



23rd ANNUAL REPORT 2007-2008

•



Table of Contents

Invitation to Share Holders	1
Notice	2
Directors' Report	5
Management Discussion and Analysis	12
Corporate Governance	14
Auditor's Certificate on Corporate Governance	23
Auditors' Report	24
Balance Sheet	27
Profit and Loss Account	28
Cash Flow Statement	29
Schedules	30
Balance Sheet Abstract	43
Financial Overview	44

Corporate Information

Board of Directors

Sri Murari Lal Jalan-Chairman
 Sri Narayan Prasad Jalan-Director
 Sri Ankur Jalan-Director
 Sri Davinder Kumar-Executive Director
 Sri Jitendra Agrawal-Director
 Sri R. K. Kanoi-Director
 Sri S. K. Kanoi-Director
 Sri S. Mukherjee-Director

Manager

Sri Davinder Kumar

Company Secretary

Sri L. B. Chourasia

Auditors

M/S Singhi & Co.
 Chartered Accountants
 1B, Old Post Office Road
 Emerald House, Kolkata - 700 001

Bankers

Allahabad Bank
 Axis Bank

Registrar & Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
 6 Mangoe Lane
 Kolkata - 700 001
 Ph. : (033) 2243 5029/5809

Registered Office

Commerce House
 5th Floor, Room No. 11A
 2A, Ganesh Chandra Avenue
 Kolkata - 700 013
 Ph. : (033) 2213 2932/2933
 Fax : (033) 2213 2334

Mill

Village : Dhenka, P.O : Darrighat
 Masturi, Bilaspur - 495 551
 Chhattisgarh
 Ph. : +91-7752-257 010/011/014/235
 Fax : +91-7752-257 371



Chairman's Statement

Dear shareholders

The year 2007-08 was not only special because we turned things around it was also in my estimation, the start of a long curve of growth, profit & sustainability.

A Year to remember

The year 2007-08 was creditable in terms of performance :

- ✓ 168.8% growth in turnover since takeover in 2003.
- ✓ 173.2 % growth in PBT since 2003.
- ✓ 167.6% growth in PAT since 2003.
- ✓ 167.6% growth in EPS since 2003.

We have changed our name & identity

Overcoming our past, we adopted a new name "ORION" this year. "ORION" signifies our group strength, unity and vision for a stronger tomorrow. We believe that this new identity shall provide the company a vision & serve as a new brand to instill greater a confidence among its stakeholders.

Stronger Foothold

The Company has grown significantly over the past few years. We will now be focussing on growth coupled with consolidation in order to ensure that the company does not falter in future.

"We have converted the challenges into opportunities"

Expansion

A key strategic move of our company has been to inculcate superior managerial skills & develop a strong infrastructure for the company. This would enable the company to invest for growth & expansion on an ongoing basis. Some of the projects the company is currently engaged in are :

- Our co generation power plant of 4MW capacity is under the final stage of completion and a trial run is expected by August 2008.
- We are installing another Paper Machine with a capacity of 18000 MT per annum to enhance the existing capacity from 12000MT to 30000MT per annum. The machine is also suitable for production of Newsprints along with existing writing and printing.

Our Credentials

- "CRISIL" has assigned our company with "SME 2" rating which indicates "HIGH LEVEL OF CREDITWORTHINESS."
- Our commitment to the environment and its conservation aims to minimize waste generation through renewable and recycling initiatives.

We continue to contribute to the well being of the society by producing high quality paper and using it as a medium to spread literacy to the masses.

The year 2009 shall mark our 25 years since incorporation. We have come a long way and with your continued support and faith promise a much stronger and better tomorrow.

Yours sincerely



M. L. Jalan
Chairman

Orion-Our Name



Orion (the hunter) is one of the largest and most conspicuous constellations in the sky. A hunter is on his toes all the time and ceases all possible opportunities to catch his prey. Just like the hunter we shall adopt an aggressive and competitive yet consolidated strategy to grow. According to the Greek Mythology, Orion challenged the Gods claiming that he could kill every wild animal on this earth. In a similar way we challenged our past of losses and converted the obstacles to opportunities.

We aim at **Outstanding performance** in the company's profits, are **Rational** in our business strategies and foster a culture to encourage **Innovative** minds. By developing an **Optimistic** outlook in adverse circumstances we shall strive to **Nurture** our people and the society as a whole.

Our Mission

Enhance shareholder value.

Expand capacity to capture growing demand and cut down cost via operational managerial efficiencies.

Make operations eco-friendly, maintain high levels of safety and address social concern in the region we operate.

Report



"Destiny is not a matter of chance, it is a matter of choice;
it is not a thing to be waited for, it is a thing to be achieved."

Our Values



Report  junction.com

COMMITMENT :

We set high goals and strive incessantly to achieve them.

INTEGRITY :

We are open, honest and reliable in everything we do.

INNOVATION :

We foster a culture that encourages employees to think out of the box and maximize their potential.

CUSTOMER SATISFACTION :

We are dedicated to satisfying our customers in terms of affordability, quality and on time delivery.

UNITY OF PURPOSE :

We work together to achieve our goal.

"Happiness is that state of consciousness which proceeds from the achievement of one's values."

Dear Member (s),

27th June, 2008

You are cordially invited to attend the twenty third Annual General Meeting of the members to be held on Wednesday, the 20th August 2008 at 11.30 A. M. at Bengal National Chamber of Commerce, 23, R. N. Mukherjee Road, Kolkata - 700 001.

The notice of the meeting containing the business to be transacted is enclosed herewith.

Report  junction.com

If you are physically challenged and need special assistance at the Annual General Meeting please contact Mr. H. Das - Relationship Officer (AGM) at - 033-22132932/33.

Very truly yours,



M. L. Jalan
(Chairman)

Encl.

Annual Report 07-08

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R. N. Mukherjee Road, Kolkata – 700 001 on Wednesday, the 20th August, 2008 at 11:30 A. M. to transact the following Business:

Ordinary Business

1. To consider and adopt the audited accounts of the Company for the year ended 31st March 2008, together with the Report of the Directors and Auditors.
2. To appoint directors in place of directors retiring by rotation.
Shri R K Kanoi, director, retires by rotation and being eligible, offers himself for re-appointment.
Shri S K Kanoi, director, retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration. The present auditors, M/s Singhi & Co, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

Special Business

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

“RESOLVED THAT pursuant to provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Davinder Kumar as wholetime Director and Manager of the Company for a period of two years with retrospective effect from 25th February 2008 upon the terms and conditions including remuneration as set out in the draft agreement submitted to the meeting and initialed by the chairman, for the purpose of identification, which draft agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and to vary the terms and conditions of the said appointment and/or the Agreement so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the directors and Mr. Davinder Kumar.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take necessary steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT Mr. S Mukherjee, who was appointed as an Additional Director and who in terms of section 260 of the Companies Act, 1956 read with Article 82 of the Articles of Association of the Company, holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, along with the deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

27th June, 2008
 Registered Office:
 Commerce House
 2A, Ganesh Chandra Avenue,
 Kolkata – 700 013

By Order of the Board
 For Orion Paper & Industries Limited

L.B.CHOURASIA
 Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956 relating to the Special Business Item no. 4 and 5 is annexed herewith.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and the proxy need not be a member of the Company.
3. The Proxy form must be deposited at the registered office of the Company not less than 48 hours before the scheduled hour of commencement of the meeting i.e. **by 11:30 A. M. on 18th August, 2008.**
4. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
5. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
6. The Register of Members and Share Transfer Registers of the Company will remain closed from 14th August, 2008 to 20th August, 2008 (both days inclusive).