special samples of well water, effluent & drinking water collected jointly by MPPCB & our environment Deptt.
25. Monthly report preparation of Effluent, Piezometric sample, Stack and ambient air for MPPCB submission.
26. Monitoring of DM & RO water.
27. NABL documentation on regular basis to fulfill the compliance to continue the Accreditation.
28. Meeting all the requirements of NABL certifications for our Lab.

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

1. Regular analysis of different raw material spices helped in optimization of the furnish mix for cost and quality optimization.
2. Bleaching study of our pulp helps in optimization of chemical doses in bleaching process.
3. Oxygen delignification studies help to optimize quality of pulp and reduction in pollution load.
4. Beating and refining of ClO2 & Imported pulp helps in procurement of right quality.
5. Fiber classification of the pulp helps us to detect fiber loss during process.
6. Monitoring water holding capacity of pulp helps in better control of quality of tissue papers.
7. Monitoring of COD of unbleached pulp helps in better process control.
8. Moisture determination of RM helps to ensure correct ADMT weight.
9. Micro-biological analysis at paper machines and waste water samples helps to ascertain health of the machines' wet end for smooth running.
10. Monitoring of AOX in final discharge to Own plantation site helps to optimize performance of ETP.
11. Effluent parameter characteristics help in recycling effluent in our HRTS system.
12. Analysis of treated effluent used in HRTS helps to ensure quality of water for plantation.
13. Analysis of Drain samples from different locations helps in timely monitoring any fibre losses for timely action
14. Analysis of white water clarifier samples and its recycling helps in reduction of fresh water consumption.
15. Analysis of Special samples of well water, effluent & drinking water collected jointly by MPPCB & our environment deptt to ensure compliance with norms.
16. Monitoring of DM & RO water helps in effective boiler operations.

III. **Training**

Two R&D staff were imparted training of Four days from 14-17, Feb'2019 on Laboratory Quality Management System & Internal Audit in accordance with NABL IS/ISO 17025:17 at NITTTR, Chandigarh to improve awareness and development of an authorized internal auditor.

IV. **Papers published during the year 2018-2019**

None

V. **Future plan of action**

To continue research in the above areas and to study and explore implementation of emerging technologies.

VI. Expenditure on R&D

Sl. No.	Details	2018-2019
a)	Salary (₹In lacs)	110.63
b)	Others (₹In lacs)	7.65
	Total R&D (₹In lacs)	**118.28**

VII. Technology absorption and Innovation

Efforts in brief made towards absorption, adoption and innovation:

Raw Material Development:

- Maintain FIFO in yard to ensure standard raw material furnish mix.

Pulp Mill:

- Oxygen Generation plant license renewed upto 21st Sep'2021.
- Both Oxygen storage tank hydraulic tested & certified by External Agency.
- New Mechanical Seal pump installed in Pulp Mill for Weak Black Liquor (WBL) transfer to Soda Recovery to avoid intermittent dilution of WBL.
- VFD installed in ClO2 tower stock pump for power saving.
- New pre-heater installed in Digester No.4 to improve plant reliability.
- Further optimization of H2O2 dose in bleaching stage to improve whiteness in final bleached pulp and reduce usage of whitening agent.
- Installed online pH meter in ODL plant and in extraction stage of bleaching to get better kappa reduction in pulp.

Chemical Recovery, Chlorine Dioxide plant & Lime Kiln:

- New Chilling Machine (VAM) Installed & Commissioned.
- Modified junk trap of black liquor firing suction line.
- Lime kiln burner center position reset and corrected.
- Furnace oil heater and its pumping system improved.
- Strengthening of furnace oil system to improve plant sustainability.
- Installed & commissioned new vacuum pump at lime mud filter to improve mud dryness and save Furnace oil consumption.
- One blower installed for E.S.P. ash cleaning at outlet.
- New chilling unit installed in ClO2 plant to enhance its capacity and steam saving.
- Three evaporator pumps stuffing box converted in mechanical seals to avoid dilution of black liquor.
- 2 furnace oil burners replaced with new efficient burners in recovery boiler.

Paper Machine:

- Utilized double disc refiner as a finishing refiner to reduce fine generation and improve paper surface.
- Installed level control valves for refiner feed chest at Main machine.
- Installed motorised auto tail cutter to reduce feeding time.
- Vacuum arrangement done in 3rd press to improve runnability and to reduce steam consumption.
- Stand by couch pit pump installed, to increase machine up time.
- Trim pulper replaced with new one to save fiber loss.

Tissue Machine:

- Improved moisture content and paper formation on Tissue 1 by introducing new laminated felt fabrics.
- Uhle box top changed from HDPE to ceramic to get better drainage and uniform moisture profile across the deckle on Tissue machine #1.
- Started using ceramic tip creeping blades to improve paper softness at Tissue1.
- Installed new Deflaker at Tissue # 3 for Quality upgradation, fluff reduction and Energy conservation.
- Dust collection system made ready before pope reel at Tissue machine #3 to arrest dust in paper.

Power House:

- Complete Recovery of Flash Steam from Flash Tank for saving of steam.
- Replacement of ID Fan-1 HT motor by LT Motor with VFD for power saving.

Effluent Treatment Plant:

- Retrofitted old Aeration Tank with fine air bubble diffused aeration system.
- Started Installation of Sewage Treatment Plant for treatment of domestic waste water and expect to commission the same within in Q1 of FY 20.
- Installed and commissioned online Continuous Emission Monitoring System (CEMS) at RLK for monitoring of Rotary Lime Kiln stack emission.
- Rejuvenation of HRTS sites with green belt in the colony for utilization of treated effluent and reduction of carbon foot print.
- Maintaining Zero Liquid discharge to river.

- Installation of rain water harvesting pits at 10 locations for conservation of rain water.

Water conservation measures:

- Received approval from CE-WRD for construction of RCC barrage (2.926 MCM capacity) on river Sone and construction already in full swing.
- Constructed Ten (10) no's of "Rain water harvesting pits within and around the mills to improve the water bed level".

(E) AWARDS & CERTIFICATION

1. Platinum Award in Environment on 1st Jun'18 by Greentech Foundation Delhi
2. Golden Peacock awards for Environment on 6th Jul'18 at Delhi.
3. Safety Award-2018 in Gold Category by Grow Care India on 25th Jul'18 at Delhi.
4. Exceed Award in Environment Management on 21st July'18 by EKDKN Foundation at Dehradun.
5. National Award (Trophy) for Excellence in Energy Management on 31st Aug'18 by CII Hyderabad.
6. National Leadership CSR award for Water management on 5th Sep'18 at Bangalore.
7. National Awards (Trophy) for Excellence in Water management on 5th Oct'18 by CII Delhi.
8. Safety Award in Gold category on 17th Nov'18 at Guwahati by Greentech Foundation Delhi.
9. BEE National Energy conservation Award on 14th Dec'18 at Delhi by Government of India, Ministry of Power.
10. IPMA Energy Conservation award on 11th Jan'19 at Delhi by Indian Paper Manufacturing Association (IPMA).
11. Gold Award for Energy Management by Apex Foundation Delhi on 18th Feb'19.
12. Platinum award for Environment Management by Apex Foundation Delhi on 18th Feb'19.
13. National Water Award -2018 on 25th Feb'19 at Delhi by Ministry of Water Resources, River Development and Ganga Rejuvenation.
14. Successful surveillance audit FSC CW & COC, done by the auditors from M/s Nepcon certification agency, Estonia.
15. Successful desktop audit of ISO: 17025-2005 for environmental lab was done by NABL and certification for the same received .
16. Successful recertification of EnMS ISO: 50001: 2011 and surveillance audit for IMS (ISO 9001:2015. ISO: 14001:2015, OHSAS18001:2007) done by external auditors from M/s Rina Services Italy.

(F) FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign Exchange earned in terms of actual inflows during the year is ₹14717.10 lacs and the Foreign Exchange outgo during the year is ₹4465.09 lacs.

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

(a) Technology imported
(b) Year import
(c) Has technology been fully absorbed
(d) If not absorbed, areas where this has not taken place
Reasons therefore and future plan of action.

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 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for this period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

C. K. Birla
Chairman

Annexure VI

Particulars of Employees as required under section134 of the Companies Act, 2013 and forming a part of the Directors' Report for the year ended 31st March, 2019.

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

A. Top ten employees in terms of remuneration drawn during the year

1	Pachisia M.L.	(a) B.Com (b) Managing Director (c) 74 (d)50581277 (e) 58 (f) 1 April 1991 (g) Hindustan Motors Ltd., President (Corporate Projects)
2	Sonthalia P.K.	(a) B.Com (H), FCA, FCMA (b) President (Finance) & CFO (c) 61 (d) 22992414 (e) 39 (f) 15 April 1980 (g) None
3	Gupta A.	(a) B.Tech (Pulp & Paper) (b) Chief Executive Officer – Amlai Paper Mills (c) 54 (d) 15313232 (e)30(f) 22 January 2014 (g) Ballarpur Industries Ltd, Assistant Vice President (Operations)
4	Saha N.K.	(a) B.E.(Chem), MS (Pulp & Paper) (USA), M.I.E. (India) (b) Sr. Vice President (Projects & Development)-Paper (c) 68(d) 10351349 (e) 46 (f) 11 March 1982 (g) The Titagarh Paper Mills Co. Ltd., Sr. Engineer (Projects)
5	Mullick G.	(a) B.Sc. (H), MBA (b) Sr. Vice President (Paper Marketing) (c) 62 (d) 10115579 (e) 39 (f) 7th October 1998 (g) The Andhra Pradesh Paper Mills Ltd, General Manager (Marketing)
6	Mohta R.K.	(a) B.Com, ACA, CS(Inter) (b)Vice President (Commercial)-Amlai Paper Mills (c) 64 (d) 7518193 (e) 41 (f) 1 June 2007 (g)Truwoods Group Of Companies , Chief Executive Cum CFO
7	Kuila A.	(a) B.Sc., FCA (b) General Manager (Internal Audit) (c)66 (d) 5061897 (e)40 (f)1 August 2006 (g) Exide Industries Ltd.,Chief - Internal Auditor
8	Biyani S.	(a) B.Com(H) , LLB (b) General Manager (Paper Marketing) (c) 49 (d)4410860 (e)21 (f) 6 November 2009 (g) Century Pulp And Paper, General Manager (Marketing)
9	Ghosh S.	(a) B.Sc(H),M.Sc, MBA (b)General Manager(Paper Marketing)(c)49 (d)3833999(e)25(f)16 October 2015(g)KCT Trading Pvt Ltd, Sr General Manager (Sales &Marketing)
10	Khare D. K.	(a) M.Sc, PGDFM (b)Sr .General Manager(RMP& RMD) (c)54 (d) 3711798 (e)29 (f) 2May 2017(g) International Paper APPM Ltd , VP (Forestry & Sustainability)

B. Employed throughout the financial year and were in receipt of remuneration not less than Rupees one crore and two lacs per annum

1	Pachisia M.L.	(a) B.Com (b) Managing Director (c) 74 (d) 50581277 (e) 58 (f) 1 April 1991 (g) Hindustan Motors Ltd., President (Corporate Projects)
2	Sonthalia P.K.	(a) B.Com (H), FCA, FCMA (b) President (Finance) & CFO (c) 61 (d) 22992414 (e) 39 (f) 15 April 1980 (g) None
3	Gupta A.	(a) B.Tech (Pulp & Paper) (b) Chief Executive Officer – Amlai Paper Mills (c) 54 (d) 15313232 (e)30 (f) 22 January 2014 (g) Ballarpur Industries Ltd, Assistant Vice President (Operations)
4	Saha N.K.	(a) B.E.(Chem), MS (Pulp & Paper) (USA), M.I.E. (India) (b) Sr. Vice President (Projects & Development)-Paper (c) 68(d) 10351349 (e) 46 (f) 11 March 1982 (g) The Titagarh Paper Mills Co. Ltd., Sr. Engineer (Projects)

C. Employed for part of the financial year and were in receipt of remuneration not less than Rupees eight lacs fifty thousand per month :

1	Gilra B.S.	(a) B.Tech (Chem Engineer), IIT,Madras (b) President – Caustic Soda (c)73 (d)2892708 (e) 52 (f)1 April 1991 (g) Chemfab Alkalis Ltd , Chemical Engineer

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 Mr. 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 2018-19, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19 (₹ in Lacs)	% increase in remuneration in the financial year 2018-19	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	Mr. C.K. Birla, Chairman	45.00	9.76%	10.92	-
2	Mr. A. Ghosh, Director (Ceased w.e.f 31.01.2019)	17.42	NIL	4.23	-
3	Mr. Michael Bastian, Director	26.00	NIL	6.31	-
4	Mr. Narendra Singh Sisodia, Director	25.00	NIL	6.07	-
5	Ms. Gauri Rasgotra, Director	22.00	NIL	5.34	-
6	Mr. S.Vishvanathan, Director (Appointed w.e.f 25-03-2019)	1.24	N.A.	0.30	-
7	Mr. M.L. Pachisia, Managing Director	505.81	45.93%	122.77	3.89%
8	Mr. P.K. Sonthalia, President (Finance) & CFO	229.92	15.74%	N.A.	1.77%
9	Mr. R.P. Dutta, Company Secretary	25.42	16.71%	N.A.	0.19%

(ii) The median remuneration of employees of the Company during the financial year was ₹4.12 lacs p.a.

(iii) In the financial year, there was an increase of 5.91% in the median remuneration of employees.

(iv) There were 1593 permanent employees on the rolls of Company as on March 31, 2019.

(v) Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year i.e., 2018-19 was 8.78% whereas the percentile increase in the managerial remuneration for the same financial year was 34.23%.

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

Annexure VII

FORM NO. AOC-2

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

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

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

(₹in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Nil							

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

(₹in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Orient Cement Ltd. (A director of the Company is a Director in Orient Cement Ltd. and is holding more than 2% of the paid-up capital of the Company alongwith his relatives)	Rent received	01.04.2018 to 31.03.2019	Premises let out	12.00	Not required as all transactions were at arm's length basis and in the course of ordinary business	Nil
Birla Brothers Pvt. Ltd.(A director of the Company is a Director in Birla Brothers Pvt. Ltd. and is holding more than 2% of the paid up capital of the Company)	Rent paid	01.04.2018 to 31.03.2019	Premises let out	0.03		Nil
Origami Cellulo Pvt. Ltd. (A director of the Company is a shareholder)	Sale of paper	01.04.2018 to 31.03.2019	Sale of paper	10.31		Nil
Orient Electric Ltd. (A director of the Company is a Director in Orient Electric Ltd. and is holding more than 2% of the paid-up capital of the Company alongwith his relatives)	i) Interest Income Received	01.04.2018 to 31.03.2019	Interest	18.27		Nil
	ii) Rent Received	01.04.2018 to 31.03.2019	Premises let out	12.00		Nil
	iii) Purchase of electrical items	01.04.2018 to 31.03.2019	Electrical items	9.05		Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Mr. M. L. Pachisia, Managing Director (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	505.81	Not required as all transactions were at arm's length basis and in the course of ordinary business	Nil
Mr. P. K. Sonthalia, President (Finance) & CFO (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	229.92		Nil
Mr. R. P. Dutta, Company Secretary (KMP)	Remuneration	As per terms and conditions of appointment	As per terms and conditions of appointment	25.42		Nil

C. K. Birla
Chairman

Management discussion and analysis

Overall economy

The Indian economy continued to be one of the fastest growing large economies expected to register a growth of ~7% for the year under review.

The principal developments during the year under review comprised stabilization of GST, sustained increase in per capita income, decline in inflation, steadying interest rates, and good growth in GDP for the first 3 quarters. However, consumer sentiment started weakening from the 4th quarter on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which resulted in a slower than expected GDP growth in the 4th quarter.

The reduction in interest rates by the Reserve Bank of India is aimed at boosting the economy. IMD has also forecasted a near-normal monsoon. One can therefore look forward to a revival in India's growth momentum riding on continued investment in education sector and infrastructure building. Assuming no major global and domestic political shocks, India is expected to grow at 7.1% in FY19-20.

Indian paper industry – structure & development

Despite India being one of the fastest growing paper markets across the world, the per capita paper consumption of paper in India is still far lower at a little above 13 kilograms, which is well below the global average of 57 kilograms per head. Even on a conservative basis this is expected to reach 17 kilograms by FY24-25, which will mean an additional demand of 4-5 million tons of paper during this period. .

Writing & printing papers

The share of writing and printing paper in the Indian market was pegged at 30%, accounting for an industry size of 5.1 million tons in FY17-18 compared to 2.9 million tons in FY07-08. This increase was driven by rising literacy rate, universalisation of education through Right to Education, governmental measures like Sarva Shiksha Abhiyan, the mid-day meal scheme and increased educational spending.

