



**ORIENT PAPER & INDUSTRIES LIMITED**

(CIN: L21011OR1936PLC000117)

**Registered Office:**

Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012 (Orissa)

Ph: (0674) 2396930/2392947, Fax: (0674) 2396364

E-mail: cosec@orientpaperindia.com, Website: www.orientpaperindia.com

## 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 22nd August, 2014 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 2014, together with the Report of the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place Shri C. K. Birla (DIN: 00118473), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting 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 pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (LLP Regn. No. 301003E) of 22, Camac Street, Block "C", 3rd floor, Kolkata-700016 be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation

with the Auditors, and that such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

**SPECIAL BUSINESS**

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

5. "RESOLVED that the payment of remuneration of Rs. 25,000/- plus applicable service tax and reimbursement of out of pocket expenses to Shri Somnath Mukherjee, Cost Accountant (Membership Number M/5343), for conducting audit of cost records in respect of chemicals for the year ending 31st March, 2015, be and is hereby ratified."

**To consider and, if thought fit, to pass with or without modification, the following resolutions as SPECIAL RESOLUTIONS:**

6. "RESOLVED that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow moneys for the purpose of Company's business provided that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) do not exceed Rs.1500 crores over and above the aggregate for the time being of the paid up share capital and free reserves of the Company outstanding at any point of time."
7. "RESOLVED that pursuant to the provisions of Section 197 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 and 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 Rs. 89,78,389/- (Rupees eighty nine lac seventy eight thousand three hundred eighty nine only) paid to Shri M. L. Pachisia, Managing Director of the Company during the period from 1st April, 2013 to 22nd September, 2013 in excess of the limits prescribed under Section 198, 309 read together with Schedule XIII of the Companies Act, 1956."

8. "RESOLVED that pursuant to the provisions of Article 95 of the Articles of Association of the Company, the provisions of Section 197 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 and subject to the approval of the Central Government, the remuneration payable to Shri M.L. Pachisia, Managing Director of the Company be revised w.e.f. 1st April, 2014 till 22nd September, 2014 as under:

(i) Salary	: Rs. 10,50,000 per month
(ii) House Rent Allowance	: Rs. 6,30,000 per month
(iii) Other Allowance	: Rs. 1,90,000 per month

Other terms and conditions of remuneration already approved by the shareholders at their meeting held on 18th November, 2013 and as stated in the Explanatory Statement hereunder remain unchanged."

9. "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 the approval of the Central Government and such other approvals as may be required, Shri M.L. Pachisia be and is hereby reappointed as the Managing Director (a key Managerial Personnel) of the Company for a period of 1 year with effect from 23rd September, 2014 with liberty to either party to terminate the appointment on three months' notice in writing to the other at a remuneration and on terms set out below.

I.	Salary (Basic) per month	: Rs. 10,50,000/- per month
II.	House Rent Allowance	: Rs. 6,30,000/- per month
III.	Other Allowances (per month)	: Rs. 1,90,000/- per month
IV	Other reimbursements/Perquisites	
	a) Medical Reimbursement	: Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year.
	b) Leave	: In accordance with the rules framed by the Company.
	c) Leave Travel Assistance	: In accordance with the rules framed by the Company, subject to a maximum of one months' salary in a year
	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 Rs. 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 Rs.10000/- 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 Rs.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 Shri M.L. Pachisia as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the tenure of his office.	

Shri M. L. Pachisia shall, subject to superintendence, control and directions of the Board of Directors, 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.”

10. “RESOLVED that the Company accords its consents and approval under Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 to Shri P.K. Sonthalia, to continue as President (Finance) & CFO, which may be deemed to be holding office or place of profit on salary and other benefits, amenities and facilities and other terms as may be decided by the Board of Directors or any Committee of Board from time to time”.

11. “RESOLVED that the Company accords its consent and approval under Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 to Shri R.P. Dutta to continue as Company Secretary, which may be deemed to be holding office or place of profit on salary and other benefits, amenities and facilities and other terms as may be decided by the Board of Directors or any Committee of Board from time to time”.

By **Order of the Board**

For ORIENT PAPER & INDUSTRIES LTD.

