

A TRADITION OF
TRUST

A VISION FOR THE
CENTURY

ANNUAL REPORT 2022-23

ORIENT PAPER & INDUSTRIES LIMITED



01	Corporate Information
02	Chairman's Message
04	Message from MD & CEO
06	Board of Directors
08	Profile
11	Profits
12	Passion
13	People
	Communities
	Partners
	Employees
17	Products
19	Process
21	Planet

25	Statutory Reports
27	Directors' Report
45	Management Discussion and Analysis
49	Corporate Governance Report
64	Business Responsibility & Sustainability Report
90	Financial Statements



In this Annual Report, we have disclosed information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate INFORMATION

BOARD OF DIRECTORS

Chandra Kant Birla Chairman	Ashwin J Laddha Managing Director and CEO	Gauri Rasgotra Independent Director	Raj Kumar Agrawal Independent Director	Srinivasan Vishvanathan Independent Director	Ashwin Bishnoi Independent Director
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COMMITTEES

AUDIT COMMITTEE

Srinivasan Vishvanathan, Chairman
Gauri Rasgotra | Ashwin Bishnoi
Raj Kumar Agrawal

STAKEHOLDERS RELATIONSHIP COMMITTEE

Gauri Rasgotra, Chairperson
Srinivasan Vishvanathan | Ashwin J Laddha

NOMINATION & REMUNERATION COMMITTEE

Srinivasan Vishvanathan, Chairman
Ashwin Bishnoi | Raj Kumar Agrawal

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Gauri Rasgotra, Chairperson
Ashwin Bishnoi | Ashwin J Laddha

RISK MANAGEMENT COMMITTEE

Raj Kumar Agrawal, Chairman
Srinivasan Vishvanathan | Gauri Rasgotra

AUDITORS

B S R & Co. LLP
6th Floor, Tower 1, Plot No. 5,
Block - DP, Sector V, Salt Lake,
Kolkata - 700 091.
West Bengal

SHARE TRANSFER AGENT

KFin Technologies Limited
Selenium Building, Tower - B, Plot 31-32
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032.
Telangana

REGISTERED OFFICE

Unit-VIII, Plot No. 7,
Bhoinagar
Bhubaneswar - 751 012.
Odisha

MANUFACTURING PLANTS

Amlai, Madhya Pradesh & Brajrajnagar, Odisha

CORPORATE IDENTIFICATION NUMBER

L21011OR1936PLC000117

LEVERAGING
technology
LEAPING
ahead.



In a rapidly changing world driven by AI, the future belongs to those who embrace purpose-driven transformation. It is time for businesses to harness the power of technology to create not only greater agility but also a more sustainable and inclusive future.

At Orient Paper, we are proud to be in the business of paper with purpose i.e. empowering lives. If there are twin characteristics that perfectly embody our journey and ethos, they are the pervasive presence of 'resilience' and 'responsibility'.

In the impending years, the industry stands at the threshold of an imminent disequilibrium, yet this unsettling state can be effectively mitigated through the integration of transformative changes. We are embarking on a profound transformation, rewriting our roadmap and redefining our offerings.

The paper industry has a significant opportunity to proactively address the risks associated with climate change and embrace sustainable practices. Orient Paper's resolute commitment to Environmental, Social, and Governance (ESG) practices is the thread that binds the purpose to our actions.

Recognising the need to take determined action towards climate change, at Orient we have taken a decision to lead in actions and set new benchmarks. By ensuring a proactive approach towards compliance, resilience, sustainability, and ecosystem-led growth, we are adapting to the ever-evolving landscape through responsible leadership, a credo that governs all our actions.

The solution to the empowerment enigma lies in the intersection of fostering the minds of the next generation and preserving the health of future generations. We acknowledge the catalytic nature of our solutions and align them with India's vision of accessible education with new educational policy and emphasis on health and hygiene through Swachh Bharat Abhiyan.

At the helm of a transformation, Orient Paper will remain steadfast in its commitment to purpose-driven growth and enriching lives. It is forging a lasting legacy while embracing the opportunities of tomorrow.



C K Birla
Chairman

REFLECTING
resilience.
REINFORCING
responsibility.



MESSAGE FROM MD & CEO

The financial year 2023 was a year of transformative actions for Orient Paper.

A year of achieving financial turnaround guided by strong core values. A year of laying a solid foundation for a sustainable growth ecosystem and a year of demonstrating resilience with responsibility.