The demand for writing & printing paper was robust during the year under review due to the following factors;

- Higher international prices of pulp and paper resulting in lower imports and higher exports.
- Increasing demand from the education sector.
- Imposition of anti-dumping duty on the import of photo-copying papers.
- Rising circulation of newspapers and magazines
- Increasing urbanization, which catalysed a shift in consumption pattern

These factors resulted in double-digit growth in the production of writing & printing paper during the year under review as against the retrospective growth of 5%-6%.

This higher-than-expected demand growth resulted in the full utilization of available production capacities. At the same time there are no new major capacities expected to come on stream in the next 2-3 years. Therefore, domestic demand for writing & printing papers should remain fairly firm in the near future.

Tissue papers

The Indian tissue paper market continued to grow at double-digit rates, emerging as the fastest growing segment within India's paper industry. The country's per capita consumption of tissue is pegged at a mere 0.14 kilograms compared to emerging economies like Russia (3.2 kilograms), South Africa (4 kilograms) and Brazil (5.4 kilograms). Riding on the back of rising disposable incomes and increasing hygiene awareness, the domestic demand for tissue paper is expected to continue to grow significantly.

There is also a growing demand for quality tissue papers from export markets where Orient has made deep inroads in several markets with exports of over 50% of its total Tissue paper sales.

We are confident that with fast changing lifestyles and growing awareness about health & hygiene, demand for tissue papers is bound to increase rapidly and are therefore determined to keep increasing our capacities in this segment.

Opportunities & Threats:

The supply and demand for writing & printing paper is fairly balanced in India. With no new major capacities

in the offing, the market for writing and printing paper is expected to remain firm. Orient's Platinum grade of writing & printing paper is considered the gold standard for the note-book segment and is being increasingly used in the printing segment as well.

The tissue paper segment is one of the fastest growing in India and abroad. Orient Paper is the largest producer of tissue paper in India, commanding a major share of the virgin tissue paper market. Besides, the Company was successful in exporting nearly 50% of its tissue paper production, where our product was well accepted with attractive prospects.

The Company's pulping capacity is short of requirements following the recent addition to the tissue paper manufacturing capacity. In view of this, the Company is in the process of increasing its pulping capacity to address this shortfall and moderate costs. Post this pulp mill upgradation, we shall consider further addition to our Tissue paper production capacity.

The other challenges facing the Company and corresponding counter-initiatives comprise:

Pulpwood availability and costs: - We are working towards self-sufficiency in the procurement of pulpwood from areas proximate to our plant to reduce the carbon footprint and delivered cost of pulpwood. In doing so, we planted one crore clonal saplings in proximity to the plant during the year under review. As a result, local pulpwood procurement increased by over 35% over the previous year.

Water security: To mitigate the challenge arising from shortage of water in summer in deficient monsoon years, the Company constructed four water reservoirs inside the plant premises. Further, the Company obtained approval for building a concrete barrage on River Sone and is already in the process of building the same. This initiative will increase our water storage capacity to 1000 MG, which will be adequate to meet our total water requirement for more than five months.

Review and analysis of our performance

As a result of our continuous focus on ensuring best-in-class quality of our products, reducing our costs and increasing efficiencies, we achieved our best-ever results.

The Company's operational income increased 5.69% to ₹710.04 cr during the year under review compared with ₹671.80 cr in the previous year.

The Company achieved a PBIDT of ₹171.64 cr compared to ₹123.11 cr in the previous year; cash profit was ₹161.67 cr against ₹108.42 cr in the previous year.

The Company's PBT for the year was ₹130.06 cr compared to ₹80.11 cr in the previous year.

The Company's net profit after tax more than doubled at ₹101.65 cr as against ₹49.29 cr in the previous year.

The Company invested ₹21.75 cr in capital projects during the year under review.

The Company reduced its total term debt and overdraft to only ₹28.49 cr as at 31st March 2019.

Significant ratios

	2018-19	2017-18
Debtors Turnover Ratio	21.16	21.98
Inventory Turnover Ratio	10.43	9.68
Interest Coverage Ratio	17.21	8.38
Current Ratio	0.98	0.66
Debt Equity Ratio	0.01	0.03
Operating Profit Margin (%)	24.17	18.33
Return on Net Worth (%)	12.70	6.72

The Company is therefore in a strong financial and operational position to capitalize on opportunities presented by a resurgent India.

Future growth plans

The Company is undertaking an expansion project at a cost of ₹225 cr to expand its pulping capacity and expects this investment to yield a ROCE of over 20%. This will also pave the way for further expansion of our Tissue paper production capacity. This project should get completed around the 4th quarter of 2020-21.

Risk management

Attrition risk: Customer attrition could affect business sustainability.

Mitigation: The Company strives to maintain long-standing healthy relationships with its customers with transparent and ethical dealings. Further the Company's superior quality products helps it to minimize customer attrition as well.

Compliance risk: Non-compliance with statutory norms could invite penalties.

Mitigation: The Company works indefatigably towards meeting all the environmental norms and promotion of clean and healthy environment. The Company's various certifications as detailed elsewhere in this report which

speaks volumes about the Company's commitment to environment and statutory norms.

Raw material risk: Raw material scarcity can lead to price increases.

Mitigation: Orient has focused on sourcing its raw materials from the proximal areas to the plant. In 2018-19, the Company procured close to 40% of raw materials from local areas (within 200 kms from plant).

Liquidity risk: A liquidity crunch could adversely affect day-to-day operations.

Mitigation: The Company is currently virtually debt free and has been fairly cautious in managing its cash flow.

Digitization risk: With rapid digitisation, paper demand could decline.

Mitigation: Digitisation could affect paper consumption but in turn could accelerate economic growth that could translate into enhanced paper consumption. Further, the Company has emerged as the market leader in tissue segment and intends to generate increasing revenues from this segment which is not affected by digitization.

Environmental compliance

The Company takes pride in the fact that it complies with all environmental norms; it is the only integrated paper plant to achieve zero liquid discharge. These efforts have been recognized by several organisations who bestowed a number of awards and certifications (as shown elsewhere in this report).

Corporate social responsibility

Corporate Social Responsibility has always been an integral part of our operating philosophy irrespective of the statutory requirement. As in the past, we have this year also undertaken several activities as detailed in Annexure I.

Human resources and industrial relations

The Company's workforce represents its foundation. The Company continued its policy of continuous training and motivation to enhance efficiencies and competencies. Progress made by the Company was made possible in no small measure by the efforts of the entire team. The total number of permanent employees as on 31 March 2019 was 1593.

Industrial relations remained harmonious. Long-term wage agreements were most amicably settled with the workers representatives. Safety, welfare and training at all levels of our employees continue to be areas of major focus for the Company as recognized by several awards bestowed on the Company by independent agencies.

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 Ernst & Young LLP 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.

Cautionary statement

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

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

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

The Board of Directors comprises six members, consisting of five Non-Executive Directors who account for more than 80% 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 * (including the Company)	Number of Board Committee (s) of which he/she is a member ** (including the Company)	Number of Board Committee (s) of which he/she is a Chairman ** (including the Company)
Mr. Chandra Kant Birla (DIN 00118473)	Promoter, Non-Executive Chairman	8	-	-
Mr. Amitabha Ghosh* (DIN 00055962) (ceased w.e.f. 31.01.2019)	Non-Executive Independent	-	-	-
Mr. Michael Bastian (DIN 00458062)	Non-Executive Independent	2	1	3
Mr. Narendra Singh Sisodia (DIN 06363951)	Non-Executive Independent	2	3	-
Ms. Gauri Rasgotra (DIN 06862334)	Non-Executive Independent	2	4	-
Mr. Srinivasan Vishvanathan (DIN 02255828) (Appointed w.e.f. 25.03.2019)	Non-Executive Independent	3	4	-
Mr. Manohar Lal Pachisia (DIN 00065431)	Executive- Managing Director	8	2	-

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

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

2.2 The names of the other listed entities where directors of the Company are directors are as follows:

Name of the Directors	Name of the other Listed Companies	Category of directorship
Mr. Chandra Kant Birla	Orient Cement Ltd.	Promoter, Non-executive Director
	Orient Electric Ltd.	Promoter, Non-executive Director
	HIL Ltd.	Promoter, Non-executive Director
	Birlasoft Ltd	Non-executive Director
Mr. Michael Bastian	Artson Engineering Ltd.	Independent Director
Mr. Narendra Singh Sisodia	Nil	Nil
Ms. Gauri Rasgotra	HIL Ltd.	Independent Director
Mr. Srinivasan Vishvanathan	Axis Bank Ltd.	Independent Director
Mr. Manohar Lal Pachisia	Nil	Nil

2.3 Details of sitting fee, remuneration, among others, paid to Directors

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

Sl. No.	Name of the Director	Remuneration paid during 2018-19 for attending meetings of the Board and/or Committees thereof (amount in Rupees)		
		Fee	Commission	Total
1.	Mr. Chandra Kant Birla	5,00,000	40,00,000	45,00,000
2.	Mr. Amitabha Ghosh*	7,00,000	10,41,667	17,41,667
3.	Mr. Michael Bastian	13,50,000	12,50,000	26,00,000
4.	Mr. Narendra Singh Sisodia	12,50,000	12,50,000	25,00,000
5.	Ms. Gauri Rasgotra	9,50,000	12,50,000	22,00,000
6.	Mr. Srinivasan Vishvanathan**	1,00,000	23,973	1,23,973
	Total	**48,50,000**	**88,15,640**	**1,36,65,640**

*Commission paid for the period from 01.04.2018 to 31.01.2019 since ceased to be director w.e.f. 31.01.2019.

**Commission paid for the period from 25.03.2019 to 31.03.2019 since appointed as director w.e.f. 25.03.2019.

b) The details of remuneration of Mr. Manohar Lal Pachisia, Managing Director:

Particulars	Remuneration* (Amount in Rupees)
Salary	1,50,00,000
Perquisites & other benefits	1,40,31,277
Ex-gratia**	1,75,00,000
Contributions to P.F./ Superannuation Fund	40,50,000
Total	**5,05,81,277**

* 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. Term of appointment of the Managing Director has ended on 31.03.2019 and he has been re-appointed for a period of 1 year w.e.f. 1st April 2019, as approved by the Board of Directors of the Company and is terminable by either side on three months' notice. No severance fee is payable to the Managing Director upon termination of his employment.

2.4 Number of Board Meetings held and attended by Directors

(i) Five meetings of the Board of Directors were held during the year ended 31st March 2019 on 2nd May, 2018, 1st August 2018, 31st October, 2018, 23rd January, 2019 and 25th March, 2019.

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2019 and of the last Annual General Meeting is as under:

Name of the Director	Number of Board Meeting attended	Attendance at the last AGM
Mr. Chandra Kant Birla	5	No
Mr. Amitabha Ghosh (ceased w.e.f. 31.01.2019)	3	No
Mr. Michael Bastian	5	Yes
Mr. Narendra Singh Sisodia	5	No
Ms. Gauri Rasgotra	4	No
Mr. Manohar Lal Pachisia	5	Yes
Mr. Srinivasan Vishvanathan (Appointed w.e.f. 25.03.2019)	1	-

2.5 Disclosure of relationships between directors inter-se

There is no relationship between directors inter-se.

2.6 Details of shares held by Directors

Name of the Director	Number of shares held
Mr. Chandra Kant Birla	3405893
Mr. Amitabha Ghosh (ceased w.e.f. 31.01.2019	7400
Mr. Michael Bastian	26733
Mr. Narendra Singh Sisodia	Nil
Ms. Gauri Rasgotra	Nil
Mr. Manohar Lal Pachisia	37948
Mr. Srinivasan Vishvanathan	Nil

2.7 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.

2.8 The skills/expertise/competence of the Board of Directors requires for the Company can be broadly categorised as follows:

• Knowledge of Industry	• Financial Experience	• Risk Management
• Effective leadership	• Corporate Sustainability and Responsibility	• Innovation, Research & Development

The Board is skill-based comprising of directors who collectively have the skills, knowledge and competencies to effectively govern and direct the organisation.

The skills, knowledge and competencies required on the Board will change as the organisation evolves.

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 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, namely:

(1) Mr. Michael Bastian (2) Mr. Narendra Singh Sisodia (3) Ms. Gauri Rasgotra (4) Mr. Srinivasan Vishvanathan

Mr. Michael Bastian is the Chairman.

3.3 Five Audit Committee meetings were held during the year ended 31st March, 2019 on 2nd May, 2018, 1st August, 2018, 31st October, 2018, 23rd January, 2019 and 25th March, 2019. The attendance of each Audit Committee member was as under:

Name of the Member	Number of meetings attended
Mr. Michael Bastian	5
Mr. Amitabha Ghosh (ceased w.e.f. 31.01.2019)	3
Mr. Narendra Singh Sisodia	5
Ms. Gauri Rasgotra	4
Mr. Srinivasan Vishvanathan (Appointed w.e.f 25.03.2019)	-

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

3.5 Mr. Somnath Mukherjee, Cost Accountant was appointed as the Cost Auditor of the Company for the financial year 2018-19 and 2019-20. The Company has maintained the cost accounts and records pertaining to the products under audit as required which have been duly audited by the Cost Auditor. Cost audit report for the financial year 2017-18 was filed on 21.08.2018.

4. NOMINATION & REMUNERATION COMMITTEE

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

- formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
- advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management Personnel;
- monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
- monitoring and evaluating the application of this Policy;
- monitoring and evaluating current remuneration structures and levels in the Company.

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.

4.2 The Nomination & Remuneration Committee of the Directors of the Company comprises three Independent Directors namely (1) Mr. Narendra Singh Sisodia, (2) Mr. Michael Bastian and (3) Mr. Srinivasan Vishvanathan. Mr. Narendra Singh Sisodia is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

4.3 Three Nomination & Remuneration Committee meetings were held during the year on 2nd May, 2018, 23rd January, 2019 and 25th March, 2019.

The attendance of each Committee member was as under:

Name of the member	Meetings attended
Mr. Michael Bastian	3
Mr. Amitabha Ghosh (ceased w.e.f. 31.01.2019)	1
Mr. Narendra Singh Sisodia	3
Mr. Srinivasan Vishvanathan (appointed w.e.f. 25.03.2019)	-

4.4 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Policy of the Company, the Board of Directors of the Company evaluated its own performance,

of its Committees and of the Executive, Non-Executive and Independent Directors for the financial year 2018-19.

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.

4.5 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:

A) Remuneration to Executive Directors and KMPs:

Remuneration structure of the Executive Directors and KMPs may include the following components:

Fixed Salary:

- Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, and the rules made thereunder, and / or Listing Regulations, for the time being inforce. The monthly remuneration shall include basic salary, special pay, house rent allowance (as per statutory limits) and other components as may be considered appropriate.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee within the statutory limits, wherever applicable and approved by the shareholders and Central Government, wherever required.

Variable components:

The Executive Director and KMP participate in a performance linked variable pay scheme which will be based on the individual and Company's performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration.

Reimbursement of Expenses:

The Executive Directors and KMPs are also entitled for reimbursement of several work-related expenses, including car, telephones, broadband at home, and work-related newspapers and magazines as per statutory provisions. However, reimbursement of these expenses incurred for official purposes shall not be part of the remuneration.

Subsequent Change / Increments:

Any subsequent change / increments in the remuneration of Executive Directors shall be approved by the Board in accordance with the recommendation of the Committee, subject to the statutory provisions and the approval of the shareholders and Central Government, wherever required.

B) Remuneration to Non-Executive Directors:

Remuneration to Non-Executive Directors (including independent Directors) on the Board may consist of the following components:

Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act for per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Profit related commission:

The Non-Executive Directors are entitled to profit related commission at such percentage, not exceeding the limit prescribed in the Act, of the net profits of the Company, as shall be approved by the shareholders of the Company.

However, the Board, on the recommendation of the Committee, shall review and approve the remuneration payable to Non-Executive Directors (including Independent Directors) of the Company within the overall limits approved by the shareholders (excluding sitting fees), wherever such approval is required. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

Reimbursement of expenses:

The Non-Executive Directors shall be reimbursed with the expenses in connection with Board and committee meetings.

Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly by way of remuneration any such sum in excess of the limits prescribed under the Act or without approval as may be required under the Act, he/she shall refund such sum to the Company within a period of two years or such lessor period as may be specified by the Board, and until such sum is refunded, hold it in trust for the Company.

C) **Remuneration to Senior Management Personnel:**

i. The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Senior Management Personnel of the Company, which shall include all remuneration payable, in whatever form.

ii. Where any insurance is taken by the Company on behalf of its Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

iii. Remuneration to Senior Management Personnel may consist of the following components:

Fixed pay:

- Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by Board on the recommendation of the Committee.