**P.K. Sonthalia**

Kolkata, the 21st July, 2014

President (Finance) & CFO

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## Notes:

1. A MEMBER IS 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 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. The Share Transfer Books and the Register of Members of the Company will remain closed from 2nd August, 2014 to 8th August, 2014 (both days inclusive) for the purpose of payment of dividend on Equity Shares.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this notice.
4. Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting will be payable on or after 22nd August, 2014 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.
5. The unclaimed Dividends for the Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 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.
6. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s). For members who have not registered their email address, physical copies of the Annual Report for 2014 and Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent in the permitted mode.
7. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Orissa for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [cosec@orientpaperindia.com](mailto:cosec@orientpaperindia.com).

8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The relevant details of Shri C. K. Birla (DIN 00118473) in terms of the requirement of clause 49 of the Listing Agreement 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.
9. 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.
10. Members holding physical 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.
11. Members are requested to notify change in address, if any, immediately to MCS Ltd., Share Transfer Agents of the Company, quoting their folio number.
12. A Member, holding shares in physical form or in dematerialized form, may choose to cast his/her vote electronically. The Company will consider votes casted through the e-Voting system while declaring the results of the voting.
13. For those Members opting for e-Voting, the process and manner of e-Voting will be as follows:

**A. For Members receiving information electronically:-**

- i. Please read the e-mail carefully and open the attached PDF file specifying your Client ID (incase shares held in demat form) and folio no.(in case shares held in physical mode) as default password. The attachment contains your "User Id" and "Password" for e-Voting. Please note that the password is an initial password.
- ii. Launch the Internet Browser by typing <http://www.evoting.nsdl.com> on the address bar. The home screen will be displayed, select the Member "login" name. Enter the login details viz. User Id and password are sent to you by email/post. On the first login, you need to change the password. In case you have earlier logged in at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for exercising your vote relating to any other Company and you have already changed your password, please use the changed password. It is strongly recommended not to share your password with any other person and take

utmost care to keep your password confidential.

- iii. On successful login, you have to select the "EVEN" (E Voting Event Number) for casting your vote.
- iv. Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted. Upon confirmation, the message "vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- v. e-Voting period commences at 10.00 a.m. on Saturday, the 16th August, 2014 and ends on Monday, the 18th August, 2014 at 6.00 p.m. During the e-Voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.
- vi. In case of any query, you may refer to the frequently asked questions (FAQ) for members and e-Voting user manual for shareholders available at the "downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact them on their telephone 022-24994600.
- vii. 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 communication(s) regarding NSDL e-Voting system in future.

**B. For members who receive the notice of Annual General Meeting in physical form:**

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice and submit the same in a sealed envelope to the Scrutinizer, Mr. Atul Kumar Labh, Practicing Company Secretary, M/s. A.K. Labh & Co., Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata-700 013, so as to reach by 6.00 p.m. on 18th August, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
- (ii) Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from S. no. (i) to (vii) under heading A above to vote through e-voting platform.

In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and Ballot Form would be ignored.

14. Any query relating to the Resolutions and e-Voting proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary of the Company.

15. The voting rights of the members shall be in proportion to the paid-up value & their shares in the equity capital of the Company as on the cut off date, being Friday, 18th July, 2014.
16. Voting can be exercised only by the concerned Member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorized person. A Member need not use all his/her votes.
17. Members who do not have access to the e-voting facility will be entitled to vote at the AGM as per the extant law. The results of the voting shall be placed on the website of the Company and on the website of the NSDL within two days of passing of the Resolutions at the AGM and communicated to the Stock Exchanges where the Company's shares are listed. The results of the voting process will also be displayed on the Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com)
18. The Company has appointed Shri Atul Kumar Labh, Company Secretary in Practice (ICSI CP Registration no. 3238) as a Scrutinizer for conducting the entire polling process (including e-Voting) in a fair and transparent manner.
19. The Scrutinizer shall, no later than three (3) working days from the conclusion of the e-voting period, unblock the votes and submit his Report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
20. The Results shall be declared at the AGM. The Results declared together with the Scrutinizer's Report shall be placed on the Company's website [www.orientpaperindia.com](http://www.orientpaperindia.com) and on the website of NSDL within two (2) days of passing of the Resolutions and communicated to the Stock Exchange.

