



**ORIENT PAPER AND INDUSTRIES LIMITED**

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

## NOTICE

**TO  
THE SHAREHOLDERS,**

NOTICE is hereby given that the Annual General Meeting of the Shareholders of ORIENT PAPER & INDUSTRIES LTD., will be held on Friday, the 16th August, 2013 at 12.30 p.m. at UNIT-VIII, PLOT NO.7, BHOINAGAR, BHUBANESWAR-751012 (ORISSA) to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2013, together with the Report of the Directors thereon.
2. To declare dividend.
3. To elect Directors in place of those retiring by rotation.
4. 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.

“Resolved that M/s. S.R. Batliboi & Co. LLP, Chartered Accountants of 22, Camac Street, Block “C”, 3rd floor, Kolkata-700016 be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board of Directors”.

**SPECIAL BUSINESS**

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

“Resolved that Mr. Narendra Singh Sisodia who has been appointed by the Board of Directors as an Additional Director of the Company w.e.f. 31st October, 2012, and who holds office upto the date

of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (the Act), and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed a Director of the Company.”

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

“Resolved that subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the Board to waive recovery of the excess remuneration of ₹ 1,87,69,989.00 paid to Shri M. L. Pachisia, Managing Director of the Company during the period from 1st April, 2012 to 31st March, 2013 in excess of the limit prescribed under Section 309 read with Schedule XIII of the Companies Act, 1956.”

**By Order of the Board  
For ORIENT PAPER & INDUSTRIES LTD.  
P.K. Sonthalia  
President (Finance) & CFO**

**Regd. Office:**  
Unit:VIII,Plot No.7  
Bhoinagar  
Bhubaneswar-751012 (Orissa)  
Kolkata , the 15th July, 2013

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The Share Transfer Books and the Register of Members of the Company will remain closed from 5th August , 2013 to 9th August, 2013 (both days inclusive) for the purpose of payment of dividend on Equity Shares.
3. Subject to the provisions of Section 206A of the Companies Act,1956 dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting will be payable to the holders of Equity Shares on or after

16th August, 2013 to those holders of Equity Shares whose name appear in the Register of Members/ Beneficial Owners as per details furnished by the depositories at the end of the business hour on book closure date.

4. Shri C. K. Birla and Shri Amitabha Ghosh, Directors of the Company, retire by rotation and are eligible for re-election.
5. The instruments of Share transfer complete in all respects should be sent to the Company's Registrar and Transfer Agents M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata-700029, well in advance, so as to reach them prior to the Book closure dates, shares under any defective transfer (unless defect is removed prior to Book closure dates) and/or instruments of transfer received after the said dates will not be considered for payment of dividend.
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant share certificates to MCS Limited, Share Transfer Agents of the Company for their doing the needful.
7. Members are requested to notify change in address, if any, immediately to MCS Ltd., Share Transfer Agents of the Company, quoting their folio number.
8. In view of the amended provisions of Section 205A of the Companies Act, 1956, the unclaimed Dividends for the Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 will be transferred to the Investor Education and Protection Fund established by the Central Government in accordance with Section 205C of the Companies Act, 1956 if the same is not claimed within a period of seven years by the Shareholders.

Shareholders who have not received and/or claimed the Dividends for the above years are requested to claim the same from the Company at the earliest.

9. Pursuant to the recommendation of the SEBI Committee on Corporate Governance for appointment/re-appointment of Directors, the relevant details of the concerned Directors are given in the Report on Corporate Governance forming a part of the Annual Report.

#### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with MCS Ltd., 77/2A, Hazra Road, Kolkata-700 029, the Registrar and Share Transfer Agents of the Company.

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

### RESOLUTION NO. 5

Shri Narendra Singh Sisodia was appointed as an Additional Director (Independent) of the Company w.e.f. 31st October, 2012. Pursuant to Section 260 of the Companies Act, 1956, Shri Sisodia will hold office as Director only upto the date of this Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose Shri Sisodia for appointment as a Director at the forthcoming Annual General Meeting.