Variable components:

The Senior Management Personnel participate in a performance linked variable pay scheme which will be based on the individual and Company's performance for the year, pursuant to which the Senior Management Personnel may be entitled to performance-based variable remuneration.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The scope/terms of reference of the Stakeholders Relationship Committee are as under:

(i) Resolving the grievances of security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

During the year ended 31st March, 2019, 8 numbers of complaints received from the shareholders and were attended in time and there were no grievances pending as on 31st March 2019. There were no share transfers pending for registration for more than 15 days as on 31st March, 2019.

Three Stakeholders Relationship Committee meeting were held on 2nd May, 2018, 31st October, 2018 and 23rd January, 2019. The attendance of each Committee member was as under:

Name of the member	Meetings attended
Mr. Manohar Lal Pachisia	3
Mr. Michael Bastian	3
Ms. Gauri Rasgotra	2

6.CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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.

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 Mr. Narendra Singh Sidodia, Ms. Gauri Rasgotra and an Executive Director Mr. Manohar Lal Pachisia. Mr. Narendra Singh Sisodia is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

One CSR Committee meeting was held on 2nd May 2018. The attendance of each Committee member was as under:

Name of the member	Meetings attended
Mr. Narendra Singh Sisodia	1
Ms.Gauri Rasgotra	-
Mr. Manohar Lal Pachisia	1

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

7. MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors held on 31st October, 2018, inter alia, to discuss:

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

All the Independent Directors attended the meeting.

Mr. Amitabha Ghosh, a non-executive Independent Director of the Company has resigned from the Board with effect from 31st January, 2019 due to personal reason and has confirmed that there was no other reason.

On the basis of declarations/certificates received, the board confirms that in its opinion, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

8. WHISTLE BLOWER POLICY

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

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

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

The contact details of the Designated Officer are:
The Company Secretary
Orient Paper & Industries Limited
Birla Building, 9th floor, 9/1, R. N. Mukherjee Road
Kolkata 700001
email: cosec@orientpaperindia.com

The contact details of the Chairman of the Audit Committee are:
The Chairman of the Audit Committee
C/o The Company Secretary
Orient Paper & Industries Limited
Birla Building, 9th floor, 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.

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

(i) Appointment of Mr. Srinivasan Vishvanathan as Director/Independent Director of the Company

Mr. Srinivasan Vishvanathan, aged 65 years (DIN: 02255828) was appointed as an Additional Director and Independent Director for a period of 5 (Five) years with effect from 25th March, 2019 by the Board of Directors of the Company at its meeting held on 25th March, 2019 on the recommendation of the Nomination and Remuneration Committee.

Declarations have been received from the Director that he meets the criteria of Independence prescribed under Section 149 of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of your Board, Mr. Vishvanathan fulfills the conditions specified in the Companies Act, 2013 and the Rules thereunder and Listing Regulations, making him eligible for his appointment as Independent Director and is independent of the management of the Company.

In the view of your Board, the rich experience Mr. Vishvanathan brings with him would benefit the Company and hence the Board of Directors has recommended his appointment as an Independent Director of the Company for a period of 5 (five) years with effect from 25th March, 2019.

Brief resume of Mr. Vishvanathan and additional information pursuant to Regulation 36 of the Listing Regulations is provided below:

Shri S. Vishvanathan has done his M.Sc. in Physics and has completed MBA and CAIIB. He has National and International experience of 38 years in Wholesale Banking, Retail Banking and Markets. He led the largest Bank in India, State Bank of India (SBI), as the Managing Director and as a Director on its Central Board. He managed diverse businesses and stakeholders as the Managing Director (Associates & Subsidiaries) of the Bank.

Presently, he is on the Boards of Axis Bank Limited, AVTEC Limited and Orient Paper & Industries Limited as an Independent Director.

He is the member of the Audit Committee of Axis Bank Limited, AVTEC Limited and Orient Paper & Industries Limited, member of Nomination and Remuneration Committee of Orient Paper & Industries Limited, member of Stakeholders' Relationship Committee of Axis Bank Limited.

He does not hold any equity shares in the Company. He has no relationship with any other directors of the Company.

(ii) Re-appointment of Mr. Narendra Singh Sisodia as an Independent Director of the Company

Mr. Narendra Singh Sisodia, aged 74 years (DIN: 06363951) was appointed as Independent Director of the Company under Section 149 and Schedule IV of the Companies Act, 2013 for a term of five consecutive years with effect from 22nd July 2014. The said term will be completed on 21st July, 2019.

Declarations have been received from the Director that he meets the criteria of Independence prescribed under Section 149 of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of your Board, Mr. Sisodia fulfills the conditions specified in the Companies Act, 2013 and the Rules thereunder and Listing Regulations, making him eligible for his appointment as Independent Director and is independent of the management of the Company.

Given his expertise, knowledge and experience, the Board considers that his re-appointment will be in the interest of the Company and the Board recommends his re-appointment.

Brief resume of Mr. Sisodia and additional information pursuant to Regulation 36 of the Listing Regulations is provided below:

Mr. Sisodia holds an Honours degree from St. Stephen's College Delhi and a Master's degree from Harvard University, USA. Subsequently, he was also awarded M. Phil degree on his work relating to Industrial Development. During his 37 years as a civil servant, he served on number of key positions in the state of Rajasthan and Government of India. He was Collector and District Magistrate in four districts and spent nearly a decade working on various assignments in the field of Industries and Commerce. He was Secretary, Department of Industries and Commerce for 7 years. He also served as Chairman, State Industrial and Infrastructure Development Corporation and the State Electricity Board.

In Government of india, he, inter-alia worked as Special

Secretary, Ministry of Power, Secretary, Defence Production and Secretary, (Financial Sector), Ministry of Finance. Earlier, he was Additional Secretary in the Cabinet Secretariat.

Presently, he is on the Boards of Orient Paper & Industries Limited and Carrier Airconditioning & Refrigeration Ltd. as an Independent Director.

He is the member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Orient Paper & Industries Limited. He is also member of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Carrier Airconditioning & Refrigeration Limited.

He does not hold any equity shares in the Company. He has no relationship with any other directors of the Company.

(iii) Re-appointment of Mr. Manohar Lal Pachisia as Managing Director of the Company

Mr. Manohar Lal Pachisia, aged 74 (DIN: 00065431), was appointed as a whole time Director of the Company designated as Executive Director for a period of 5 years w.e.f. 23.09.1997. Subsequently, he was re-designated as the Managing Director of the Company and from time to time re-appointed upon expiry of his term.

Mr. Manohar Lal Pachisia is highly experienced and controls the affairs of the Company as a whole. He has successfully and in a sustained way contributed significantly towards improvement in performance of the Company leading to its successful turnaround.

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

He is the member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Orient Paper & Industries Limited. He is also a Member in the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Borrowing Committee of National Engineering Industries Ltd.

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

Given his expertise, knowledge and experience, the Board considers his re-appointment will be in the interest of the Company and the Board recommends his re-appointment.

(iv) Re-appointment of Mr. Chandra Kant Birla as Director of the Company

Mr. Chandra Kant Birla, aged 64 (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 Ltd. (v) Neosym Industry Ltd. (vi) Orient Cement Ltd. and (vii) Orient Electric Ltd.

He is a Member of Nomination and Remuneration Committee of National Engineering Industries Ltd., Orient Cement Ltd. and Orient Electric Ltd. and also member of Implementation Committee and Fund Raising Committee of Orient Cement Ltd.

He holds 3405893 no. of equity shares in the Company. He has no relationship with any other directors of the Company.

Given his expertise, knowledge and experience, his re-appointment will be in the interest of the Company and the Board recommends his re-appointment.

10. GENERAL BODY MEETINGS

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

Year	Day	Date	Time	Venue	Whether Special Resolution passed
2015-16	Monday	22.08.2016	11.30 a.m.	Unit VIII, Plot no. 7, Bhoinagar, Bhubaneswar 751012 (Odisha)	Yes
2016-17	Wednesday	09.08.2017	11.00 a.m.	-do-	Yes
2017-18	Thursday	12.07.2018	11.00 a.m.	-do-	Yes

10.2 Postal Ballot

The Company has not passed any special resolution through Postal Ballot during the Financial year 2018-19. Special resolution(s), if any requiring postal ballot shall be placed on or before the ensuing Annual General Meeting.

11. MEANS OF COMMUNICATION

Quarterly/half yearly and annual financial results are normally published in one English daily newspaper circulating in the whole/substantially the whole of India and in one daily newspaper published in Oriya language and are promptly furnished to the stock exchanges for display on their respective websites. The results are also displayed on the website of the Company www.orientpaperindia.com. Management Discussion & Analysis forms part of the Annual Report.

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

12. FINANCIAL CALENDAR (FY 2019-20)

First quarterly results	Before 14 August 2019
Second quarterly results	Before 14 November 2019
Third quarterly results	Before 14 February 2020
Audited yearly results for the year ending 31 March 2020	Before end of May 2020

13. 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.

14. 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.

15. COMPLIANCE CERTIFICATE

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

A certificate from a company secretary in practice confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed herewith.

16. GENERAL SHAREHOLDER INFORMATION

16.1 Annual General Meeting

Day & Date: Friday, 19th July, 2019 Time: 11 A.M.

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

16.2 Financial Year

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

16.3 Dividend Payment Date

Interim Dividend 2018-19
(declared on 23.01.2019) : 6th February 2019

Final Dividend 2018-19
(subject to approval by the shareholders) : Within 30 days from the date of AGM

16.4 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 2018-19 has been paid to the aforesaid stock exchanges. The Company has also paid the Annual Listing fees to the stock exchanges for the year 2019-20.

16.5 Stock code

BSE Ltd. 502420

National Stock Exchange of India Ltd. ORIENTPPR

16.6 Book Closure 12th July, 2019 to 19th July, 2019 (both days inclusive).

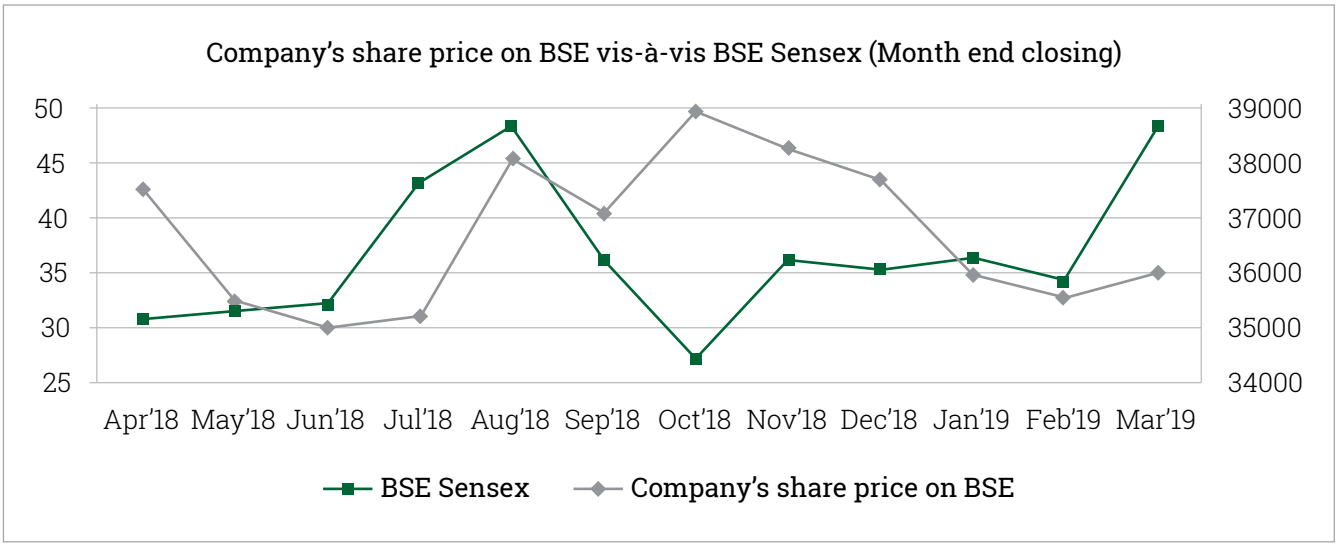
16.7 Market price data

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 2018-19 are as under:

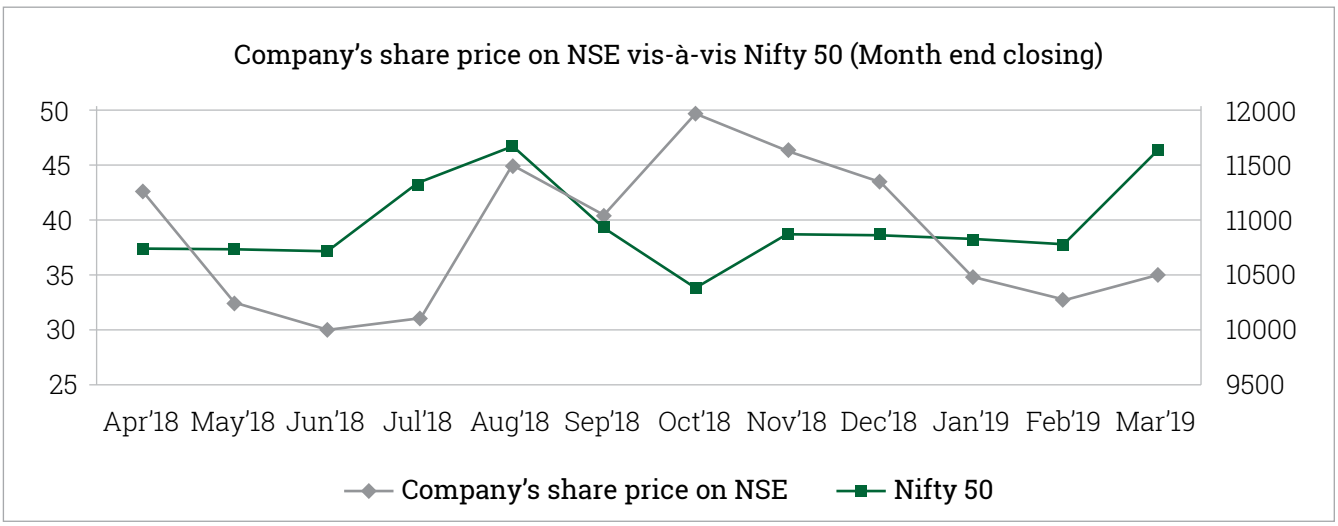
Month	BSE		NSE	
	High	Low	High	Low
April 2018	47.10	39.90	46.25	39.00
May 2018	43.85	32.10	44.00	32.20
June 2018	34.05	26.00	34.15	25.95
July 2018	32.60	25.45	32.55	25.35
August 2018	47.95	31.70	48.00	31.80
September 2018	49.70	39.00	49.75	39.65
October 2018	50.00	38.75	50.10	38.70
November 2018	52.70	44.00	53.00	44.00
December 2018	48.30	40.85	48.40	41.00
January 2019	45.90	33.75	45.05	33.65
February 2019	37.55	31.20	36.70	31.05
March 2019	40.35	32.75	40.20	32.60

16.8 Performance in comparison to broad based indices:

i. Company's share price on BSE vis-à-vis BSE Sensex (Month end closing)



ii. Company's share price on NSE vis-à-vis Nifty 50 (Month end closing)



16.9 Registrar and Share Transfer Agent (RTA)

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plots No. 31 & 32,
Financial District, Nanakramguda
Hyderabad 500032 (Telangana)
Toll free no. 18003454001
Email: einward.ris@karvy.com
Website: www.karvyfintech.com

16.10 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 re¬spects. Shares under objection are returned within two weeks. The Officers of the Registrars were authorised to approve transfers.

16.11 Distribution of shareholding as on 31st March 2019

No. of equity shares	No. of holders	% of holders	No. of shares	% of total shares
1 - 5000	47369	96.75	21604435	10.18
5001 – 10,000	796	1.63	5914961	2.79
10,001 - 20,000	374	0.76	5356585	2.52
20,001 - 30,000	128	0.26	3172820	1.50
30,001 - 40,000	62	0.13	2179561	1.03
40,001 - 50,000	39	0.08	1825648	0.86
50,001 - 100,000	86	0.18	6129521	2.89
1,00,001 and above	104	0.21	166001971	78.23
Total	**48958**	**100**	**212185502**	**100**

16.12 Shareholding pattern as on 31st March 2019

Category of Shareholder	No. of holders	No. of shares	% of total shares
Promoter and Promoter Group	17	81733294	38.52
Public			
A. Institutions			
Mutual funds	6	27419470	12.92
Alternate Investment Funds	3	2605464	1.23
Foreign Portfolio Investors	13	906070	0.43
Banks	12	385874	0.18
Insurance Companies	2	3556346	1.68
Overseas Corporate Bodies	2	3813748	1.80
B. Non-Institutions			
Resident Individuals	46256	48252418	22.74
NBFCs registered with RBI	8	38674	0.02
Trusts	7	810940	0.38
Non-Resident Indians	535	1031633	0.49
Clearing Members	75	273004	0.13
Non-Resident Indian Non Repatriable	237	790395	0.37
Bodies Corporate	622	37437253	17.64
IEPF	1	803438	0.38
HUF	1162	2327481	1.09
Total	**48958**	**212185502**	**100**

16.13 Dematerialisation of equity shares and liquidity

As on 31st March 2019, 21,12,71,239 equity shares of the Company (99.57%) stand dematerialized with NSDL (89.10%) and CDSL (10.47%), except 9,14,263 shares were being held in physical form (0.43%). The shares of the Company are traded on BSE and NSE in electronic form.

