

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2014

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TPM Certification for our Cement Plant at Devapur



BOARD COMMITTEES

COMMITTEE OF DIRECTORS

SHRI M.L. PACHISIA
SHRI B.K. JHAWAR
SHRI P.K. SEN

AUDIT COMMITTEE

SHRI A. GHOSH
SHRI B.K. JHAWAR
SHRI P.K. SEN
SHRI R. VISWANATHAN
SHRI MANU CHADHA
SHRI M. L. PACHISIA

SHAREHOLDERS / INVESTORS RELATION COMMITTEE

SHRI D.N. PATODIA
SHRI P.K. SEN
SHRI M.L. PACHISIA

BOARD OF DIRECTORS

SHRI C.K. BIRLA (*Chairman*)
SHRI B.K. JHAWAR
SHRI P.K. SEN
SHRI D.N. PATODIA
SHRI B.M. KHAITAN
SHRI A. GHOSH
SHRI R. VISWANATHAN — *Nominee - GIC*
SHRI S. RAVIKUMAR — *Nominee - UTI*
SHRI BALAJI V SWAMINATHAN — *Nominee - ICICI*
SHRI MANU CHADHA — *Nominee - IDBI*
SHRI M. L. PACHISIA — *Managing Director*

AUDITORS

MESSRS. S.R. BATLIBOI & CO.
Chartered Accountants
22, Camac Street, Block "C", 3rd Floor
Kolkata-700 016

REGISTERED OFFICE

UNIT-VIII, PLOT NO. 7
BHOINAGAR
BHUBANESWAR-751 012 (ORISSA)

MILLS

BRAJRAJNAGAR, Orissa
AMLAI, Madhya Pradesh
DEVAPUR, Andhra Pradesh
KOLKATA, West Bengal
FARIDABAD, Haryana
JALGAON, Maharashtra



SHARE TRANSFER AGENTS

MCS Limited
77/2A Hazra Road,
Kolkata - 700 029

ORIENT PAPER & INDUSTRIES LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002



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ORIENT PAPER & INDUSTRIES LIMITED



Notice

TO

THE SHAREHOLDERS,

NOTICE is hereby given that the Annual General Meeting of the Shareholders of ORIENT PAPER & INDUSTRIES LIMITED will be held on Friday, the 6th September, 2002 at 12.30 p.m. at UNIT-VIII, PLOT NO. 7, BHOINAGAR, BHUBANESWAR-751 012 (ORISSA) to transact the following business :

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2002, together with the Report of the Directors thereon.
2. To elect Directors in place of those retiring by rotation.
3. To appoint Auditors for the current year and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :
"Resolved that M/s. S.R. Batliboi & Company, Chartered Accountants of 22, Camac Street, Block "C", 3rd Floor, Kolkata - 700 016 be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting on a remuneration of Rs. 20,00,000 (Rupees Twenty Lacs only) exclusive of travelling, boarding and lodging expenses at the Company's Factories, Forest Centres and other places outside Kolkata which shall also be borne by the Company and that the said remuneration be paid to them in four equal quarterly instalments".

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following Resolution :

As an Ordinary Resolution

"Resolved that Shri Amitabha Ghosh, the Additional Director of the Company, who holds office upto the date of this meeting under Section 260 of the Companies Act, 1956 and Article 78(a) of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company."

Kolkata, the 29th July, 2002

Regd. Office :

Unit : VIII, Plot No. 7

Bhoinagar,

Bhubaneswar - 751 012 (Orissa)