The Board considers that the Company would be benefited by his rich experience and guidance. The Board of Directors, therefore, recommend the resolution for approval of the members.

None of the directors except Shri Narendra Singh Sisodia is concerned or interested in the proposed resolution.

### RESOLUTION NO. 6

It may be noted that pursuant to the resolution adopted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 17th June, 2011 and 27th July, 2011, Shri M. L. Pachisia

was re-appointed as Managing Director of the Company for a further period of two years w.e.f. 23rd September, 2011 on the terms and conditions as stated in the said resolutions subject to the approval of the Shareholders of the Company.

The Shareholders at the Annual General Meeting held on 13th August, 2012 approved the re-appointment of Shri M.L. Pachisia as the Managing Director of the Company and the remuneration payable to him.

It may be noted that the Company has paid remuneration to Managing Director during the year 2012-13 as approved by the shareholders. However, the said remuneration has exceeded the limit specified in Part II of Schedule XIII of the Act in view of loss incurred by the Company during the year 2012-13 consequent upon de-merger of its Cement undertaking w.e.f. 1st April, 2012.

During the period from 1st April, 2012 to 31st March, 2013, the company has paid ₹ 1,87,69,989.00 to the Managing Director in excess of the limit prescribed in Schedule XIII of the Companies Act, 1956.

■	Amount in Rupees
<b>Remuneration paid</b>	
Salary & Perquisites (Excluding contribution to P.F., S.F. and Gratuity Fund)	235,69,989
Less: Limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.	48,00,000
<b>Excess Remuneration</b>	<b>1,87,69,989</b>

An application has already been made to the Central Government on 19th June, 2013 for waiver of excess remuneration paid to the Managing Director during the period from 1st April, 2012 to 31st March, 2013.

The information required in terms of Part II, Section II-1(C) of Schedule XIII to the Act, is given below:

### GENERAL INFORMATION:

#### (i) Nature of industry.

The Company was incorporated on July 25, 1936. The company is inter-alia engaged in the business of manufacture of Paper and Consumer Electrical goods. The Company has five manufacturing units located at Amlai (Madhya Pradesh), Brajrajnagar (Orissa), Kolkata (West Bengal), Faridabad (Haryana) and Noida (Uttar Pradesh). The Brajrajnagar unit is non-operational since 1999.

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

The Company is in operation since the year 1936.

#### (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.

<b>As per Audited Financial Results</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Paid up Capital	19.29	20.49	20.49
Reserve & Surplus	760.11	928.01	287.54
Profit & Loss Account	105.05	170.07	130.44
Revenue from Operations	1979.97	2490.64	1269.52
Other Income	16.67	22.29	17.67
Total Revenue	1996.64	2512.93	1287.19
Total Expenses	1787.13	2194.59	1332.51
Profit before Taxation	209.51	318.34	(45.32)
Tax Expenses/(Income) including Deferred Tax	66.41	106.07	(13.08)
Managerial Remuneration	1.96	2.90	2.66

(v) Export performance and net foreign exchange collaborations.

Earned: ₹ 10837.77 Lacs during the year 2012-13.

Used: ₹ 83.67 Lacs during the year 2012-13.

Net Foreign Exchange Earned: ₹ 10754.10 lacs as on 31.03.2013.

(vi) Foreign investments of collaborators, if any.

Nil.

#### INFORMATION ABOUT THE APPOINTEE:

(i) Background details.

Shri M.L. Pachisia, is a Commerce Graduate. He has over 50 years experience. Shri M.L. Pachisia was appointed as a whole time Director of the Company designated as Executive Director for a period of 5 years w.e.f 23.09.1997. Subsequently, he was re-designated as the Managing Director of the Company and from time to time re-appointed upon expiry of his term.

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

(ii) Past remuneration.

