

# evolve

**Orient Paper & Industries Limited**  
**Annual Report 2015-16**

## Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Orient Paper and 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 and Industries Limited Annual Report 2015-16.

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## CHAIRMAN'S MESSAGE

### **“Evolve through resolve.”**

Our perseverance with efforts to achieve higher efficiencies and reduced costs is paying-off as can be seen from our results for the year under review.

Particularly heartening is the fact that our Paper division has achieved a turnaround in profitability purely based on internal improvements. The project to add a further capacity of 25,000 MTPA for Tissue paper is also proceeding satisfactorily and should provide a further boost to this division's performance.

Our Electrical Consumer Durables business also continues to grow satisfactorily. Fans and Lighting businesses are already well established and the relatively new lines of Appliances and Switchgears are also gradually picking up.

We remain focused on increasing our market share and, at the same time, optimising our costs to continuously EVOLVE into an organization which all our stakeholders can be increasingly proud of.

Sincerely,

**C.K. Birla**



# About us

Part of the C.K. Birla Group

Two business divisions

1



Fans

Lightings

Home Appliances

Switchgears

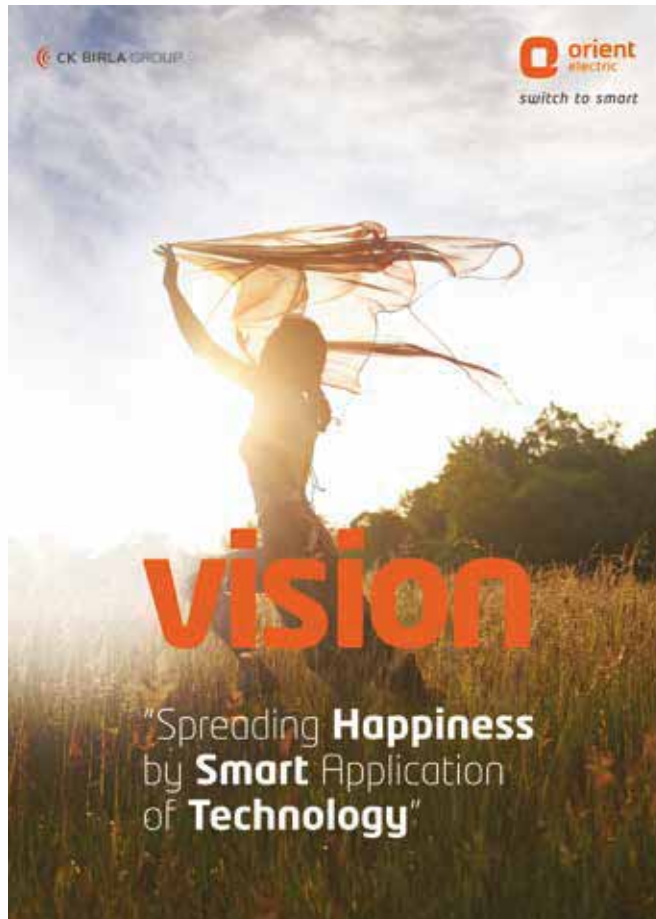
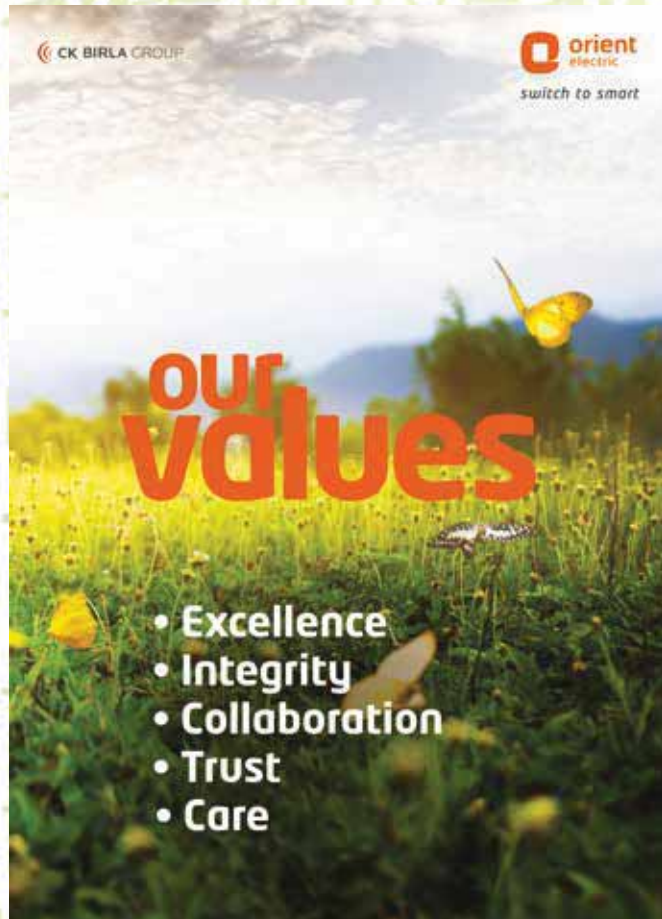
2