By Order of the Board
For ORIENT PAPER & INDUSTRIES LIMITED

P. K. Sonthalia
Executive Vice President (Finance)

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books of the Company in respect of Ordinary Shares will remain closed from 12th August, 2002 to 31st August, 2002, both days inclusive.
3. Sarvashri (i) B. M. Khaitan, (ii) B. K. Jhawar and (iii) R. Viswanathan, Directors of the Company, retire by rotation and are eligible for re-election.
4. The instruments of Share transfer complete in all respects should be sent to the Company's Registrars and Transfer Agents M/s MCS Limited 77/2A, Hazra Road, Kolkata - 700 029, well in advance, so as to reach them prior to Book closure, Shares under any defective transfer (unless defect is removed prior to Book closing) and/or instruments of transfer received during the period of Book closing shall be considered after re-opening of the books.
5. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed Dividends upto the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government, Shareholders who have not encashed the Dividend Warrants upto the said period are requested to claim the amount from the Registrar of Companies, Orissa (Cuttack) by submitting an application in the prescribed form. In view of the amended provisions of Section 205A of the Companies Act, 1956, the unclaimed Dividends from the financial year 1994-95 and thereafter will be transferred to the Investor Education and Protection Fund ("the Fund") established by the Central Government in accordance with Section 205C of the Companies Act, 1956 after the expiry of 7 years from the date of transfer of Dividend to the Unpaid Dividend Account of the Company. Members, who have not yet claimed their Dividend for any of the aforesaid financial years, may claim it now from the Company before the same is transferred to the fund, it may be noted that no claims shall lie against the Company or the Fund in respect of individual amounts which were unclaimed and unpaid for a period of 7 years and transferred to the Fund and no payment shall be made in respect of any such claim.

EXPLANATORY STATEMENT (AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956)

Shri Amitabha Ghosh was appointed as an additional Director on the Board under Section 260 of the Companies Act, 1956 and Article 78(a) of the Articles of Association of the Company. In accordance with the said provisions, he holds office only up to the date of Annual General Meeting. A notice has been received from a shareholder signifying his intention to propose at the Annual General Meeting that Shri A. Ghosh be appointed as a Director of the Company. He is a Chartered Accountant having vast experience in the field of finance and banking. It is considered advisable in the interest of the Company to appoint him as a Director of the Company to avail of his valuable advice and services.

Except Shri A. Ghosh, none of the Directors of the Company is concerned or interested in this resolution.



Directors' Report

FOR THE YEAR ENDED 31ST MARCH, 2002

Dear Shareholders,

We have pleasure in presenting the Annual Report of the Company for the year ended 31st March, 2002.

The year under review witnessed major slowdown in the Country's economy. Two of the Company's main business segments i.e. Cement and Paper, suffered from depressed price realizations. Cement prices were particularly depressed during the second half of the year in the markets where our products are sold.

In spite of these adverse conditions, the Company's performance has shown improvement over previous years as a result of better operational efficiencies and effective cost control measures as can be seen from the summarised financial results given below :

SUMMARY OF FINANCIAL RESULTS

	(Rs. in crores)	
	2001-02	2000-01
Total Income	683.91	640.95
Profit before providing for Depreciation, Extraordinary Items and Taxation	8.62	6.75
Depreciation	6.10	14.30
Profit/Loss before Extraordinary Items & Taxation	2.52	- 7.55
Extraordinary Items	3.86	5.23
Taxation	- 0.96	.03
Net Profit / Loss	- 0.38	- 12.81

MANAGEMENT DISCUSSION & ANALYSIS FOR EACH BUSINESS SEGMENT

The operational performance of each business segment of the company has been comprehensively covered in the Management's discussion and analysis report, which forms part of this Directors' Report.

CASH FLOW ANALYSIS

In conformity with the provisions of Clause 32 of the listing Agreement(s) the cash flow statement for the year ended 31st March, 2002 is included in the annual accounts.

CORPORATE GOVERNANCE

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance is enclosed as part of this Annual Report of the Company. A certificate from the auditors confirming compliance of

Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

ENVIRONMENT

The Company has adopted a progressive environmental policy. The Paper Mill at Amlai received ISO 14001 certification during the year for implementing and maintaining environment management system. The Cement Division at Devapur had received ISO 14001 certification earlier.

The Paper Mill at Amlai was also ranked 3rd by Tata Energy Research Institute (TERI) in their National evaluation for 'Sound environmental practices'. The case study submitted by Amlai division on their waste disposal system has been greatly appreciated by the experts at TERI and has been chosen for publication to encourage its replication in other units.



The Paper Mill at Amlai has been working on an ambitious farm forestry programme under which 3.72 crore seedlings have already been planted so far. The unit has also started research in developing specific clones suited to geo-climatic conditions of the local area. Till date, the unit has been successful in developing 9 clones out of 65 clones tested so far. Further testing of 130 clones is in progress.

The Mill has also established a mist chamber with a capacity of 1 lac clones per year and has drawn up an ambitious plan to produce 40 lac clones per year within a span of 7-8 years. Planting of clones shall significantly improve the yield by about over 2 times, in comparison to seed rooted plants, thus helping the farmers as well as improving the environment.

TPM CERTIFICATION

Our Cement Division, which had earlier been awarded ISO9002 & ISO 14001 certificates, has, during the year under review, received the coveted Total Plant Maintenance (TPM) Certificate by the Japanese Institute of Plant Maintenance. Ours is only the second cement plant in the country to have received TPM Certification.