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

	<b>2010-11</b>	<b>2011-12</b>	<b>2010-11</b>
Salary & Allowances	98,40,000	1,12,33,333	1,36,20,000
Contribution to:			
Provident Fund	10,08,000	11,17,600	13,68,000
Superannuation Fund	12,60,000	13,97,000	17,10,000
Perquisites	75,33,874	1,52,92,169	99,49,989
Total	1,96,41,874	2,90,40,102	2,66,47,989

(iii) Recognition or awards.

Shri M. L. Pachisia, Managing Director, has been instrumental in getting various awards for the Company.

(iv) Job profile and his suitability.

Shri M. L. Pachisia has rich experience of over 50 years in managing and administrating diverse type of businesses and controls the affairs of the company as a whole.

(v) Remuneration proposed.

Not applicable.

- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.  
The remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.
- (vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.  
Shri M.L. Pachisia holds 36640 equity shares of the Company. He does not have any other pecuniary relationship directly or indirectly with the Company. He does not have any relationship with the managerial personnel of the Company.

#### **OTHER INFORMATION:**

**(i) Reasons for loss or inadequate profits.**

Orient Paper and Industries Limited ("OPIL") was engaged inter-alia in the key business of manufacture and sale of cement, paper and electricals.

In order to effectively and efficiently cater to the independent growth plans for cement business, it was proposed to de-merge the Cement Undertaking of OPIL into Orient Cement Limited in compliance with the provisions of Section 391 to Section 394 and other relevant provisions of the Act. Accordingly, the Honourable High Court of Orissa vide its Order dated July 27, 2012 read with Order dated February 23, 2013 sanctioned the Scheme of Arrangement amongst OPIL and Orient Cement Limited.

The Company has made profit till 2011-12 due to very profitable performance of the Cement and Electrical business. However, the Paper business in recent years have been facing stiff challenges, since Indian Paper Industry has been passing through a very difficult phase due to huge cost increases and depressed market conditions. In addition, the Company had problems in functioning of its aging Captive Power Plant, which led to losses during the year 2012-13. Post demerger of Cement undertaking w.e.f. 01-04-2012, the Company's financial results for 2012-13 had a loss of ₹ 32.24 Crores.

**(ii) Steps taken or proposed to be taken for improvement.**

The Company has already taken several initiatives and drawn up strategies for Electricals and Paper businesses to improve their performance.

Some of the initiatives the company has taken, includes:

- a) A 55 MW power plant was commissioned in December, 2012 in the Company's paper plant at Amlai, M.P.
- b) Our new 250 mn gallon water reservoirs are now fully operational, which is already helping us avoid any water shortage related shutdown.
- c) Launched a wide range of Electrical/Household Electrical Appliances.

**(iii) Expected increase in productivity and profits in measurable terms.**

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

Accordingly, your Directors recommend the Special resolution stated in the notice for approval of the Members.

Shri M.L. Pachisia is deemed to be concerned or interested in the resolution, which pertains to the excess remuneration paid to him. No other Director is in any way concerned or interested in the resolution.





# **Growth with a new focus**

**Orient Paper & Industries Limited | Annual Report 2012-13**

## Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Orient Paper & Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Orient Paper & Industries Limited Annual Report 2012-13.

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**"One way to keep momentum going is to have intense focus and constantly greater goals."**

Even as we chart a new course after demerger of our cement business, our resolve to continuously achieve healthy and profitable growth remains as strong as ever.

We are particularly excited about our Electricals business, which has continued to record impressive growth year after year including during the year under review. Given our strong brand equity, wide distribution network and increasing range of product offerings, we see a huge potential for accelerated growth and expansion of this business. We will therefore pursue this business with a greater focus.

With completion of the new power plant, we expect our Paper business also to achieve its full potential and report substantially better results.

Hence, despite the not-so-satisfactory results of the year gone by, I expect Orient Paper to bounce back strongly and continue to enhance value for all our stakeholders.

Best wishes,

C.K. Birla

*Chairman, Orient Paper & Industries Limited*



## About Orient Paper & Industries Limited

### Key financials, 2012-13

₹ 1,386.05 cr

Turnover

₹ 780.96 cr

Capital  
employed