FY 2022-23 will go down in the history of Orient Paper as a year dedicated to building a sustainable, scalable, and competitive business model by fostering agility and resilience throughout the ecosystem.

As we achieved record-breaking profits, we further committed to pursue significant investments in shaping our future. We dedicated our time, energy, and resources to redraw a growth path with sustainability as the core pillar and the ecosystem as our canvas.

To align our ecosystem with this renewed vision, we re-engaged with our stakeholders with whom we have had multi-decadal relationships. Strategic engagements such as 'Bandhan' & 'Confluence' meetings helped strengthen trust and co-create our future roadmap. We would be working to empower communities in over 1089 villages, empowering over 4,50,000 souls, through our innovative outreach programme.

In FY 2022-23, we saw a healthy increase in both volume and margins, despite mounting uncertainties. In comparison to FY22, in FY 23 our revenue increased by a strong 61% to ₹ 943 Cr., and our EBITDA increased by 24 times. Our dividend payout has been 100% for the year. Continuing with our expansion mode, our CAPEX in FY23 was ₹ 130 Cr. and we are committed to a CAPEX of ₹ 475 Cr. in the times to come. Our revenue from operations, PAT and ROCE are now better than the pre-COVID level and our operating EBITDA is at a five-year high.

Transformation is also evident in our goal to shift from being a product-based company to a solutions-based organisation. The way I see it, there are four core elements to our business transformation journey.

Rethinking the demand

We are evolving beyond simply fulfilling basic needs to inspiring desires and aspirations. A prime illustration of our core theme 'Paper with Purpose'. To accomplish this, in FY23, we delved deeper into our value chain, concentrating on lucrative demand hubs within micro-markets, and crafted a unique value proposition to enhance our customer service.

Rethinking the supply

In the current year, we took a significant step forward by transitioning from competing in commodity products to emphasising Value Added Products within the micro-home markets. This strategic shift was accomplished by reimagining our

product mix. Collaboration with the world's leading technology providers enabled us to successfully develop the capabilities for producing a wide range of products, notably rising up from 80 GSM to 140 GSM cupstock for the first time ever.

In FY23, we launched six new products in the Tissue and WPP segments, unlocking value across the demand chain and creating new market opportunities for our partners. We also strengthened our R&D team and capabilities which has resulted in developing capabilities for launching 8 new products to our portfolio for the future.

Paving the way for Industry 4.0, we have actioned the implementation of a closed-loop AI-ML-based manufacturing and process excellence strategy. This transformation will exponentially enhance the company's agility and efficiency.

Reinforcing Responsibility

While adding numbers to the bottom line is important, it is equally important to consider the number of lives you empower and the amount of land you revitalize. Orient Paper is not only achieving global benchmarks in its business operations but also striving for global standards in ESG (Environmental, Social, and Governance) principles. By championing a unique ecosystem-led approach through our outreach programme in collaboration with several NGOs, FPOs, Micro-Finance companies and government agencies, we will be working towards positively impacting 1,089 villages and empowering 1,000 Self-Help Groups (SHGs) estimated to benefit over 10,000 women. Our actions will not only lead us to meet the targets set by the United Nations Sustainable Development Goals (SDGs) far ahead of the timelines but also set new benchmarks.

To reduce the ecosystem's carbon footprint and promote soil and water conservation, we have developed a roadmap with specific timelines to achieve a net carbon-negative status and a water-positive status before 2030.

Reinforcing Purpose

Our core purpose revolves around enabling every individual to attain quality education, embrace a hygienic lifestyle and help consumers substitute plastic usage responsibly. We strongly believe that as we succeed more in serving these ends, more value will be created for our shareholders. This steadfast adherence to purpose is empowering us to embark on a new chapter.

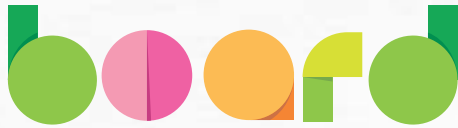
As we gaze upon the horizon, we see a future treading on a sustainable transformative path to progress, expanding our footprint in new categories, embracing the power of digital transformation, and forging ahead with ecosystem-led growth.

I would like to take this opportunity to express my sincere gratitude to each one of you for your unwavering belief in us in the year that was and the years to come.

Warm Regards,



Ashwin J Laddha
Managing Director and CEO



OF DIRECTORS



Chandra Kant Birla, aged 68 years, is the Chairman and Non-Executive Director of the Company. He is the Chairman of several companies of the CK Birla Group. The Group has interests across industries such as automotive, technology, infrastructure, building products, healthcare, and education. He is also a keen philanthropist and deeply committed to creating a sustainable positive impact.