16.14 Commodity price risk or foreign exchange risk and hedging activities

The Company is not having much exposure to foreign exchange and there is a natural hedge available in terms of exports made by the Company.

The Company manages fluctuations in raw materials prices through stocking by advance procurement when prices are perceived to be low and also by entering into periodic buying contracts as strategic sourcing initiative to keep raw material availability and prices in check.

16.15 Unclaimed Shares

Details in respect of equity shares lying in the suspense account:

Sl. No.	Particulars	No. of shareholders	No. of equity shares of Re.1/- each
a)	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 01.04.2018	25	246200
b)	No. of shareholders who approached the Company for transfer of shares from the said unclaimed suspense account during the period 01.04.2018 to 31.03.2019	-	-
c)	No. of shareholders to whom shares were transferred from the unclaimed suspense account during the said period	-	-
d)	Aggregate no. of shareholders and no. of shares transferred to the demat account of the Investor Education and Protection Fund Authority (IEPF) out of the unclaimed equity shares lying in the suspense account of the Company during the period	-	-
e)	Aggregate No. of shareholders and the outstanding shares in the unclaimed suspense account at the end of the year i.e. as on 31.03.2019	25	2,46,200*

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 INE592A01026.

*The shares were inadvertently transferred by the Registrar and Share Transfer Agent of the Company to the demat account of IEPF Authority for which necessary steps have been taken for reversal/transfer of such shares from the concerned authority/ies.

16.16 Payment of fees to the Auditors

Total fees paid to the Statuary Auditor for Audit and other services: Rs.29.55 lacs.

16. 17 Plants (manufacturing units):

1.	Orient Paper Mills, P.O. Amlai, Dist. Shahdol- 484117 (MP)
2.	Orient Paper Mills, P.O. Brajrajnagar, Dist. Jharsuguda -768216 (Odisha)

16.18 Address for correspondence:

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

17. OTHER DISCLOSURES

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

ii) No penalties or strictures were imposed on the Company by stock exchanges or the SEBI or any statutory authority on any matter related to capital markets during the last three years except ₹10,000/- fine imposed by both NSE and BSE for alleged non-compliance about the requirement of prior intimation for declaration of interim dividend under

regulation 29 of Listing regulations. The Company's request for waiver of the fine is under consideration of the stock exchange.

iii) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) No. of complaints filed during the year: Nil
b) No. of complaints disposed during the year: Nil
c) No. of complaints pending as on end of the financial year: Nil

iv) 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.

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

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

vii) 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.

viii) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub–regulation (2) of Regulation 46 of the Listing Regulations.

The above report was placed before the Board at its meeting held on 2nd May, 2019 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, 2019.

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

New Delhi, 2th May, 2019

CEO/CFO Certificate

The Board of Directors
Orient Paper & Industries Ltd.

We hereby certify that: -

a) We have reviewed financial statement and the cash flow statement for the financial year 2018-19 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 2018-19 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 over financial reporting.

Thanking you,

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

P.K. Sonthalia
President (Finance) & CFO
(PAN: ALQPS6822D)

New Delhi, 2nd May, 2019

Certificate

To
The Members of
Orient Paper & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Orient Paper & Industries Limited ("the Company") as stipulated vide sub-clause (i) of Clause (10) at Part C of Schedule V to the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") for the year ended 31.03.2019.

In our opinion and to the best of our information and according to the explanations given to us and the declarations as received from the Directors of the Company in this regard, we certify that:

"none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority"

This certificate has been issued in terms of sub-clause (i) of Clause (10) at Part C of Schedule V to the Listing Regulations.

For A. K. LABH & Co.
Company Secretaries

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

Place : Kolkata
Dated : 2nd May, 2019

Independent Auditors' Report

To the Members of Orient Paper & Industries Limited
Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Orient Paper & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Management's assessment relating to litigation in respect of levy of excess usage of water and impact on the financial statements (Refer Note 51(c) to the financial statements) Amount of ₹ 98248.03 lacs (including interest and penalty of ₹ 96835.10 lacs) has been disclosed as 'contingent liability' in the financial statements which represents excess water consumption charges levied by Madhya Pradesh State Government (period up to April 2009) against the Company. The Company is contesting the said demand and had filed writ petition in the High Court of Madhya Pradesh and obtained interim stay in year 2015. The Company has obtained external legal opinion to support their assessment around the outcome of the litigation that has led to the management's conclusion that no provision is required to be made against the demand. We considered this to be a key audit matter as the final outcome of the litigation, in case same is decided against the Company, is likely to have significant financial impact.	We performed the following procedures in this regard: • Understood and evaluated the design and tested the operating effectiveness of controls around the assessment of the matter. • Discussed the status and likelihood of the outcome of the litigation with the external legal counsel engaged by the management. • We also evaluated the independence and competency of the management's legal expert. • Obtained and tested evidence to support the management assessment with regard to non-provisioning against the demand. • Assessed the appropriateness of disclosures made under the head 'contingent liabilities' in the financial statements. Based on the above procedures, management's assessment with regard to litigation in respect of levy of excess usage of water under contingent liabilities is considered reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to

financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' 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 51 to the financial statements.

ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Avijit Mukerji
Partner
Membership Number 056155

New Delhi
May 2, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Orient Paper & Industries Limited on the financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Orient Paper & Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (ICAI). 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155

New Delhi
May 2, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Orient Paper & Industries Limited on the Ind AS financial statements as of and for the year ended March 31, 2019

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment, Note 4 on investment properties and Note 18 on assets classified as held for sale to the Ind AS financial statements, are held in the name of the Company, except for the cases below:

Asset category	Gross Block as at March 31, 2019 (₹ in lacs)	Net Block as at March 31, 2019 (₹ in lacs)	Remarks
Freehold Land	243.33	243.33	Correction in land records in Company's name is pending.
Leasehold Land	2.17	2.17	
Buildings	47.10	38.38	Held in joint ownership, registration in the name of the Company is pending
Investment Properties	432.94	432.94	Registration in the name of the Company is pending

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Industrial License Fees under Orissa Municipal Act, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, value added tax, sales tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2019, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Due date	Date of Payment
Orissa Municipal Act	Industrial License Fees	32.39	1996-97 to 2018-19	Beginning of the respective years	Not yet paid

Also refer note 47(iv) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of excise and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	0.50	1986-87	High Court
		6.27	1995-96	Sales Tax Tribunal
		83.27	2001-02, 2007-08 and 2010-11 to 2012-13	Appellate and Revision Board
		0.12	1979-80 to 1982-83	Sales Tax Commissioner
		98.13	2015-16	Additional Commissioner
		12.22	1985-86 and 1999-2000	Assistant Commissioner
West Bengal Value Added Tax Act, 2003	Value Added Tax	40.82	2007-08	West Bengal Commercial Taxes Appellate and Revision Board
Bihar Finance Act, 1981	Sales Tax	39.74	1994-95 to 1996-97	Commissioner of Commercial Tax
		7.90	1994-95 to 1997-98	Joint Commissioner of Commercial Taxes
Orissa Sales Tax Act, 1947	Sales Tax	2.06	1985-86 and 1986-87	High Court
		0.02	1983-84	Assistant Commissioner
Madhya Pradesh VAT Act, 2002	Value Added Tax	14.63	2006-07 to 2009-10	High Court
		11.11	2008-09	Commercial Tax Appellate Board
M.P. Commercial Tax Act, 1994	Sales Tax	7.00	2001-02	High Court
M.P. Sales Tax Act, 1961	Sales Tax	14.65	1998-99	High Court
		1.07	1986-87	Commercial Tax Appellate Board
Central Excise Act, 1944	Excise Duty	879.07	1975-76, 1976-77, 1982-83, 1989-90, 1994-95, 1995-96, 2005-06 to 2008-09, 2010-11 and 2011-12	Customs, Excise & Service Tax Appellate Tribunal
		23.86	2006-07 to 2008-09, 2011-12, 2012-13 and 2014-15	Commissioner (Appeals)
		0.96	2012-13 and 2013-14	Deputy Commissioner
		46.21	1975-76 to 1978-79 and 1986-87 to 1997-98	Assistant Commissioner
Madhya Pradesh Upkar (Sanshodan) Adhiniyam 2004	Energy Development Cess including Surcharge	8,242.77	2001-02 to 2017-18	Supreme Court

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Avijit Mukerji
Partner
Membership Number 056155

New Delhi
May 2, 2019

Balance Sheet as at 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

	Note	31st March 2019	31st March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,32,314.79	1,33,686.36
Capital work-in-progress		1,770.93	960.61
Investment properties	4	629.10	1,667.05
Intangible assets (other than goodwill)	5	106.72	2.95
Intangible assets under development		-	99.12
Biological assets other than bearer plants	44	33.02	35.58
Financial assets			
(i) Investments	6	28,943.44	29,708.96
(ii) Loans	7	261.52	197.03
(iii) Other financial assets	8	2.30	2.59
Non- current tax assets (net)	9	509.13	742.25
Other non-current assets	10	1,283.75	1,148.45
Total non-current assets		**1,65,854.70**	**1,68,250.95**
Current assets			
Inventories	11	7,549.22	6,072.26
Biological assets	44	186.62	141.08
Financial assets			
(i) Trade receivables	12	3,012.82	3,699.65
(ii) Cash and cash equivalents	13	296.04	377.57
(iii) Other bank balances	14	154.20	167.91
(iv) Loans	15	133.20	43.01
(v) Other financial assets	16	16.20	468.13
Other current assets	17	3,320.94	1,629.07
		14,669.24	**12,598.68**
Assets classified as held for sale	18	-	94.27
Total current assets		**14,669.24**	**12,692.95**
Total assets		**1,80,523.94**	**1,80,943.90**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	2,121.96	2,121.96
Other equity	20	1,36,390.66	1,29,646.83
Total equity		**1,38,512.62**	**1,31,768.79**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	21	1,014.88	3,913.83
Employee benefit obligations	22	959.65	771.68
Deferred tax liabilities (net)	23	25,120.30	25,395.50
Total non-current liabilities		**27,094.83**	**30,081.01**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	1,089.77	3,074.84
(ii) Trade payables	25		
- total outstanding dues of micro enterprises and small enterprises		16.88	18.34
- total outstanding dues of creditors other than micro enterprises and small enterprises		8,378.61	6,882.55
(iii) Other financial liabilities	26	2,683.81	4,293.61
Employee benefit obligations	27	1,049.72	988.04
Current tax liabilities (net)	28	232.30	702.58
Other current liabilities	29	1,465.40	3,134.14
Total current liabilities		**14,916.49**	**19,094.10**
Total liabilities		**42,011.32**	**49,175.11**
Total equity and liabilities		**1,80,523.94**	**1,80,943.90**

The accompanying notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

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

Avijit Mukerji
Partner
Membership No.: 056155

Place: New Delhi
Date: 2nd May 2019

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited

C.K.Birla
Chairman

M.L.Pachisia
Managing Director

P.K.Sonthalia
President Finance & CFO

R.P.Dutta
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

	Note	31st March 2019	31st March 2018
Income			
Revenue from operations	30	71,004.48	67,180.00
Other income	31	3,370.87	1,123.23
Total income (I)		**74,375.35**	**68,303.23**
Expenses			
Cost of materials consumed	32	19,668.10	18,411.92
Changes in inventories of finished goods and work-in-progress, etc.	33	337.95	527.30
Excise duty on sale of goods		-	1,044.42
Employee benefits expense	34	8,427.14	8,003.60
Finance costs	35	997.18	1,469.52
Depreciation and amortisation expense	36	3,161.38	2,830.68
Other expenses	37	28,777.88	28,004.76
Total expenses (II)		**61,369.63**	**60,292.20**
Profit before tax (I - II)		**13,005.72**	**8,011.03**
Income tax expense	38		
Current tax		2,961.75	1,653.43
Deferred tax		(121.00)	1,428.71
Total income tax expense		**2,840.75**	**3,082.14**
Profit for the year		**10,164.97**	**4,928.89**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment defined benefit plans	47	(343.46)	(88.13)
Equity instruments through other comprehensive income	20	(409.11)	9,478.27
Income tax relating to these items	38	145.24	45.38
Total other comprehensive income for the year, net of tax		**(607.33)**	**9,435.52**
Total comprehensive income for the year		**9,557.64**	**14,364.41**
Earnings per equity share	48		
(Nominal value ₹ 1/- per share) (in ₹)			
Basic and diluted earnings per equity share		4.79	2.32

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

This is the Profit & Loss referred to in our report of even date.

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

Avijit Mukerji
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P.K.Sonthalia
President Finance & CFO

R.P.Dutta
Company Secretary

Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
As at 1st April 2018	2,121.96
Changes in equity share capital	-
As at 31st March 2019	**2,121.96**

B. Other equity

Particulars	Note	Reserves and surplus				Equity instruments through other comprehensive income	Total other equity
		Investment subsidy	Securities premium account	General reserve	Retained earnings		
As at 1st April 2017		**15.00**	**4,697.49**	**11,006.84**	**79,619.69**	**23,518.75**	**1,18,857.77**
Profit for the year		-	-	-	4,928.89	-	4,928.89
Other comprehensive income, net of tax		-	-	-	(57.34)	9,492.86	9,435.52
Total comprehensive income for the year		**-**	**-**	**-**	**4,871.55**	**9,492.86**	**14,364.41**
Transactions with owners in their capacity as owners:							
Dividend paid	41	-	-	-	(2,970.60)	-	(2,970.60)
Dividend distribution tax paid	41	-	-	-	(604.75)	-	(604.75)
Transfer from equity instruments through other comprehensive income to retained earnings on sale of equity shares	20	-	-	-	3,067.93	(3,067.93)	-
As at 31st March 2018		**15.00**	**4,697.49**	**11,006.84**	**83,983.82**	**29,943.68**	**1,29,646.83**

Particulars	Note	Reserves and surplus				FVOCI-equity instruments	Total other equity
		Investment subsidy	Securities premium account	General reserve	Retained earnings		
Balance at 1st April 2018		**15.00**	**4,697.49**	**11,006.84**	**83,983.82**	**29,943.68**	**1,29,646.83**
Profit for the year		-	-	-	10,164.97	-	10,164.97
Other comprehensive income, net of tax		-	-	-	(343.46)	(263.87)	(607.33)
Total comprehensive income for the year		**-**	**-**	**-**	**9,821.51**	**(263.87)**	**9,557.64**
Transactions with owners in their capacity as owners:							
Dividend paid	41	-	-	-	(2,334.04)	-	(2,334.04)
Dividend distribution tax paid	41	-	-	-	(479.77)	-	(479.77)
Transfer from equity instruments through other comprehensive income to retained earnings on sale of equity shares	20	-	-	-	29.45	(29.45)	-
As at 31st March 2019		**15.00**	**4,697.49**	**11,006.84**	**91,020.97**	**29,650.36**	**1,36,390.66**

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

This is the Statement of Changes in Equity referred to in our report of even date.