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

### **RESOLUTION NO. 5**

As required under Section 148 of the Companies Act, 2013, the Board of Directors has approved the appointment of Shri Somnath Mukherjee, Cost Accountants (Membership Number M/5343), as Cost Auditors of the Company for conducting audit of cost records in respect of chemicals for the year ending 31st March, 2015. The said appointment was duly recommended by the Audit Committee of the Company. The Audit Committee has further recommended Rs. 25,000/-, plus applicable service tax and reimbursement of out of pocket expenses, as remuneration of Cost Auditor, Shri Somnath Mukherjee for the year ended 31st March, 2015 which is also approved by the Board of Directors of the Company. Now, as required by the Companies (Audit and Auditors) Rules, 2014 read with Section 148 of the Companies Act, 2013, such remuneration recommended by Audit Committee and approved by the Board of Directors shall have to be ratified by the Company in General Meeting. Hence, this resolution.

The Directors recommend this resolution for your approval.

### **RESOLUTION NO. 6**

In terms of the Ordinary Resolution adopted by the Shareholders at the General Meeting held on 2nd July 2008, the Board of Directors of the Company is authorised to borrow moneys upto Rs. 1500 crores over and above the aggregate of paid-up share capital and free reserves of the Company outstanding at any point of time.

The provisions of Section 180(1)(c), inter alia, requires approval of the Shareholders by way of Special Resolutions as against Ordinary Resolution under the Companies Act, 1956.

The Ministry of Corporate Affairs has vide General Circular No. 04/2014 dated March 25, 2014 clarified that pursuant to the

provisions of Sections 180(1)(c) of the Companies Act, 2013, companies would be required to pass a Special Resolution by September 11, 2014. As such, it is necessary to obtain fresh approval of the Members by means of Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company.

The above proposals as set out in the Resolution No. 6 of the Notice are in the interest of the Company and your Directors recommend the same for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special Resolution as set out at Item No. 6 of this Notice..

### **RESOLUTION NO. 7**

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 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.

However, the remuneration paid to the Managing Director has exceeded the limits specified in Part II of Schedule XIII of the

Companies Act, 1956 in view of inadequate profit earned by the Company during the year 2013 -14. The Shareholders at the Annual General Meeting held on 16th August, 2013 waived recovery of excess remuneration paid to the Managing Director during the financial year 2012-13, to the tune of Rs. 187,69,989/- which was subsequently approved by the Government of India, Ministry of Corporate Affairs vide its letter dated 6th March, 2014.

Accordingly, for waiver of excess remuneration paid to the Managing Director for the remaining period of his previous term from 1st April, 2013 to 22nd September, 2013, the Company has to seek approval of the Central Government and the shareholders by way of Special Resolution.

Taking into consideration the above, it is proposed to obtain Members approval by way of Special Resolution for waiver of the recovery of excess remuneration to the tune of Rs. 89,78,389/- paid by the Company to the Managing Director for the period from 1st April, 2013 to 22nd September, 2013.

Remuneration paid	Amount in Rupees
Salary & Perquisites (Excluding contribution to P.F., S.F. and Gratuity Fund)	1,12,71,722
Less: Limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.	22,93,333
Excess Remuneration	89,78,389

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said Resolution except Shri M.L. Pachisia which pertains to remuneration paid to him.

The Directors recommend this resolution for your approval.