TPM has given an effective management system for continuous improvement and had visibly transformed the workplaces, brought positive attitudinal changes, raised the level of knowledge and skill, resulting in cost effectiveness and uninterrupted working of the production stream.

OTHER AWARDS & RECOGNITION

The Paper Division received the certificate of merit from CAPEXIL for their export achievement for the year 2000-2001.

The Fan Division received award for export excellence from Engineering Export Promotion Council for the year 1999-2000.

The Cement Division received the following awards :

1. National Award for Energy Efficiency in Cement Industry in recognition of Second Best Improvement in Thermal Energy Performance during the year 2000-01 instituted by National Council for Cement and Building Material.

2. FAPCCI Award for Best Rural Development Effort by an Industry in the State- Silver Rolling Trophy Instituted by the Federation of Andhra Pradesh Chamber of Commerce & Industry.

RESTRUCTURING BUSINESS ACTIVITIES

There have been no further developments since the last Annual Report in respect of sale of the Company's Cement Division.

OVERSEAS VENTURE

The Company earned Rs. 610.41 lacs from Pan African Paper Mills (E.A.) Ltd., Kenya and Rs. 481.70 lacs from others towards management and technical services rendered.

STATUTORY MATTERS

DEBENTURES

The funds raised by issue of Debentures from time to time have been utilized for the purposes as sanctioned.

DIRECTORS

Shri Balaji V. Swaminathan, Chief Financial Officer, ICICI Ltd. has been appointed as a director of the Company as a nominee of ICICI with effect from 23rd October, 2001 in place of Shri A. Ghosh. Shri A. Ghosh was appointed as an additional director of the Company with effect from 23rd October, 2001 and will hold office till ensuing Annual General Meeting of the Company. A notice has been received from a shareholder for appointing Shri A. Ghosh as a director of the Company at the said Annual General Meeting.

Sarvashri B. M. Khaitan, B. K. Jhawar and R. Viswanathan, directors of the Company retire by rotation and are eligible for re-election.

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants and Auditors of the Company retire and offer themselves for reappointment. Special resolution would be necessary for their appointment as required under Section 224A of the Companies Act, 1956.

ORIENT PAPER & INDUSTRIES LIMITED

**COST AUDITORS**

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct cost audits relating to the products manufactured by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Details regarding conservation of Energy, Research and Development, Foreign Exchange earnings and outgo are furnished in Annexure "A" to the Report pursuant to the provisions of the Companies Act, 1956 read with the Companies (Disclosure of particulars to the Report of Board of Directors) Rules 1988.

CONSOLIDATED FINANCIAL STATEMENT

As stipulated by Clause 32 of the Listing Agreement,

consolidated financial statement in accordance with Accounting Standard AS - 21 have been annexed to this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' responsibility statement pursuant to section 217(2AA) of the Companies Act, 1956 has been given in Annexure "B" to the Report.

PARTICULARS OF EMPLOYEES

None of the employees of the Company is in receipt of remuneration prescribed pursuant to Section 217 (2A) of the Companies Act, 1956.

Note Nos. 5, 9(b), 10, 11, 12(a), 12(b), 12(c) and 12(d) appearing in Schedule 22 to the Accounts referred to in the Auditors' Report are self explanatory.

New Delhi
24th May, 2002

By Order of the Board

C. K. BIRLA
Chairman



ANNEXURE "A"