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

Avijit Mukerji
Partner
Membership No.: 056155

Place: New Delhi
Date: 2nd May 2019

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited

C.K.Birla
Chairman

M.L.Pachisia
Managing Director

P.K.Sonthalia
President Finance & CFO

R.P.Dutta
Company Secretary

Cash Flow Statement for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

	31st March 2019	31st March 2018
(A) Cash flows from operating activities:		
Profit before income tax	13,005.72	8,011.03
Adjustments for:		
Depreciation and amortisation expense	3,161.38	2,830.68
Interest and finance charges	743.35	1,258.34
Interest expense on income tax	113.50	-
Other borrowing costs	140.33	150.59
Net gain on disposal of property, plant and equipment and assets held for sale	(1,590.80)	(69.67)
Net gain on disposal of investment property	(602.09)	-
Bad debts written off	4.69	1.82
Provision for doubtful debts and advances	153.13	-
Rental income from investment properties	(251.82)	(314.06)
Gain on sale / redemption of units of mutual funds	(21.44)	-
Unspent liabilities, provisions no longer required and unclaimed balances written back	(300.92)	(81.07)
Unrealised Foreign Exchange Loss/(Gain) (Net)	(53.40)	-
Interest income	(33.60)	(25.99)
Dividend income	(313.33)	(267.58)
Operating profit before changes in operating assets and liabilities	14,154.70	11,494.09
Increase/ (decrease) in trade payables, other liabilities and provisions	1,246.21	(1,035.68)
(Increase) / decrease in inventories	(1,476.96)	1,748.40
Increase in biological assets	(42.99)	(18.35)
(Increase) /decrease in trade receivables, loans and advances and other assets	(791.11)	2,023.94
Cash generated from operations	13,089.85	14,212.40
Income taxes paid (net)	(3,207.86)	(1,629.39)
Net cash inflow from operating activities	9,881.99	12,583.01
(B) Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment and assets held for sale	208.06	394.70
Proceeds from disposal of investment property	1,628.00	-
Payments for acquisition of property, plant and equipment/intangible assets	(2,733.04)	(2,984.68)
Proceeds on disposal of investments in equity shares	356.42	3,526.84
Rental income from investment properties received	251.82	314.06
Purchases of Units of MF	(5,170.00)	-
Proceeds from sale of Units of MF	5,191.44	-
Interest received	29.19	20.22
Dividend received	313.33	267.58
Fixed deposits made	(7.45)	(4.91)
Net cash inflow from investing activities	67.77	1,533.81

Cash Flow Statement for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

	31st March 2019	31st March 2018
(C) Cash flows from financing activities:		
Repayment of long-term borrowings	(4,211.72)	(1,790.67)
Repayment of short-term borrowings	(1,985.07)	(7,774.12)
Interest paid	(745.41)	(1,292.51)
Interest expense on income tax	(113.50)	-
Other borrowing costs paid	(140.33)	(150.59)
Dividend paid	(2,355.49)	(2,966.17)
Dividend distribution tax paid	(479.77)	(604.75)
Net cash (outflow) from financing activities	**(10,031.29)**	**(14,578.81)**
Net decrease in cash and cash equivalents (A+B+C)	**(81.53)**	**(461.99)**
Cash and cash equivalents at the beginning of the financial year (refer note 13)	377.57	839.56
Cash and cash equivalents at the end of the year (Refer note 13)	**296.04**	**377.57**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. Refer note 43 for debt reconciliation.

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

This is the Cash Flow referred to in our report of even date.

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

Avijit Mukerji
Partner
Membership No.: 056155

Place: New Delhi
Date: 2nd May 2019

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited

C.K.Birla
Chairman

M.L.Pachisia
Managing Director

P.K.Sonthalia
President Finance & CFO

R.P.Dutta
Company Secretary

Notes to Financial Statements as at and for the year ended 31st March 2019

1. Company background

Orient Paper & Industries Limited (the 'Company') is a public limited company, incorporated and domiciled in India. The equity shares of the Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Company is located at Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012, Orissa, India.

The Company is mainly engaged in the business of manufacturing and selling of paper and other products as detailed under Note 30,"Revenue from operations".

The financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 2nd May 2019.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value.
- Biological assets - measured at fair value less costs to sell.

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property

The Company had to change its accounting policies following the adoption of Ind AS 115. The above amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs and decimals thereof (₹ 00,000.00) as per the requirement of Schedule III, unless otherwise stated.

2.2 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost / deemed cost (fair value as at transition date) less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation method, estimated useful lives and residual values

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

Depreciation is calculated on a pro-rata basis using the straight-line method [except for furniture and fixtures and vehicles with gross carrying amount of ₹ 1,155.91 lacs (31st March 2018: ₹ 886.88 lacs) where written down value method is followed] to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the property, plant and equipment as estimated by the management are as follows:

Factory buildings	-	30 years
Non-factory buildings	-	5 to 60 years
Railway sidings	-	15 years
Plant and equipments	-	3 to 40 years
Furniture and fixtures	-	8 to 10 years
Computers (included under plant and equipments)	-	3 years
Office equipments	-	5 years
Vehicles	-	8 to 10 years

Leasehold land (other than those in the nature of perpetual leases) are amortised on straight - line basis over the primary lease period or their respective useful lives, whichever is shorter.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipments as 3 to 40 years. These lives are lower than those indicated in Schedule II to the Companies Act,2013.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other income'/'Other expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital work-in-progress'.

2.3 Intangible assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation method and period

Computer software is amortised on a pro-rata basis using the straight-line method over its estimated useful life of 3 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible assets' are recognised as an expense as incurred.

2.4 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management. The estimated useful life of investment properties (buildings) as estimated by the management is 60 years.

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.

2.5 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). The Company's corporate assets (eg. central office building for providing support to various CGUs) do not generate independent cash flows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress

and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on 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 realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Biological assets

Biological assets are measured at fair value less cost to sell.

Costs to sell include the incremental selling costs, including commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

Eucalyptus plantation are accounted for as biological assets until the point of harvest. Harvested eucalyptus plants are transferred to inventory at fair value less costs to sell when harvested.

Changes in fair value of the biological assets are recognised in the Statement of Profit and Loss.

The fair value of growing eucalyptus plantation is determined using a discounted cash flow model based on the expected plant yield by plantation size, the market price for wood and after allowing for harvesting costs and other costs yet to be incurred in getting the plants to maturity.

2.8 Leases

As a lessee

Leases of property, plant and equipment where the Company, as a lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

2.9 Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an

irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other income'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other income' in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other income' in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42(A) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Fair value of financial instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.10 Derivative instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other income'/'Other expenses'.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

2.17 Revenue recognition

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers", using the modified retrospective approach which is applied to contracts that were not completed as of 1st April 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 was insignificant on the financial statements of the Company.

Pursuant to adoption of Ind AS 115, Revenue from contracts with customers are recognised when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods and services.

Sale of goods

The Company manufactures and sells a range of paper and other products. Revenue from sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customers and the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made against the receipt of advance or security deposit or with an agreed credit period of upto 60 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 Foreign currency transactions and translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rupees or ₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs, if any, are presented in the Statement of Profit and Loss, within 'Finance costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other income'/'Other expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.21 Employee benefits

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment benefits

Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee benefits expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in retained earnings in the Statement of Changes in Equity.

Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Employee benefit obligations' (current) in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.22 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.23 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.25 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. Refer Note 45 for segment information presented.

2.27 Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2019.

Ind AS 116, Leases

Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as lease assets or together with property, plant and equipment. If lease payments are made over time, a financial liability representing the future obligation will be recognised.

Ind AS 116 will be effective from 1 April 2019. The Company is currently assessing the impact of the new standard and expects there to be no material impact to the assets and liabilities recognised in the financial statements, as well as the statement of profit and loss.

2.28 Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligation) — Notes 2.21 and 47
  Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Impairment of trade receivables — Notes 2.9(iii) and 42(A)
  The risk of uncollectibility of trade receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- Estimation of expected useful lives of property, plant and equipment — Notes 2.2 and 3
  Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- Contingencies — Notes 2.23 and 51
  Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties

and complexities, including but not limited to the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Company consults with legal counsel and other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- Valuation of deferred tax assets — Notes 2.22 and 23
  Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- Fair value measurements — Notes 2.9(vi) and 40
  When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Freehold land	Leasehold land	Factory buildings	Non-factory buildings (b)	Railway sidings	Plant and equipments (d)	Furniture and fixtures	Office equipments	Vehicles	Total	
Gross carrying amount											
Cost/deemed cost as at 1st April 2017	**31,041.23**	**58,447.15**	**4,068.75**	**2,117.70**	**62.57**	**68,037.90**	**523.75**	**265.04**	**275.95**	**1,64,840.04**	**(a)**
Additions	-	-	1,510.03	480.64	-	8,056.81	205.83	8.44	46.00	10,307.75	
Disposals / deductions	-	-	30.01	0.53	-	250.56	6.82	2.05	47.55	337.52	
Transfer to assets classified as held for sale	94.19	-	-	-	-	-	-	-	-	94.19	
As at 31st March 2018	**30,947.04**	**58,447.15**	**5,548.77**	**2,597.81**	**62.57**	**75,844.15**	**722.76**	**271.43**	**274.40**	**1,74,716.08**	**(a)**
Additions	-	-	174.78	30.17	-	1,586.23	32.10	51.87	117.49	1,992.64	
Disposals / deductions	-	-	17.87	11.85	-	275.72	8.16	5.04	28.57	347.21	
Transfer to assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	
As at 31st March 2019	**30,947.04**	**58,447.15**	**5,705.68**	**2,616.13**	**62.57**	**77,154.66**	**746.70**	**318.26**	**363.32**	**1,76,361.51**	**(a)**
Accumulated depreciation											
As at 1st April 2017	**-**	**72.98**	**2,006.75**	**1,100.81**	**38.08**	**34,387.90**	**457.49**	**231.53**	**199.61**	**38,495.15**	
Charge for the year	-	137.79	161.58	59.44	1.94	2,369.01	41.09	18.39	18.56	2,807.80	(c)
Disposals / deductions	-	-	-	0.43	-	223.22	6.44	1.90	41.24	273.23	
As at 31st March 2018	**-**	**210.77**	**2,168.33**	**1,159.82**	**40.02**	**36,533.69**	**492.14**	**248.02**	**176.93**	**41,029.72**	
Charge for the year	-	137.77	181.65	47.09	2.13	2,650.23	51.77	20.27	20.86	3,111.77	(c)
Disposals / deductions	-	-	11.14	3.95	-	40.54	7.73	4.05	27.36	94.77	
As at 31st March 2019	**-**	**348.54**	**2,338.84**	**1,202.96**	**42.15**	**39,143.38**	**536.18**	**264.24**	**170.43**	**44,046.72**	
Net carrying amount											
As at 31st March 2018	**30,947.04**	**58,236.38**	**3,380.44**	**1,437.99**	**22.55**	**39,310.46**	**230.62**	**23.41**	**97.47**	**1,33,686.36**	
As at 31st March 2019	**30,947.04**	**58,098.61**	**3,366.84**	**1,413.17**	**20.42**	**38,011.28**	**210.52**	**54.02**	**192.89**	**1,32,314.79**	

(a) Includes certain non-factory buildings held in joint ownership ₹ 188.09 lacs (31st March 2018: ₹ 185.82 lacs).

(b) Gross and net carrying amount of non-factory buildings ₹ 47.10 lacs (31st March 2018: ₹ 47.10 lacs) and ₹ 38.38 lacs (31st March 2018: ₹ 39.08 lacs) respectively in respect of flats whose registration in the Company's name is pending.

(c) Includes depreciation ₹ 146.03 lacs (31st March 2018: ₹ 147.15 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

(d) Include plant and equipments taken on finance lease: Gross carrying amount of ₹ 859.10 lacs (31st March 2018: ₹ 859.10 lacs) and net carrying amount of ₹ 655.43 lacs (31st March 2018: ₹ 724.81 lacs).

(e) Refer to notes 21 and 24 for information on property, plant and equipment pledged as security by the Company.

(f) Refer to note 50 for disclosure of contractual commitments for acquisition of property, plant and equipment.

Note 4: Investment properties

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Gross carrying amount		
Opening gross carrying amount / deemed cost	1,712.67	1,712.67
Disposals / deductions	(1,070.43)	-
Closing gross carrying amount	**642.24**	**1,712.67**
Accumulated depreciation		
Opening accumulated depreciation	45.62	22.79
Depreciation charge	12.04	22.83
Disposals / deductions	(44.52)	-
Closing accumulated depreciation	**13.14**	**45.62**
Net carrying amount	**629.10**	**1,667.05**

(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 (31st March 2018: ₹ 432.94 lacs) in the name of the Company is still pending.

(b) Investment properties include buildings held in joint ownership ₹ 629.10 lacs (31st March 2018: ₹ 1,667.05 lacs).

(c) Fair value of investment properties carried at cost:

Particulars	31st March 2019	31st March 2018
Fair value of investment properties	8,937.22	10,602.92
Net block	**8,937.22**	**10,602.92**

Estimation of fair value

The fair values of investment properties have been determined by independent valuers who hold recognised and relevant professional qualifications. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

(d) **Amounts recognised in profit or loss for investment properties:**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Rental income	251.82	314.06
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income	-	74.49
Depreciation expense	12.04	22.83

(e) Refer note 49 for lease disclosure.

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 5: Intangible assets (other than goodwill) - acquired

Particulars	Computer software
Gross carrying amount	
As at 1st April 2017	**235.76**
Additions	3.00
Deemed cost as at 31st March 2018	**238.76**
Additions	141.34
As at 31st March 2019	**380.10**
Accumulated amortisation	
At 1st April 2017	**235.76**
Charge for the year	0.05
As at 31st March 2018	**235.81**
Charge for the year	37.57
As at 31st March 2019	**273.38**
Net carrying amount	
As at 31st March 2018	**2.95**
As at 31st March 2019	**106.72**

(a) Refer to note 50 for disclosure of contractual commitments for acquisition of intangible assets.

Note 6: Investments - non-current

Particulars	31st March 2019	31st March 2018
Investments in equity instruments at FVOCI (fully paid-up)		
Quoted		
12.47 lacs (31st March 2018: 12.75 lacs) equity shares of ₹ 10 each in Century Textiles & Industries Limited	11,631.31	14,569.74
9.06 lacs (31st March 2018: 9.06 lacs) equity shares of ₹ 10 each in Hyderabad Industries Limited	16,753.61	14,741.49
Unquoted		
0.30 lac (31st March 2018: 0.30 lac) equity shares of ₹ 10 each in Birla Buildings Limited	319.20	222.00
0.06 lac (31st March 2018: 0.06 lac) equity shares of ₹ 10 each in GMMCO Limited	239.15	175.56
0.25 lac (31st March 2018: 0.25 lac) equity shares of ₹ 10 each in Tungabhadra Industries Limited	-	-
200 (31st March 2018: 200) equity shares of ₹ 10 each in Orissa Textiles Mills Limited	-	-
173.99 lacs (31st March 2018: 173.99 lacs) equity shares of K.Sh 20 each in Panafrican Paper Mills (E.A) Limited	-	-
	28,943.27	**29,708.79**
Investments in government securities at amortised cost		
Unquoted		
6 Years National Savings Certificates (a)	0.17	0.17
	28,943.44	**29,708.96**
Aggregate amount of quoted investments and market value thereof	28,384.92	29,311.23
Aggregate amount of unquoted investments	558.53	397.73

(a) Lodged with government department as security deposits.

(b) Refer note 40 for information about fair value measurements and note 42 for credit risk and market risk on investments.

Note 7: Loans - non-current

Particulars	31st March 2019	31st March 2018
Unsecured, considered good		
Trade and other deposits	261.52	197.03
	261.52	**197.03**

Note 8: Other financial assets - non-current

Particulars	31st March 2019	31st March 2018
Unsecured, considered good		
Deposits with original maturity of more than 12 months @	2.30	2.59
	2.30	**2.59**

@ Lodged with government departments/banks as security

Note 9: Non- current tax assets (net)

Particulars	31st March 2019	31st March 2018
Advance tax [Net of provision for tax ₹ 3,437.59 lacs (31st March 2018: ₹ 979.50 lacs)]	509.13	742.25
	509.13	**742.25**

Note 10: Other non-current assets

Particulars	31st March 2019	31st March 2018
Capital advances considered good	364.96	179.45
Capital advances considered doubtful	153.13	-
Advances recoverable	222.60	204.01
Deposits against demand under dispute	522.31	598.48
Prepaid expenses	24.40	17.03
Claims and refunds receivable	149.48	149.48
	1,436.88	**1,148.45**
Less: Allowance for doubtful advances	153.13	-
	1,283.75	**1,148.45**

Note 11: Inventories

Particulars	31st March 2019	31st March 2018
Valued at lower of cost and net realisable value		
Raw materials and components	3,609.67	2,350.10
Work-in-progress	552.90	498.21
Finished goods	338.72	702.75
Stores, chemicals and spare parts, etc.	3,026.45	2,471.11
At estimated net realisable value		
By-products	3.30	0.45
Scrap	18.18	49.64
	7,549.22	**6,072.26**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 11: Inventories (contd.)

Particulars	31st March 2019	31st March 2018
The above includes stock in transit:		
Finished goods	-	178.71
Stores, chemicals and spare parts, etc.	51.24	47.61

(a) Write downs of inventories to net realisable value amounted to ₹ 51.17 lacs (31st March 2018: ₹ 53.64 lacs) which were recognised as an expense and included in consumption of stores and spare parts in note 37.

(b) Inventories are hypothecated against the borrowings obtained by the Company as referred in note 24.