#### RESOLUTION NO. 8

It may be noted that pursuant to the resolution adopted by the Shareholders at the General Meeting held on 18th November, 2013, Shri M.L. Pachisia was re-appointed as the Managing Director of the Company for a period of one year w.e.f. 23.09.2013 at a remuneration and on the terms and conditions set out below:

I.	Salary (Basic) per month	:	Rs. 9,50,000/- per month
II.	Other Allowances (per month)	:	Rs. 1,75,000/- per month
III.	Other reimbursements/Perquisites		
	a) Housing I	:	Expenditure by the Company on hiring furnished accommodation for the Managing Director subject to a maximum of 60% of the basic salary.
			Or
	Housing II		In case Company owned furnished accommodation is provided no allowances shall be paid.
			Or
	Housing III		In case no accommodation is provided by the Company, the Managing Director shall be entitled to 60% of the basic salary as and by way of House Rent Allowance.
	b) Medical Reimbursement	:	Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year.
	c) Leave	:	In accordance with the rules framed by the Company.
	d) Leave Travel Assistance	:	Reimbursement of expenditure incurred for the Managing Director and his family subject to a maximum of one month's salary.
	e) Club Fees	:	Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.
	f) Personal Accident Insurance	:	Premium not to exceed a sum of Rs. 4000/- per annum.
	g) Contribution to Provident Fund and Superannuation/Annuity Fund		will be as per Scheme of the Company.
	h) 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.
	i) Encashment of unavailed leave at the end of the tenure or at specified intervals		will be as per Scheme of the Company.
	j) 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 Rs.10000/- per month on account of Driving charges.
IV.	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 Rs.75,00,000/- per financial year.		
V.	Minimum Remuneration: The remuneration as specified at Sl. Nos. I to IV above subject to the approval of the Shareholders and such other approvals as may be required shall continue to be paid to Shri M.L. Pachisia as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the tenure of his office.		

Shri M. L. Pachisia shall, subject to superintendence, control and directions of the Board of Directors, 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.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 8th May, 2014 decided to revise the remuneration payable to Shri M.L. Pachisia, the Managing Director of the Company as stated in the resolution w.e.f 01.04.2014 to 22.09.2014 subject to the approval of the Shareholders and Central Government.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, it is proposed to obtain shareholders approval by way of Special Resolution, as stated herein above, for the revision of remuneration paid/to be paid to the Managing Director for the period from 01.04.2014 to 22.09.2014.

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 except Shri M.L. Pachisia which pertains to remuneration paid/to be paid to him.

The Directors recommend this resolution for your approval.

#### **RESOLUTION NO. 9**

It may be noted that pursuant to the resolution adopted by the Shareholders at the General Meeting held on 18th November, 2013, Shri M.L Pachisia was re-appointed as the Managing Director of the Company for a period of one year w.e.f. 23.09.2013 at a remuneration and on the terms and conditions as stated in the said resolution.

The term of appointment of Shri M.L. Pachisia will expire on 22nd September, 2014. The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 08.05.2014 decided to re-appoint Shri M.L. Pachisia, as the Managing Director of the Company for a period of one year w.e.f 23.09.2014 on the terms and conditions as stated in the Resolution subject to the approval of the Shareholders by Special Resolution as well as of the Central Government.

Shri 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 turn around since his appointment as Managing Director of the Company in the year 2001. 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.

The prolonged slowdown in the economic activity, high inflation rate and weak consumer sentiments and moreover huge increase in raw material cost has been affecting all the business segment of the company i.e. paper and electric. The Company has been making necessary efforts to improve its performance and has been aggressively pursuing and implementing its strategies, including launch of new products and cost reduction initiatives. The results of these initiatives are likely to be felt in the coming years.

The company had achieved a Profit after Tax for the Financial Year ended March 31, 2014 Rs. 4.24 crores in comparison to net loss of Rs. 32.24 crores during the immediately preceding financial year.

The above proposals as set out in the Resolution No. 9 of the Notice are in the interest of the Company and your Directors recommend the same for approval by 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 except Shri M.L. Pachisia, being an appointee.

**In respect of resolution no. 7 to 9, the information required 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 Consumer Electrical goods. The Company has five manufacturing units located at Amlai (Madhya Pradesh), Brajrannagar (Orissa), Kolkata (West Bengal), Faridabad (Haryana) and Noida (Uttar Pradesh). The Brajrannagar 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

(Rs. in crores)

As per Audited Financial Results for the year	*2011-12	2012-13	2013-14
Paid up Capital	20.49	20.49	20.49
Reserve & Surplus	928.01	287.54	285.18
Profit & Loss Account	170.07	130.44	127.28
Revenue from Operations	2490.64	1269.52	1576.63
Other Income	22.29	17.67	39.51
Total Revenue	2512.93	1287.19	1616.14
Total Expenses	2194.59	1332.51	1614.68
Profit before Taxation	318.34	(45.32)	1.46
Tax Expenses/(Income) including Deferred Tax	106.07	(13.08)	(2.78)
Managerial Remuneration	2.90	2.66	2.82

\* The results for the year, being inclusive of the cement business before de-merger, are not comparable with the other financial years.