Tissue papers

Writing and Printing papers

Caustic Soda and its derivatives

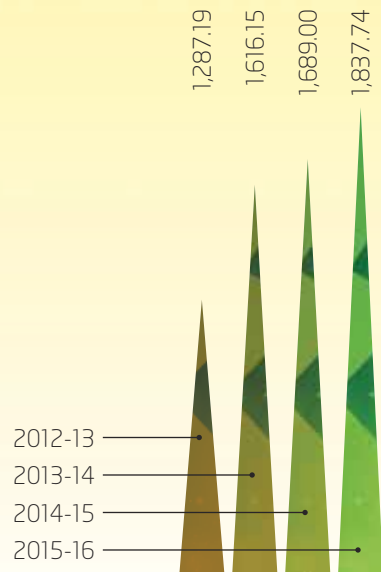




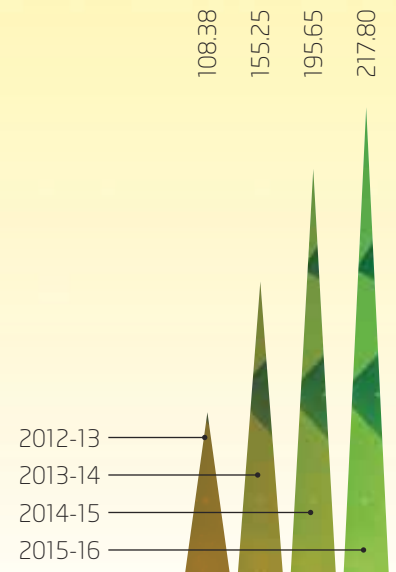
## Financial highlights

# Financial highlights

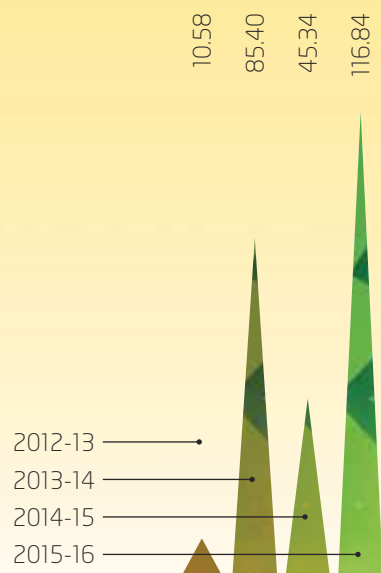
Total income (net) (₹ crore)



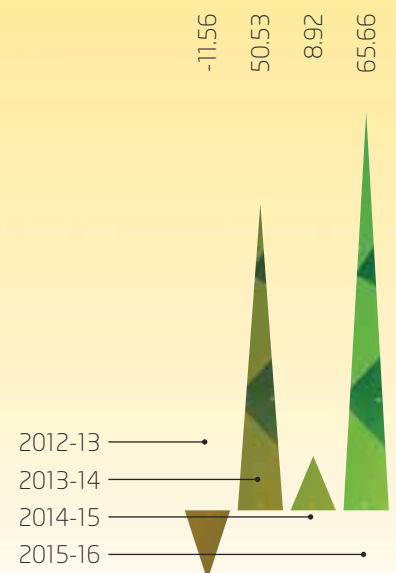
Exports (₹ crore)



PBIDT (₹ crore)



Cash profit (₹ crore)



## The Managing Director's report

Dear shareholders,

India has emerged as the fastest growing large economy in the world with a GDP growth of 7.6% during 2015-16. Viewed in the context of the turbulent world economy as well as sub-normal monsoons, this is certainly a positive indication of things to come.

Your Company has also performed well and has achieved a smart turnaround during the year. We believe that this improvement is not only sustainable but will gain further traction based upon several initiatives in hand.

We are particularly happy with the improved performance of our Paper division, which has been achieved primarily on the back of our internal focus on efficiency improvements and cost reduction. As a result, we could achieve 92% utilization of our paper capacity and reduce our costs even under challenging market conditions, particularly for the Writing & Printing paper segment.

Based on the encouraging market response to our tissue papers, we have embarked on the project to expand our Tissue paper capacity further by 25,000 MT per year. The project is progressing satisfactorily and is expected to be commissioned ahead of schedule within FY 2016-17.

Orient Electric products also continue to strengthen their position in the market.

Under Fans, our effort this year was on the introduction of premium models, improvement in our margins and working capital optimization. I am glad to say that we have largely been successful on all these fronts.



## The Managing Director's review

We have also made major inroads in the Lighting segment. With a growth of 43% during the year, we now rank amongst the top-five LED Lighting manufacturers in the country.

We have completely revamped our product offerings in the Home Appliances vertical and the new range has received wide acceptance. We believe that we are well on our way of achieving a meaningful share of this huge market within the next two years.

Moreover, we supplemented our consumer durables bouquet by launching low voltage Switchgear with advanced safety features. This range is being positioned in the premium category and is being launched in a phased manner in selective markets so as to create a niche for ourselves.

With the world moving towards digital and online purchases, we launched our e-shop, [www.orientelectricshop.com](http://www.orientelectricshop.com). This reinforces our omni-channel distribution strategy and makes our entire product range available online.

We also opened our first exclusive store christened 'Orient Smart Shop' in Karnal and plan to establish similar outlets in other locations in a phased manner.

## Outlook

The Indian economy should get a further boost following a normal monsoon during FY 2016-17, higher spends on infrastructure, increasing FDI and the likely introduction of GST.

With the solid foundation laid during 2015-16, your Company is well-poised to take full advantage of this imminent growth for the benefit of all our stakeholders.

I look forward to your continued support in this exciting journey.

Best wishes,

**M.L. Pachisia**









Review of our  
business segments



Business segment review **1**



- Fans
- Lighting
- Home Appliances
- Switchgears

## Overview

Orient Electric diversified and enhanced its portfolio with Low-voltage Switchgears, and launched its products in select markets, thus fulfilling its promise to be the "one stop shop for electrical solutions".

## Highlights

Orient consolidated its position in  
**Fans,**  
improving margins and creating a base for higher growth.

### Home Appliances

saw a significant increase in sale of air-coolers that crossed the mark of 1 lac units in the year 2015-16.

### Lighting

business bagged major tenders in LED lighting and also received its first order for LED street lighting.

### Premium Switchgear

range was launched in select markets.