Note 12: Trade receivables

Particulars	31st March 2019	31st March 2018
Trade receivables	3,079.62	3,739.60
Receivables from related parties (refer note 46)	-	26.85
Less: Loss allowance	(66.80)	(66.80)
Total receivables	**3,012.82**	**3,699.65**
Current portion	3,012.82	3,699.65
Non-current portion	-	-

Break-up of security details

Particulars	31st March 2019	31st March 2018
Trade receivables considered good – Secured	458.31	513.63
Trade receivables considered good – Unsecured	2,554.51	3,186.02
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	66.80	66.80
Total	**3,079.62**	**3,766.45**
Less: Loss allowance	(66.80)	(66.80)
Total trade receivables	**3,012.82**	**3,699.65**

(a) Trade receivables are non-interest bearing and are generally on term of up to 90 days.

(b) Refer note 42 for credit risk and market risk on trade receivables.

(c) Trade receivables are pledged against the borrowings obtained by the Company as referred in note 24.

(d) Trade receivables include ₹ Nil (31st March 2018: ₹ 26.85 lacs) due from a private Company in which a director is a member.

Note 13: Cash and cash equivalents

Particulars	31st March 2019	31st March 2018
Cash and cash equivalents		
Balances with banks:		
– On current accounts	287.83	364.60
– Deposits with original maturity of less than three months	-	0.09
Cheques on hand	1.15	2.66
Cash on hand	7.06	10.22
	296.04	**377.57**

Note 14: Other bank balances

Particulars	31st March 2019	31st March 2018
On unpaid dividend accounts*	48.83	70.28
Deposits with remaining maturity of more than 3 months but less than 12 months**	105.37	97.63
	154.20	**167.91**

* Earmarked for payment of unclaimed dividend
** Lodged with government departments/banks as security ₹ 105.37 lacs (31st March 2018: ₹ 97.63 lacs)

Note 15: Loans - current

Particulars	31st March 2019	31st March 2018
Unsecured, considered good		
Loans to employees	11.62	11.09
Trade and other deposits	121.58	31.92
Unsecured, considered doubtful		
Trade and other deposits	10.00	10.00
Less: Provision for doubtful trade and other deposits	(10.00)	(10.00)
	133.20	**43.01**

Note 16: Other financial assets - current

Particulars	31st March 2019	31st March 2018
Unsecured, considered good		
Receivable from Orient Electric Limited, a related party (refer note 46)	-	456.34
Interest accrued on loans, deposits, etc.	16.20	11.79
	16.20	**468.13**

Note 17: Other current assets

Particulars	31st March 2019	31st March 2018
Unsecured, considered good		
Deposits against demand under dispute	202.51	97.56
Balances with government authorities (other than income taxes)	61.03	64.99
Prepaid expenses	246.39	237.22
Export incentives receivable	331.69	269.71
Claims and refunds receivable	1,605.14	196.78
Advances recoverable	874.18	762.81
	3,320.94	**1,629.07**

Note 18: Assets classified as held for sale

Particulars	31st March 2019	31st March 2018
Land	-	94.27
	-	**94.27**

Sale of land at Shahdol (Madhya Pradesh) and Sambalpur (Odisha) which were accounted as assets held for sale as on 31st March 2018 were completed during the year.

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 19: Equity share capital

Particulars	31st March 2019	31st March 2018
Authorised shares		
75,00,00,000 (31st March 2018: 75,00,00,000) Equity Shares of ₹ 1/- each	7,500.00	7,500.00
25,00,000 (31st March 2018: 25,00,000) Preference Shares of ₹ 100/- each	2,500.00	2,500.00

Particulars	31st March 2019	31st March 2018
Issued Shares		
21,22,04,712 (31st March 2018: 21,22,04,712) Equity Shares of ₹ 1/- each	2,122.05	2,122.05
Total issued capital	**2,122.05**	**2,122.05**

Particulars	31st March 2019	31st March 2018
Subscribed and paid-up shares		
21,21,85,502 (31st March 2018: 21,21,85,502) Equity Shares of ₹ 1/- each	2,121.86	2,121.86
Forfeited shares (amount originally paid-up)	0.10	0.10
Total subscribed and paid-up share capital	**2,121.96**	**2,121.96**

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

Equity shares

Particulars	31st March 2019		31st March 2018	
	No. in lacs	Amount	No. in lacs	Amount
At the beginning of the year	2,121.86	**2,121.86**	2,121.86	**2,121.86**
Outstanding at the end of the year	2,121.86	**2,121.86**	2,121.86	**2,121.86**

(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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. 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**

Particulars	31st March 2019		31st March 2018	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Equity shares of ₹ 1 each fully paid				
Central India Industries Limited	525.60	24.77%	525.60	24.77%
Reliance Capital Trustee Company Ltd	100.00	4.71%	183.94	8.67%
Shekhavati Investments and Traders Limited	127.61	6.01%	127.61	6.01%
L & T Mutual Fund Trustee Ltd	107.38	5.06%	72.45	3.41%

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.

Note 20: Other equity

Particulars	31st March 2019	31st March 2018
Reserves and surplus		
Investment subsidy	15.00	15.00
Securities premium account	4,697.49	4,697.49
General reserve	11,006.84	11,006.84
Retained earnings	91,020.97	83,983.82
Equity instruments through other comprehensive income	29,650.36	29,943.68
	1,36,390.66	**1,29,646.83**

Investment subsidy

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening balance	15.00	15.00
Closing balance	**15.00**	**15.00**

Securities premium account

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening balance	4,697.49	4,697.49
Closing balance	**4,697.49**	**4,697.49**

General reserve

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening balance	11,006.84	11,006.84
Closing balance	**11,006.84**	**11,006.84**

Retained earnings

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening balance	83,983.82	79,619.69
Profit for the year	10,164.97	4,928.89
Item of other comprehensive income recognised directly in retained earnings		
-Remeasurements of post-employment defined benefit plans, net of tax	(343.46)	(57.34)
Dividend paid (refer note 41)	(2,334.04)	(2,970.60)
Dividend distribution tax on above (refer note 41)	(479.77)	(604.75)
Transferred from equity instruments through other comprehensive income on sale of equity shares	29.45	3,067.93
Closing balance	**91,020.97**	**83,983.82**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 20: Other equity (contd.)

Equity instruments through other comprehensive income

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening balance	29,943.68	23,518.75
Change in fair value of FVOCI equity instruments during the year	(409.11)	9,478.27
Current tax for the year	-	(752.43)
Deferred tax for the year	145.24	767.02
Transferred to retained earnings on sale of equity shares*	(29.45)	(3,067.93)
Closing balance	**29,650.36**	**29,943.68**

*Represents cumulative gain on disposal (net of tax). Fair value of such investments on the dates of disposal was ₹ 356.43 lacs.

Nature and purpose of each reserve

Investment subsidy

This relates to amount received in earlier years towards investment subsidy.

Securities premium account

Securities premium is used to record premium received on issue of shares. The reserve may be utilised in accordance with the provisions of the Companies Act, 2013 of India (the "Companies Act").

General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Companies Act.

Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. The changes are accumulated within the 'equity instruments through other comprehensive income' reserve with equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note 21: Borrowings - non-current

Particulars	31st March 2019	31st March 2018
Term loans (secured)		
(a) From a financial institution	-	473.10
(b) From banks	208.24	3,445.96
(c) From others	830.60	1,278.27
Other loans (secured)		
Finance lease obligations (refer note 49)	720.46	773.70
	1,759.30	**5,971.03**
Less:- Current maturities disclosed under the head "other financial liabilities - current"(refer note 26)	(744.42)	(2,057.20)
	1,014.88	**3,913.83**

Note 21: Borrowings - non-current (contd.)

(a) Term loan ₹ Nil from a financial institution was secured by first pari-passu charge on the property, plant and equipment (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar and carries interest @ Nil (31st March 2018: 11.20% p.a.) and has been fully repaid during the year.

(b) Term loans from banks are secured by first pari-passu charge on the property, plant and equipment (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar. The terms of repayment are as under:

(i) Term loans of ₹ 208.24 lacs (31st March 2018: ₹ 1,054.79 lacs) carries interest @ 9.90% p.a. (31st March 2018: 9.10% p.a.) and is repayable in 17 equal quarterly instalments starting from 28th May 2015 up to 28th May 2019.

(ii) Term loan of ₹ Nil (31st March 2018: ₹ 2,391.17 lacs) carries interest @ Nil (31st March 2018: 9.90% p.a.) and has been fully repaid during the year.

(c) Term loans from others are secured by pari-passu first charge on the property, plant and equipment (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and carries interest @11.25% p.a. (31st March 2018: 10.50% p.a.) and is repayable in 16 equal quarterly instalments starting from 21st March 2017 up to 21st December 2020.

(d) Finance lease obligations are secured against plant and equipments 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 and 20 quarterly installments of ₹ 3.96 lacs each respectively.

(e) Refer note 42 for information about liquidity risk and market risk on borrowings.

Note 22: Employee benefit obligations - non-current

Particulars	31st March 2019	31st March 2018
Provision for gratuity (refer note 47)	959.65	771.68
	959.65	**771.68**

Note 23: Deferred tax liabilities (net)

Particulars	31st March 2019	31st March 2018
Deferred tax liabilities		
Property, plant and equipment / intangible assets	29,284.03	29,380.62
Gross deferred tax liabilities	**29,284.03**	**29,380.62**
Deferred tax assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	1,154.52	1,063.64
On fair valuation of investments	449.44	424.25
Provision for doubtful debts and advances	80.35	26.84
Minimum alternate tax (MAT) credit entitlement	2,479.42	2,470.39
Gross deferred tax assets	**4,163.73**	**3,985.12**
Deferred tax liabilities (net)	**25,120.30**	**25,395.50**

Refer note 39 for movement in deferred tax (assets / liabilities) balances.

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 24: Borrowings - current

Particulars	31st March 2019	31st March 2018
Cash credit / working capital demand loans from banks (secured)	1,089.77	2,851.50
Unsecured :		
Buyers' credit	-	223.34
	1,089.77	**3,074.84**

(a) Cash credit / working capital demand loans from banks are secured against hypothecation of stock-in-trade, work-in-progress, raw materials, stores and chemicals, book debts and other current assets of the Company and second charge on property, plant and equipment pertaining to Paper plants at Amlai & Brajrajnagar of the Company and are repayable on demand. The above loans carry interest @ 8.65% p.a. to 9.35% p.a. (31st March 2018: 8.75% p.a. to 11.00% p.a.)

(b) Buyers' credit carries interest @ LIBOR plus spread of Nil (31st March 2018: 0.62%) p.a.

Note 25: Trade payables

Particulars	31st March 2019	31st March 2018
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 53)	16.88	18.34
- total outstanding dues of creditors other than micro enterprises and small enterprises	8,378.61	6,882.55
	8,395.49	**6,900.89**

Trade payables are non-interest bearing and normally settled within 60 days term. Refer note 42 for information about liquidity risk and market risk on trade payables.

Note 26: Other financial liabilities - current

Particulars	31st March 2019	31st March 2018
Current maturities of long-term borrowings (refer note 21)	744.42	2,057.20
Interest accrued but not due on borrowings	2.63	4.69
Payables against purchase of property, plant and equipment	875.58	904.48
Unpaid dividend	48.83	70.28
Trade and other deposits	1,012.35	1,256.96
	2,683.81	**4,293.61**

Note 27: Employee benefit obligations - current

Particulars	31st March 2019	31st March 2018
Provision for gratuity (refer note 47)	389.41	369.67
Provision for leave benefits (refer note 47)	660.31	618.37
	1,049.72	**988.04**

Note 28: Current tax liabilities (net)

Particulars	31st March 2019	31st March 2018
Provision for taxation [net of advance tax, TDS and refunds receivable ₹ 2,703.80 lacs (31st March 2018: ₹ 2,251.08 lacs)]	232.30	702.58
	232.30	**702.58**

Note 29: Other current liabilities

Particulars	31st March 2019	31st March 2018
Advance against sale of goods/ property, plant and equipment (refer note 29a & 29b)	173.30	1,735.19
Statutory dues payable (other than income taxes)	1,280.81	1,387.71
Other payables	11.29	11.24
	1,465.40	**3,134.14**

Note 29a: Contract liabilities

Particulars	31st March 2019	31st March 2018
Contract liabilities- Sale of goods	173.30	238.02
Total contract liabilities	**173.30**	**238.02**

Note 29b: Revenue recognised that was included in the contract liability balance at the beginning of the period

Particulars	31st March 2019	31st March 2018
Sale of goods	136.91	182.52

Note 30: Revenue from operations

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from contracts with customers		
Sale of products [including excise duty Nil (31st March 2018: ₹ 1,044.42 lacs)]	69,396.74	65,705.08
Other operating revenue		
Scrap sales	302.02	297.23
Export incentives	631.58	703.88
Sale of clonal plants	393.75	344.83
Other receipts	280.39	128.98
	71,004.48	**67,180.00**

Detail of products sold

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Finished goods sold		
Paper & Board	56,431.62	53,129.46
C.S.Lye	7,083.51	6,077.96
C.S.Flakes	5,567.86	5,968.71
Liquid Chlorine	133.68	65.79
Hydrochloric Acid	180.07	28.67
Air Pollution Control Equipments	-	3.52
Industrial Blowers	-	422.07
Other Miscellaneous Items	-	8.90
	69,396.74	**65,705.08**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 31: Other income

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest income		
On financial instruments measured at amortised cost	33.60	25.99
On income tax refund	40.78	72.22
Dividend income		
On financial instruments measured at FVOCI *	313.33	267.58
Others		
Rental income on investment properties	251.82	314.06
Insurance and other claims	57.99	29.37
Rent and hire charges	64.33	67.22
Unspent liabilities, provisions no longer required and unclaimed balances written back	300.92	81.07
Net gain on disposal of investment property	602.09	-
Gain on sale / redemption of units of mutual funds	21.44	-
Net gain on disposal of property, plant and equipment and assets held for sale	1,590.80	69.67
Miscellaneous income	93.77	196.05
	3,370.87	**1,123.23**

* All dividend from equity investments designated at FVOCI relate to investments held at the end of the reporting period except ₹ 1.86 lacs (31st March 2018: ₹ 11.50 lacs) on equity investments sold during the year.

Note 32: Cost of materials consumed

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Inventory at the beginning of the year	2,350.10	3,642.54
Add: Purchases	20,927.67	17,119.48
	23,277.77	**20,762.02**
Less: Inventory at the end of the year	3,609.67	2,350.10
	19,668.10	**18,411.92**

Note 33: Changes in inventories of finished goods and work-in-progress, etc.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Inventories at the end of the year		
Work-in-progress	552.90	498.21
Finished goods	338.72	702.75
By-products	3.30	0.45
Scrap	18.18	49.64
	913.10	**1,251.05**

Note 33: Changes in inventories of finished goods and work-in-progress, etc. (contd.)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Inventories at the beginning of the year		
Work-in-progress	498.21	571.57
Finished goods	702.75	1,270.78
By-products	0.45	3.17
Scrap	49.64	39.37
	1,251.05	**1,884.89**
Changes in inventories	337.95	633.84
(Increase)/decrease of excise duty on inventories @	-	(106.54)
	337.95	**527.30**

@ Represents the difference between excise duty on opening and closing inventories of finished goods, etc.

Note 34: Employee benefits expense

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries, wages and bonus	6,941.59	6,574.02
Contribution to provident and other funds (refer note 47)	608.23	569.61
Gratuity expense (refer note 47)	199.87	306.22
Staff welfare expenses	677.45	553.75
	8,427.14	**8,003.60**

Note 35: Finance costs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest and finance charges #	743.35	1,258.34
Interest expense on income tax	113.50	60.59
Other borrowing costs #	140.33	150.59
	997.18	**1,469.52**

Arising on financial liabilities not at fair value through profit or loss.