(v) Foreign investments of collaborators, if any.

Nil

II. INFORMATION ABOUT THE APPOINTEE:

(i) Background details.

Shri M.L. Pachisia, aged about 69 years, a Commerce Graduate, has over 50 years of experience in various industries.

(ii) Past remuneration

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

	2011-12 (Rs.)	2012-13 (Rs.)	2013-14 (Rs.)
Salary & Allowances	1,12,33,333	1,36,20,000	1,56,48,928
Contribution to:			
Provident Fund	11,17,600	13,68,000	13,68,000
Superannuation Fund	13,97,000	17,10,000	17,10,000
Perquisites	1,52,92,169	99,49,989	95,05,283
<b>Total</b>	<b>2,90,40,102</b>	<b>2,66,47,989</b>	<b>2,82,32,211</b>

(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 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.

(v) Remuneration proposed.

As stated in the resolution no. 9.

(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 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") is engaged inter-alia in the key business of manufacture and sale of paper and consumer electrical products.

The Company has made a profit of Rs. 4.24 crores only during the year 2013-14, against a loss of Rs. 32.24 crores in the previous year. The Paper business of the Company has been facing stiff challenges, since Indian Paper Industry has been passing through a very difficult phase due to huge cost increases, depressed market conditions and also due to general sluggishness in our economy. Still the Company has been able to achieve a turn around from losses incurred last year to net profit this year.

### (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 the performance further.

Some of the initiatives the company has taken, includes:

- a) In its Electrical business, the Company has launched a wide range of Electrical/Household Electrical Appliances and proposes to enter into manufacture and sale of switch gear. An extensive branding exercise coupled with a sustained campaign has been launched to achieve top of mind recall of the customer.
- b) In the Paper business, the company has been able to improve efficiencies and increase volume of the higher added value Tissue papers. New and improved variants of writing and printing paper have also been developed and introduced in the market.

### (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 of the economy 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.

## RESOLUTION NO. 10

Shri P.K. Sonthalia is Chief Financial Officer designated as President (Finance) & CFO and is a Key Managerial Personnel. During the year ended 31st March, 2014, remuneration paid in relation to him amounted to Rs.1,19,21,201/-. During the current year and from time to time increments and changes in other terms as approved by the Board of Directors or any Committee thereof may be granted to him. Shri P.K. Sonthalia being a Key Managerial Personnel, arrangement for availing his services requires approval of Shareholders by Special Resolution. Shri P.K. Sonthalia is a Fellow Member of The Institute of Chartered Accountants of India, The Institute of Cost Accountants of India and is a Commerce Graduate with Honours and is working with the Company since last 34 years.

None of the Directors of this Company or any of Key Managerial Personnel, except Shri P.K. Sonthalia, are interested in the aforesaid resolution.

The Directors recommend this resolution for your approval.

## RESOLUTION NO. 11

Shri R.P. Dutta, Secretary of the Company, is a Key Managerial Personnel. During the year ended 31st March, 2014, remuneration paid in relation to him amounted to Rs.12,72,526/-. During the current year and from time to time increments and changes in other terms as approved by the Board of Directors or any Committee thereof may be granted to him. Shri R.P. Dutta being a Key Managerial Personnel, arrangement for availing his services requires approval of the Shareholders by Special Resolution. Shri R.P. Dutta is an Associate Member of the Institute of Company Secretaries of India and an MBA (Insurance) from the Institute of Chartered and Financial Analysts of India University, having working experience of 14 years and is working with the Company since last 2 years.

None of the Directors of this Company or any of Key Managerial Personnel, except Shri R.P. Dutta, are interested in the aforesaid resolution.

The Directors recommend this resolution for your approval.

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