A. CONSERVATION OF ENERGY

- a. The following energy conservation measures were taken during 2001-2002 :
 - i. In the Paper Mills at Amlai installation of Vacuum Pump at Evaporator Plant Capacitor Bank at Soda Recovery, replacement of Incandescent Lamps with Energy Efficient Lamps and insulation of 4000 Sq. Meters at various sections of the mill has been done. Detailed Energy Audit was also carried out during the year.
 - ii. In the Cement Plant at Devapur Coal Mill-I liners were replaced with classifying liners, Fly ash handling and grinding facility for blended cement was commissioned and mechanized truck loading machines were installed.
 - iii. In the Fan Division installation of Energy Efficient Lighting on shop floor was done.
- b. Additional Investment and Proposal if any :
 - i. In the Paper Mills at Amlai steps are being taken for installation of Electro Feed Pumps, Energy Efficient Fan Pump, Upgradation of Blow Heat Recovery System, CD Caliper and Ash control system at Paper Machine, 600 KW HT Motor and starter at DD Refiners and for replacement of Dyno Drive with variable frequency drive in Bleach washers, ID and SA Fans with Energy Efficient Fans and Incandescent Lamps with Energy Efficient Lamps. The local investment for all the above measures is estimated to be about Rs. 500 lacs.
 - ii. In the Cement Plant at Devapur measures are being taken for installation of Mechanical conveying equipment for Kiln Feed II, Fuzzy Logic control for Mills, Retrofit of Kiln II ESP Fan with higher capacity and high efficiency Fan, and Energy Saving device for Plant Lighting and other operational energy saving projects. The total investment for the above is estimated to be about Rs. 135 lacs.
 - iii. In the Fan Division, proposals are there for installation of Energy Saving Device and replacement of Electrical heating to Diesel/ Gas heating for paint shop.
- c. Impact of above measures on consumption of energy :
 - i. In the Paper Mills at Amlai the impact of above measures has resulted in reduction of energy consumption.
 - ii. In the Cement Plant at Devapur consumption of power & fuel has reduced.
 - iii. In the Fan Division consumption of Power & Fuel per unit production is likely to come down.

B. TECHNOLOGY ABSORPTION

Refer Form-B attached.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i. The Company exported 1360 tonnes of Paper and Board (excluding 1114 tonnes to Nepal) for an aggregate amount of Rs. 364.72 lacs (excluding Rs. 357.94 lacs to Nepal) during the year under review against 4719 tonnes (excluding 443 tonnes to Nepal) in the previous year for an aggregate amount of Rs. 1397.02 lacs (excluding Rs. 150.60 lacs to Nepal). The Company also exported 415357 No. of Fans for an aggregate value of Rs. 2649.10 lacs, during the year under review against 363560 No. of Fans for an aggregate amount of Rs. 2272.52 lacs during the previous year.
- ii. The Foreign Exchange used and earned :

Used	: Rs. 435.21 lacs
Earned	: Rs. 3027.69 lacs

ORIENT PAPER & INDUSTRIES LIMITED

**FORM-'A'****A. Power & Fuel Consumption
(excluding consumption in colony)**

	Cement		Paper	
	2001-2002	2000-2001	2001-2002	2000-2001
1. Electricity				
a. Purchased				
Unit (KWH lacs)	675.83	618.65	30.66	17.38
Total Amount (Rs. lacs)	3,118.24	2,980.06	170.87	107.88
Rate/Unit (Rs.)	4.61	4.82	5.57	6.21
b. Own Generation				
i. Through Diesel Generator				
Unit (KWH lacs)	670.87	654.16	-	-
Unit per ltr. of Diesel/Furnace Oil	3.84	3.69	-	-
Cost /Unit (Rs.)	3.77	3.51	-	-
ii. Through Steam Turbine Generator				
Unit (KWH lacs)	-	-	1,132.77	1,243.07
Unit per M.T. of Steam	-	-	280.00	316.00
Cost/Unit (Rs.)	-	-	1.69	1.43
2. Coal (C, D & E Grade)				
Quantity (MT lacs)	2.15	2.07	1.93	1.93
Total Cost (Rs. lacs)	2,852.27	2,599.64	1,817.77	1,678.79
Average Rate (Rs.)	1,326.64	1,255.86	941.00	872.00
3. Furnace Oil				
Quantity (K. Ltrs)	-	-	518.00	520.00
Total Amount (Rs. lacs)	-	-	56.92	58.64
Average Rate (Rs.)	-	-	10,989.00	11,278.00
4. Others/Internal Generation				
			By the back pressure turbine for the paper Machine drive (KWH lacs)	
Quantity			2001-2002	2000-2001
Total Cost (Rs. lacs)			9.61	10.35
Rate/Unit (Rs.)			2.27 *	2.45
			0.24	0.24

* represents electricity duty paid

B. Consumption per M.T. of production

	Unit	Cement		Paper	
		2001-2002	2000-2001	2001-2002	2000-2001
Electricity	(KWH)	99.46	101.90	1,689.00	1,731.00
Furnace Oil	(K.Ltrs)	-	-	0.01	0.01
Coal (C, D & E Grade)	(M.T.)	0.16	0.16	2.80	2.64
Others					
Internal Generation	(KWH)	-	-	14.00	14.00
(By the Back Pressure Turbine for the Paper Machine drive)					