Note 36: Depreciation and amortisation expense

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation on property, plant and equipment (refer note 3)	3,111.77	2,807.80
Depreciation on investment properties (refer note 4)	12.04	22.83
Amortisation on intangible assets (refer note 5)	37.57	0.05
	3,161.38	**2,830.68**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 37: Other expenses

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Consumption of stores and spare parts	7,570.76	6,921.92
Handling and other charges to contractors	2,330.35	1,956.32
Power and fuel	9,339.13	10,160.78
Packing, freight and forwarding charges	3,178.79	3,378.61
Rent	131.05	189.42
Rates and taxes	232.99	258.67
Insurance	175.55	151.51
Repairs		
Plant and machinery	2,291.34	2,133.54
Buildings	434.92	543.85
CSR expenditure (refer note 37a)	87.24	65.42
Advertising and sales promotion	43.57	15.84
Directors' commission	88.16	83.33
Directors' sitting fees	48.50	75.00
Commission on sales	424.45	79.80
Payment to auditor		
As auditor:		
Audit fee	12.00	11.00
Limited review	9.00	14.00
Tax audit fee	2.00	8.00
For certificates and other services	6.55	31.86
Reimbursement of expenses	4.35	1.39
Payment to cost auditor	0.75	1.02
Net loss on foreign currency transactions and translations	76.04	56.70
Professional and consultancy charges	551.53	558.72
Bad debts / advances written off (net of reversals)	4.69	1.82
Provision for doubtful debts and advances	153.13	-
Miscellaneous expenses*	1,581.04	1,306.24
	28,777.88	**28,004.76**

*Includes ₹ 300.00 lacs contributed to Electoral Trust (31st March 2018: ₹ Nil)

Note 37a: Corporate social responsibility expenditure

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Amount required to be spent as per Section 135 of the Act	104.84	27.28
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	87.24	65.42
Amount unspent during the year	**17.60**	**-**

Note 37b: Research and development expenditure

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Capital nature	-	16.00
Revenue nature	121.03	32.70

Note 38: Income tax expense

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
(a) Income tax expense recognised in profit or loss		
Current tax		
Current tax on profits for the year	2,926.00	1,652.57
Adjustment for current tax of earlier years	35.75	0.86
Total current tax expense	**2,961.75**	**1,653.43**
Deferred tax		
Origination / (reversal) of temporary differences	(121.00)	1,156.69
[Net of MAT credit of ₹ Nil (31st March 2018: ₹ 647.53 lacs)]		
Adjustment for change in tax rate	-	272.02
Total deferred tax expense/(benefit)	**(121.00)**	**1,428.71**
Total income tax expense recognised in profit or loss	**2,840.75**	**3,082.14**
Income tax expense is attributable to:		
Profit from continuing operations	2,840.75	3,082.14
(b) Income tax expense recognised in other comprehensive income		
Current tax		
Equity instruments through other comprehensive income	-	752.43
Deferred tax - expense / (benefit)		
Remeasurements of post employment defined benefit plans	(120.02)	(30.79)
Equity instruments through other comprehensive income	(25.22)	(767.02)
[Net of MAT credit of ₹ Nil (31st March 2018: ₹ 294.70 lacs)]		
Total deferred tax benefit	**(145.24)**	**(797.81)**
Total income tax benefit recognised in other comprehensive income	**(145.24)**	**(45.38)**

(c) Numerical reconciliation of income tax expense to prima facie tax payable:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit before income tax expense	13,005.72	8,011.03
	13,005.72	**8,011.03**
Computed income tax at the rate of 34.944% (31st March 2018: 34.608%)	4,544.72	2,772.46
Adjustments:		
Impact of increase in tax rate for deferred tax	-	272.02
Difference on account of tax rate	(502.31)	-
Income exempt from tax	(109.49)	(92.60)
Expenses not allowed in tax	182.25	108.31
Deduction on tax holiday	(1,301.16)	-
Standard deduction on income from house property	(32.77)	(39.03)
Miscellaneous items	23.76	60.12
Adjustment for current tax of earlier years	35.75	0.86
Total income tax expense	**2,840.75**	**3,082.14**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 38: Income tax expense (contd.)

The applicable Indian statutory income tax rate for the year ended 31st March 2019 was 34.944% and for the year ended 31st March 2018 was 34.608%.

During the year ended 31st March 2018, the Company had recognised additional tax charge of ₹ 272.02 lacs on account of change in tax rate from 34.608% to 34.944% as per Finance Act, 2018.

Note 39: Deferred tax assets/liabilities

Movement in deferred tax (assets)/ liabilities

Particulars	Property, plant and equipment / intangible assets	Fair valuation of investments	MAT Credit entitlement	Unabsorbed depreciation and carried forward business loss	Items allowable on payment basis	Others	Total
At 1st April 2017	**28,360.33**	**48.07**	**(1,528.16)**	**(837.59)**	**(1,248.47)**	**(29.58)**	**24,764.60**
Charged/(credited):							
- to profit or loss	1,020.29	-	(647.53)	837.59	215.62	2.74	1,428.71
- to other comprehensive income	-	(472.32)	(294.70)	-	(30.79)	-	(797.81)
At 31st March 2018	**29,380.62**	**(424.25)**	**(2,470.39)**	**-**	**(1,063.64)**	**(26.84)**	**25,395.50**
Charged/(credited):							
- to profit or loss	(96.59)	-	(9.03)	-	29.14	(53.48)	(129.96)
- to other comprehensive income	-	(25.19)	-	-	(120.02)	(0.03)	(145.24)
At 31st March 2019	29,284.03	(449.44)	(2,479.42)	-	(1,154.52)	(80.35)	25,120.30

Note 40: Fair value measurements

Financial instruments by category

Particulars	Note	31st March 2019		31st March 2018	
		FVOCI	Amortised cost	FVOCI	Amortised cost
Financial assets					
Investments in equity instruments*	6	28,943.27	-	29,708.79	-
Investments in government securities	6	-	0.17	-	0.17
Trade receivables	12	-	3,012.82	-	3,699.65
Cash and cash equivalents	13	-	296.04	-	377.57
Other bank balances	14	-	154.20	-	167.91
Loans to employees	15	-	11.62	-	11.09
Trade and other deposits	7, 15	-	383.10	-	228.95
Deposits with original maturity of more than 12 months	8	-	2.30	-	2.59
Interest accrued on loans, deposits etc.	16	-	16.20	-	11.79
Receivable from Orient Electric Limited, a related party	16	-	-	-	456.34
Total financial assets		**28,943.27**	**3,876.45**	**29,708.79**	**4,956.06**
Financial liabilities					
Borrowings (including current maturities)	21, 24	-	2,849.07	-	9,045.87
Trade payables	25	-	8,395.49	-	6,900.89
Other financial liabilities	26	-	1,939.39	-	2,236.41
Total financial liabilities		**-**	**13,183.95**	**-**	**18,183.17**

Note 40: Fair value measurements (contd.)

*The Company has made an irrevocable election at date of transition to recognise changes in fair value of investments in equity securities which are not held for trading through OCI rather than profit or loss as the management believes that presenting fair value gains and losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company.

(i) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below:

Quoted prices in an active market (level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investments in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between level 1 and level 2 fair value measurements during the year ended 31st March 2019 and 31st March 2018.

(a) Financial Instruments

Particulars	31st March 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	28,384.92	-	558.35	28,943.27
	28,384.92	**-**	**558.35**	**28,943.27**

Particulars	31st March 2018			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	29,311.23	-	397.56	29,708.79
	29,311.23	**-**	**397.56**	**29,708.79**

Fair value measurements using significant unobservable inputs (level 3)

Fair valuation of unquoted equity investments is based on valuation done by an external valuer using discounted cash flow analysis and intrinsic value techniques. A change in significant unobservable inputs used in such valuation (mainly earnings growth rate and risk adjusted discount rate) is not expected to have a material impact on the fair values of such assets as disclosed above.

Reconciliation of level 3 fair value measurements	Amount
As at 31st March 2018	397.56
Add: Change in value of unquoted equity investments measured at FVOCI	160.79
As at 31st March 2019	558.35

Note 40: Fair value measurements (contd.)

(b) **Biological assets other than bearer plants**

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed:

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Biological assets other than bearer plants (refer note 44)	-	219.64	-	-	176.66	-
	-	219.64	-	-	176.66	-

There were no transfers between any levels during the year.

(ii) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis and intrinsic value techniques.

(iii) **Fair value of financial assets and liabilities measured at amortised cost**

Particulars	31st March 2019		31st March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings - finance lease obligation (refer note 21)	720.46	831.95	773.70	998.04
Total financial liabilities	**720.46**	**831.95**	**773.70**	**998.04**

(a) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available, the management has involved valuation experts to determine the fair value of the investments. Valuation of unquoted equity instruments has been done on discounted cash flow technique.

(b) Fair value of borrowings in table above is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to their fair value.

(c) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Note 41: Capital management

(a) **Risk management**

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Note 41: Capital management (contd.)

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

Particulars	31st March 2019	31st March 2018
Total borrowings (refer note 21/ 24)	2,849.07	9,045.87
Less: Cash and cash equivalents (refer note 13)	(296.04)	(377.57)
Net debt	**2,553.03**	**8,668.30**
Equity	**1,38,512.62**	**1,31,768.79**
Total capital (Equity + Net debt)	**1,41,065.65**	**1,40,437.09**
Net debt to total capital ratio	**1.81%**	**6.17%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March 2019 and 31st March 2018.

Loan covenants:
Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants. The Company has complied with the debt covenants throughout the reporting period.

(b) Dividends paid and proposed

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
(i) Equity shares		
Interim Dividend :		
For the year ended 31st March 2017 of ₹ 0.50	-	1060.93
For the year ended 31st March 2018 of ₹ 0.40	-	848.74
For the year ended 31st March 2019 of ₹ 0.50	1060.93	-
Dividend distribution tax on above	218.08	388.78
Final Dividend :		
For the year ended 31st March 2017 of ₹ 0.50	-	1,060.93
For the year ended 31st March 2018 of ₹ 0.60	1,273.11	-
Dividend distribution tax on above	261.69	215.97
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year-end the board of directors have recommended the payment of a final dividend of ₹ 0.60 (31st March 2018: ₹ 0.60) per fully paid equity share. The proposed final dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,273.11	1,273.11
Dividend distribution tax on above	261.69	259.17

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 42: Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (Rupees)	Cash flow forecasting Sensitivity analysis	Regular monitoring of currency movements
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Diversified debt portfolio Regular monitoring of borrowings
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Regular monitoring of security prices
Market risk – commodity prices	Variable commodity prices	Movement in commodity prices	Regular monitoring of commodity prices and fixed price contracts

(A) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 40.

(i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying up to 60 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

The Company uses specific identification method in determining the allowances for credit losses of trade receivables considering historical credit loss experience and is adjusted for forward looking information.

The ageing of trade receivables (net of provisions) as of balance sheet date is given below. The age analysis have been considered from the due date:

Particulars	Less than 180 days	More than 180 days	Total
Trade receivables as at 31st March 2019 (gross)	2,985.88	93.73	3,079.61
Less: Provision for impairment loss	-	(66.80)	(66.80)
Trade receivables as at 31st March 2019 (net)	**2,985.88**	**26.93**	**3,012.81**

Note 42: Financial risk management (contd.)

Particulars	Less than 180 days	More than 180 days	Total
Trade receivables as at 31st March 2018 (gross)	3,591.72	174.73	3,766.45
Less: Provision for impairment loss	-	(66.80)	(66.80)
Trade receivables as on 31st March 2018 (net)	**3,591.72**	**107.93**	**3,699.65**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

(ii) Other financial assets and deposits

Credit risk from balances with banks, deposits, etc is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy. None of the Company's cash equivalents with banks, deposits, investments and other receivables were past due or impaired as at 31st March 2019 and 31st March 2018 (except for deposits of ₹ 10.00 lacs).

(iii) Reconciliation of impairment provision

Particulars	Trade receivables	Deposits
Opening balance as at 31st March 2018	66.80	10.00
Provision written back during the year ended 31st March 2019	-	-
Closing balance as at 31st March 2019	**66.80**	**10.00**

The impairment provision as disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions based on the Company's past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31st March 2019	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Borrowings and interest thereon*	2,035.35	719.25	324.00	388.00	3,466.60
Trade payables	8,395.49	-	-	-	8,395.49
Other financial liabilities	1,936.76	-	-	-	1,936.76
Total financial liabilities	**12,367.60**	**719.25**	**324.00**	**388.00**	**13,798.85**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 42: Financial risk management (contd.)

Contractual maturities of financial liabilities 31st March 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Borrowings and interest thereon*	5,745.46	2,595.28	1,925.42	548.14	10,814.30
Trade payables	6,900.89	-	-	-	6,900.89
Other financial liabilities	2,231.72	-	-	-	2,231.72
Total financial liabilities	**14,878.07**	**2,595.28**	**1,925.42**	**548.14**	**19,946.91**

*gross of debt origination cost

(C) Market risk

(i) Foreign currency risk

The Company deals with foreign trade payables , trade receivables etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees (foreign currency amount multiplied by closing rate), are as follows:-

As at 31st March 2019

Particulars	USD	EUR
Financial assets		
Trade receivables	564.09	32.79
Financial liabilities		
Trade payables	946.71	15.09
Buyers' credit	-	-
Net exposure to foreign currency risk	**(382.62)**	**17.70**

As at 31st March 2018

Particulars	USD	EUR
Financial assets		
Trade receivables	803.52	-
Financial liabilities		
Trade payables	322.01	-
Buyers' credit	223.34	-
Net exposure to foreign currency risk	**258.17**	**-**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax	
	Year ended 31st March 2019	Year ended 31st March 2018
USD sensitivity		
Rupees appreciates by 5% (31st March 2018: 5%)@	19.13	(12.91)
Rupees depreciates by 5% (31st March 2018: 5%)@	(19.13)	12.91

Note 42: Financial risk management (contd.)

Particulars	Impact on profit before tax	
	Year ended 31st March 2019	Year ended 31st March 2018
EUR sensitivity		
Rupees appreciates by 5% (31st March 2018: 5%)@	(0.89)	-
Rupees depreciates by 5% (31st March 2018: 5%)@	0.89	-

@ Holding all other variables constant

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2019 and 31st March 2018, the Company's borrowings at variable rate were mainly denominated in Rupees.

The Company's fixed rate borrowings and deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) **Interest rate risk exposure**

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31st March 2019	31st March 2018
Variable rate borrowings	2,128.61	8,272.20
Fixed rate borrowings	720.46	773.67
Total borrowings	**2,849.07**	**9,045.87**

(b) **Sensitivity**

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates on variable rate borrowings as below:

Particulars	Impact on profit before tax	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest expense rates – increase by 50 basis points (50 bps)#	(10.64)	(41.36)
Interest expense rates – decrease by 50 basis points (50 bps)#	10.64	41.36

Holding all other variables constant

(iii) **Securities price risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

(a) **Exposure**

The Company's exposure to securities price risk arises from investments in equity instruments held by the Company and classified in the balance sheet at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company does regular monitoring of security prices. In general, these investments are not held for trading purposes.

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 42: Financial risk management (contd.)

(b) Sensitivity

The table below summarises the impact of increase/decrease of the share prices on the Company's equity.

Particulars	Impact on other components of equity (before tax)	
	Year ended 31st March 2019	Year ended 31st March 2018
Share price - Increase by 5%#	1,419.25	1,465.56
Share price - Decrease by 5%#	(1,419.25)	(1,465.56)

Holding all other variables constant

(iv) Commodities price risk

The Company has in place policies to manage the Company's exposure to fluctuation in the prices of the key materials and commodities used in the operations. Nevertheless, it believes that it has competitive advantage in terms of quality products and by continually upgrading its expertise and range of products to meet the needs of its customers. Commodities price risk exposure is evaluated and managed through operating procedures and sourcing policies. The management does not consider the Company's exposure to commodities price risk significant as on 31st March 2019.

Note 43: Debt reconciliation

This section sets out an analysis of debt and the movements in debt during the year

Particulars	31st March 2019	31st March 2018
Current borrowings (refer note 24)	1,089.77	3,074.84
Current maturities of long term debt (refer note 26)	744.42	2,057.20
Non-current borrowings (refer note 21)	1,014.88	3,913.83
Interest accrued (refer note 26)	2.63	4.69
Debt	**2,851.70**	**9,050.56**

Particulars	Liabilities from financing activities		
	Non-current borrowings (including current maturities and interest accrued)	Current borrowings	Total
Debt as at 31st March 2018	5,975.72	3,074.84	9,050.56
Cash flows	(4,211.72)	(1,985.07)	(6,196.79)
Interest expense (refer note 35)	365.46	377.89	743.35
Other borrowings costs expense (refer note 35)	-	140.33	140.33
Interest paid	(367.52)	(377.89)	(745.41)
Other borrowings costs paid	-	(140.33)	(140.33)
Debt as at 31st March 2019	**1,761.94**	**1,089.77**	**2,851.71**

Note 44: Biological assets other than bearer plant

Eucalyptus plantations - non-current assets

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
As at opening date	**35.58**	-
Increase/(Decrease) due to purchases / physical changes	(2.56)	35.58
As at closing date	**33.02**	**35.58**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Plantation area (in acres)	478	405

Clonal plants - current assets

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
As at opening date	141.08	158.31
Increase due to purchases / physical changes	330.03	194.77
Decrease due to sale	(284.49)	(212.00)
As at closing date	**186.62**	**141.08**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of clonal plants during the year (qty in numbers)	94,81,554	70,61,547
Closing stock of biological assets	**Year ended 31st March 2019**	**Year ended 31st March 2018**
Quantity (in numbers)	62,20,755	47,07,968

Note 45: Segment information

The Company is primarily engaged in single reportable operating segment viz. Paper and hence no segment disclosure is required. However, the Company has reported revenue from external customers based on location of customer in different geographical areas.

The Company's operating segments are organised and managed through the respective business managers, according to the nature of products manufactured and sold with each segment representing a strategic business unit. These business units' performance are reviewed by the Managing Director of the Company (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before tax. Accordingly, finance costs / income are not allocated to individual segment.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, inventories, cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 45: Segment information (contd.)

Entity wise disclosures

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:

Year ended 31st March 2019	India	UAE	Rest of the world	Total
Revenue				
Revenue from external customers	55,756.48	8,852.00	6,396.00	**71,004.48**

Year ended 31st March 2018	India	UAE	Rest of the world	Total
Revenue				
Revenue from external customers	55,500.00	7,769.73	3,910.27	**67,180.00**

All non-current assets of the Company (excluding financial assets) are located in India.

No customer individually accounted for more than 10% of the revenues from external customers during the years ended 31st March 2019 and 31st March 2018.

Note 46: Related party disclosures

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Enterprise having significant influence on the Company	Central India Industries Limited
Key management personnel/directors	Mr. C.K.Birla (Non-executive Chairman) Mr. A.Ghosh (Non-executive Director) (Ceased from 31-01-2019) Mr. Michael Bastian (Non-executive Director) Mr. N.S.Sisodia (Non-executive Director) Ms. Gauri Rasgotra (Non-executive Director) Mr. S. Vishwanathan (Non-executive Director) (appointed w.e.f 25-03-2019) Mr. M.L. Pachisia (Managing director) Mr. P. K. Sonthalia (President Finance & CFO) Mr. Ajay Gupta (CEO- Amlai Paper Mills) Mr. B.S.Gilra (Upto 17-04-2018)
Relatives of key management personnel/ directors	Ms. Nirmala Birla Ms. Amita Birla Ms. Avani Birla Ms. Avanti Birla
Enterprises owned or significantly influenced by key management personnel/ directors or their relatives	Origami Origami Cellulo Private Limited Orient Cement Limited Orient Electric Limited C K Birla Corporate Services Limited
Post-employment employee benefit plans	Birla Industries Provident Fund Orient Paper & Industries Limited Employees Gratuity Fund Orient Paper & Industries Limited Superannuation Fund

Note 46: Related party disclosures (contd.)

Related party transactions

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

a. **Enterprise having significant influence on the Company**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Dividend paid	578.16	735.84

b. **Transactions with key managerial personnel/directors**

(i) **Key management personnel/directors compensation***

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short-term employee benefits (including sitting fees and commission)	980.76	802.27
Contribution to defined contribution plans	73.85	69.96
	1,054.61	**872.23**

*No separate valuation is done for key managerial personnel in respect of post-employment benefits and other long-term benefits. The same is included in the note 47-Employee benefits.

(ii) **Remuneration to key managerial personnel/directors**

Particulars	Year ended	Transaction during the year
Short term employee benefits / contribution to defined benefit plans		
Mr. M.L. Pachisia	**31-Mar-19**	**505.81**
	31-Mar-18	346.62
Mr. P. K. Sonthalia	**31-Mar-19**	**229.92**
	31-Mar-18	198.65
Mr. Ajay Gupta	**31-Mar-19**	**153.13**
	31-Mar-18	125.36
Mr. B.S.Gilra	**31-Mar-19**	**29.09**
	31-Mar-18	43.27
Sitting fees and directors remuneration		
Mr. C.K.Birla	**31-Mar-19**	**45.00**
	31-Mar-18	41.00
Mr. B.K.Jhawar	**31-Mar-19**	**-**
	31-Mar-18	15.33
Mr. A.Ghosh	**31-Mar-19**	**17.42**
	31-Mar-18	26.00
Mr. Michael Bastian	**31-Mar-19**	**26.00**
	31-Mar-18	26.50
Mr. N.S.Sisodia	**31-Mar-19**	**25.00**
	31-Mar-18	26.50
Ms. Gauri Rasgotra	**31-Mar-19**	**22.00**
	31-Mar-18	23.00
Mr. Srinivasan Vishvanathan	**31-Mar-19**	**1.24**
	31-Mar-18	-
Total	**31-Mar-19**	**1,054.61**
	31-Mar-18	872.23

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 46: Related party disclosures (contd.)

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.

(iii) Dividend paid

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Mr. C.K.Birla	37.46	47.68
Mr. A.Ghosh	0.04	0.10
Mr. Michael Bastian	0.29	0.37
Mr. M.L. Pachisia	0.42	0.53
Mr. P.K.Sonthalia	0.18	0.22
	38.39	**48.90**

(iv) Outstanding balances - key managerial personnel

Particulars	As at	Amount owed by related parties	Amount owed to related parties
Remuneration receivable/payable	31-Mar-19	-	112.21
Mr. M.L. Pachisia	31-Mar-18	-	48.36

c. Relatives of directors / key management personnel

Dividend paid

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Ms. Nirmala Birla	39.67	50.49
Ms. Amita Birla	3.61	4.59
Ms. Avani Birla	1.43	1.82
Ms. Avanti Birla	1.48	1.88
	46.19	**58.78**

d. Enterprises owned or significantly influenced by key management personnel or their relatives

Transactions during the year

Particulars	Year ended	Sale of goods	Purchases	Professional and consultancy charges	Rent/ Mis-cellaneous Receipts	Interest reimburse-ment
Origami	31-Mar-19	-	-	-	-	-
	31-Mar-18	89.88	-	-	-	-
Origami Cellulo Private Limited	31-Mar-19	10.31	-	-	-	-
	31-Mar-18	380.76	-	-	-	-
Orient Cement Limited	31-Mar-19	-	-	-	12.00	-
	31-Mar-18	-	-	-	12.00	-
Orient Electric Limited	31-Mar-19	-	9.05	-	12.00	18.27
	31-Mar-18	-	-	-	3.00	503.01
C K Birla Corporate Services Limited	31-Mar-19	-	-	207.37	-	-
	31-Mar-18	-	-	166.71	-	-
Total	31-Mar-19	10.31	9.05	207.37	24.00	18.27
	31-Mar-18	470.64	-	166.71	15.00	503.01

Note 46: Related party disclosures (contd.)

Outstanding balances

Particulars	As at	Amount owed by related parties	Amount owed to related parties
Origami (Trade payables)	**31-Mar-19**	-	-
	31-Mar-18	-	0.05
Origami Cellulo Private Limited (Trade receivables)	**31-Mar-19**	-	-
	31-Mar-18	26.85	-
Orient Electric Limited (Other financial assets)	**31-Mar-19**	-	**0.78**
	31-Mar-18	456.34	-

e. Post-employment employee benefit plans
Contribution to Employees' Benefit Plans

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Birla Industries Provident Fund	261.87	223.68
Orient Paper & Industries Limited Employees Gratuity Fund	335.00	324.04
Orient Paper & Industries Limited Superannuation Fund	112.75	106.18
	709.62	**653.90**

Outstanding balances - Payables

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Birla Industries Provident Fund	109.40	18.85

f. Terms and conditions of transactions with related parties
Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sale to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties.

Note 47: Employee benefits

(i) Compensated absences
The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employees render the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was ₹ 660.31 lacs (31st March 2018: ₹ 618.37 lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within the next twelve months. The following amounts reflect leave that is not expected to be taken or paid within the next twelve months.

Particulars	31st March 2019	31st March 2018
Leave provision not expected to be settled within the next twelve months	501.64	465.23

(ii) Post-employment defined benefit plan
Gratuity
The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service on terms

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 47: Employee benefits (contd.)

not less favourable than the provisions of the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The gratuity plan is administered and managed by the Trustees who are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deeds and rules in the best interests of the plan participants.

(a) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April 2017	3,930.40	(2,788.74)	1,141.66
Current service cost	195.99	-	195.99
Past service cost - plan amendments	100.81	-	100.81
Interest expense/(income)	256.18	(181.03)	75.15
Total amount recognised in profit or loss*	552.98	(181.03)	371.95
Remeasurements			
Return on plan assets (greater)/lesser than discount rate	-	173.63	173.63
Actuarial (gain)/loss - financial assumptions	(100.32)	-	(100.32)
Actuarial (gain)/loss from unexpected experience	14.82	-	14.82
Total amount recognised in other comprehensive income	(85.50)	173.63	88.13
Employer contributions	-	(324.04)	(324.04)
Benefits paid	(541.46)	405.11	(136.35)
As at 31st March 2018	3,856.42	(2,715.07)	1,141.35

* includes ₹ 65.73 lacs relating to contractual employees debited under other expenses.

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April 2018	3,856.42	(2,715.07)	1,141.35
Current service cost	190.04	-	190.04
Past service cost - plan amendments	-	-	-
Interest expense/(income)	268.54	(196.71)	71.83
Total amount recognised in profit or loss*	458.58	(196.71)	261.87
Remeasurements			
Return on plan assets (greater)/lesser than discount rate	-	49.39	49.39
Actuarial (gain)/loss from change in financial assumptions	62.86	-	62.86
Actuarial (gain)/loss from unexpected experience	231.21	-	231.21
Total amount recognised in other comprehensive income	294.07	49.39	343.46

Note 47: Employee benefits (contd.)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	(335.00)	(335.00)
Benefits paid	(551.67)	519.60	(32.07)
As at 31st March 2019	**4,057.40**	**(2,677.79)**	**1,379.61**

* includes ₹ 60.48 lacs relating to contractual employees debited under other expenses.

(b) **Significant estimates: actuarial assumptions**
The significant actuarial assumptions were as follows:

Particulars	31st March 2019	31st March 2018
Discount rate	7.20%	7.50%
Salary growth rate	6.00% - 7.00%	6.00% - 7.00%
Withdrawal rate	Till age 45 years - 5.00%, Thereafter - 1.00%	Till age 45 years - 5.00%, Thereafter - 1.00%
Mortality rate	Indian assured lives mortality (2006 - 08) (modified) Ult	Indian assured lives mortality (2006 - 08) (modified) Ult

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

(c) **Sensitivity analysis**
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(201.15)	226.83	(183.65)	206.92
Salary growth rate (-/+ 1%)	225.49	(203.67)	206.36	(186.47)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(d) **The major categories of plan assets**
The defined benefit plans are funded with insurance companies of India.

(e) **Defined benefit liability and employer contributions**
Expected contributions to post-employment benefit plans in the next twelve months are ₹ 360.00 lacs (31st March 2018: ₹ 335.00 lacs).

The weighted average duration of the defined benefit obligation is 8 years (31st March 2018: 8 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 47: Employee benefits (contd.)

Particulars	Less than a year	Between 1 -2 years	Between 2 -5 years	Over 5 years	Total
31st March 2019					
Defined benefit obligation (gratuity)	1,095.12	391.96	1,129.33	8,700.51	11,316.92
Total	1,095.12	391.96	1,129.33	8,700.51	11,316.92
31st March 2018					
Defined benefit obligation (gratuity)	966.43	560.24	1,024.42	8,291.22	10,842.31
Total	966.43	560.24	1,024.42	8,291.22	10,842.31

(iii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Discount rate risk:

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Demographic risk:

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iv) Provident fund

Provident fund for certain eligible employees is managed by the Company through the "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and there is no shortfall as at year-end.

The Company contributed ₹ 261.87 lacs and ₹ 223.68 lacs during the year ended 31st March 2019 and 31st March 2018 respectively to the above Provident Fund.

Further the Company is also contributing to the provident fund administered by government of India for some of the employees as per regulations. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company contributed ₹ 226.14 lacs and ₹ 240.84 lacs during the year ended 31st March 2019 and 31st March 2018 respectively towards above defined contribution plan.

Note 47: Employee benefits (contd.)

Dislosure relating to Honbl'e Supreme Court Of India

The Hon'ble Supreme Court of India in its judgement dated February 28, 2019 in the matter of Vivekanada Vidyamandir & Others vs The Regional Provident Fund Commissioner (II) West Bengal (' the Order') has laid down principles in relation to inclusion of allowances for determination of wages for the purposes of computing the provident fund contributions.

While further clarification on applicability and operation of the Order is awaited from the Provident Fund authorities, based on initial estimates by the management the impact of the Order is not expected to be material on the financial statements.

(v) **Superannuation fund**

The Company operates a superannuation fund scheme with Life Insurance Corporation of India (LIC) for eligible employees for some of its employees towards which the Company contributes up to a maximum of 15% of the employees' basic salary, which is charged to the Statement of Profit and Loss.

The Company contributed ₹ 112.75 lacs and ₹ 106.18 lacs during the year ended 31st March 2019 and 31st March 2018 respectively towards above defined contribution plan of the Company.

Note 48: Earnings per equity share (EPS)

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

Earnings per equity share

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit after tax available to equity shareholders:		
Profit for the year	10,164.97	4,928.89
	No. in Lacs	No. in Lacs
Number of equity shares at the beginning of the year	2,121.86	2,121.86
Number of equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	2,121.86	2,121.86
Basic and diluted earnings per equity share (₹)	4.79	2.32

Note 49: Leases

Finance lease: Company as lessee

The Company has finance lease agreements for plant and equipments. These lease agreements has terms of renewal and bargain purchase option. Each renewal is at the option of lessee. There are no contingent rent, no escalation clause and no restrictions imposed by lease arrangements. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	31st March 2019		31st March 2018	
	Minimum Payments	Present Value of MLP	Minimum Payments	Present Value of MLP
Within 1 year	177.85	62.18	177.85	53.21
After one year but not more than five years	673.86	332.24	689.73	296.72
More than five years	388.00	326.04	550.00	423.77
Total minimum lease payments	**1,239.71**	**720.46**	**1,417.58**	**773.70**
Less: amounts representing finance charges	519.25	-	643.88	-
Present value of minimum lease payments	**720.46**	**720.46**	**773.70**	**773.70**

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 49: Leases (contd.)

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 or contingent rents. The leases are cancellable.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Lease payments made for the year	131.05	189.42

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.

Note 50: Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 3,648.49 lacs (31st March 2018: ₹ 2,488.81 lacs) [including ₹ Nil (31st March 2018: ₹ 34.83 lacs) relating to intangible assets].

(b) For commitments relating to lease arrangements refer note 49.

Note 51: Contingent liabilities

Particulars	31st March 2019	31st March 2018
a) Demands/claims by various government authorities and others not acknowledged as debts and contested by the Company: (*)		
Excise duty	1,608.12	1,707.14
Sales tax	651.79	1,028.53
Water tax	17,105.12	13,447.50
Cess on captive power consumption	9,166.30	7,697.46
Krishi Upaj Mandi fees	1,229.51	1,229.56
Others	3,708.58	2,879.05
	33,469.42	**27,989.24**

(*) 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.

b) Outstanding claims from employees not acknowledged as debts, including Bonus claims under adjudication and wages for suspension period at Brajrajnagar Unit. — Amount unascertainable

c) 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 up to 1165 Million Cubic Feet (MCF) with the provision for increase up to 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

Note 51: Contingent liabilities (contd.)

Company, the quantum of water allowed to be drawn was 1165 MCF and the Company had never drawn the water even up to 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 ₹ 98,248.03 lacs (31st March 2018: ₹ 77,089.44 lacs) [including interest and penalty of ₹ 96,835.10 lacs (31st March 2018: ₹ 75,676.51 lacs)] as at 31st March 2018, 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.

d) In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of above.

Note 52: Managerial remuneration

The Company's application to the Central Government seeking waiver of excess remuneration paid to Managing Director for the financial year 2015-16 has been abated consequent upon notification of Companies (Amendment) Act, 2017 on 12th September, 2018. The Company is in the process of obtaining requisite shareholder's approval within the prescribed time line.

Note 53: Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	31st March 2019	31st March 2018
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	16.88	14.76
Interest due on above	-	3.58
	16.88	**18.34**
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		
Principal	49.61	89.31
Interest	1.11	-
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	-	0.74
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	3.58

Notes to Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rupees lacs, unless otherwise stated)

Note 53: Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) (contd.)

Particulars	31st March 2019	31st March 2018
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	-	0.74

The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act.

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

Avijit Mukerji
Partner
Membership No.: 056155

Place: New Delhi
Date: 2nd May 2019

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited

C.K.Birla
Chairman

M.L.Pachisia
Managing Director

P.K.Sonthalia
President Finance & CFO

R.P.Dutta
Company Secretary

Auditors' Certificate regarding compliance of conditions of Corporate Governance

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 March 31, 2019 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 SEBI Listing Regulations, 2015.

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

UDIN: 19056155AAAAAD4556
Place: New Delhi
Date: May 2, 2019

Avijit Mukerji
Partner
MembershipNo: 056155

Notes

Notes

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