CHANDRA KANT BIRLA
Chairman



Ashwin J Laddha, aged 48 years, is a MBA and holds a bachelor's degree in commerce. Ashwin J. Laddha is a dynamic business leader with a diverse background and extensive international experience across all facets of business operations, product management, sales management and finance with strengths in real-time business decision-making and identifying ROI drivers.

ASHWIN J LADDHA
Managing Director and CEO



Gauri Rasgotra, aged 55 years, is an Advocate and has a rare combination of advisory and litigation experience of more than 30 years in both academic and corporate settings. She has 25 years of active experience in litigation in the Supreme Court, as well as other courts in India on behalf of M/s Khaitan & Co LLP and Cyril Amarchand Mangaldas, Advocates and Solicitors. She has also worked in U.S.A. at the George Washington University Law School in Washington D.C. where she was selected to be the first Director of the school's newly established India Studies Centre between 2007 & 2009. Gauri has been recognised as one of the Asia's Top 15 Litigators by Asian Legal Business and as 'Litigation Star' by Benchmark Litigation and 'Distinguished Practitioner' by Asia Law. Currently, she is running her own private practice.

GAURI RASGOTRA
Independent Director



S. Vishvanathan, aged 69 years, has done M.Sc. in Physics and has completed MBA and CAIIB. He has National and International experience of 38 years in Wholesale Banking, Retail Banking and Markets. He led the largest Bank in India, State Bank of India (SBI), as the Managing Director and as a Director on its Central Board. He managed diverse businesses and stakeholders as the Managing Director (Associates & Subsidiaries) of the Bank.

S. VISHVANATHAN

Independent Director



Ashwin Bishnoi, aged 42 years, is an Advocate. He is a Partner in Khaitan & Co. Advocates. Prior to joining the firm, Ashwin worked at several law firms for 4 years in their New York and London offices. He is a leading lawyer in the field of corporate insolvency and restructuring focusing on complex corporate rescues and distress M & A transactions. He has been at the forefront of India's new bankruptcy law, including advising on its evolution and its application across a significant number of the first few corporate rescues under the new law. Ashwin Bishnoi is ranked as a 'Rising Star Lawyer' by Asia Law.

ASHWIN BISHNOI

Independent Director



Raj Kumar Agrawal, aged 66 years, has done his B. Com (Hons) from Shri Ram College of Commerce and Chartered Accountancy from the Institute of Chartered Accountants of India. Agrawal has been associated with S.R. Batliboi & Co LLP, Chartered Accountants, for more than 43 years in various capacities and retired as a senior partner of the firm on 30th June 2019. He has over 40 years of experience of providing accounting, advisory and other services to companies in various industry sectors, including metal & mining, oil & gas, power, manufacturing, real estate, infrastructure, etc. He has held senior leadership positions as Risk Management Head and Technical Head of the firm.

RAJ KUMAR AGRAWAL

Independent Director

PROFILE



ABOUT US



OUR VALUES



OUR VISION

Orient Paper & Industries Limited | Contributing to Nation Building since 1936

For over eight decades, Orient Paper has remained at the forefront of India's paper manufacturing industry, setting new benchmarks for product excellence, business ethics, and social responsibility. Incorporated in **1936**, our journey has seen us transform from an enterprising endeavor with just one machine to a multi-product company. With a rich Group legacy, a diverse range of products, a global presence, and an unwavering commitment to purpose-driven business, we continuously push boundaries and shape the future of the industry. As we embrace the challenges that lie ahead, our purpose remains unchanged - to provide innovative, sustainable, and high-quality paper products while staying true to our core values.

VISION

To be the world's most responsible, innovative and respected paper company, delivering industry-leading returns to all stakeholders.

MISSION

To build a responsible ecosystem in which all our stakeholders grow and thrive, with integrity, sustainability, and community at its core.

CK Birla Group | Leading a Responsible Path into the Future for Over Eight Decades

The CK Birla Group is a diversified **US \$2.9 billion** conglomerate with a history of enduring relationships with renowned global companies. With over **25,000** employees, **46** manufacturing facilities, **21** service delivery locations, and numerous patents and awards, the Group's businesses are present across five continents. They operate in three industry clusters: technology and automotive, home and building, and healthcare and education. The companies within the Group are strengthened by shared guiding principles that include a focus on long-term value, trust-based relationships, and philanthropy. Each business is undergoing transformation to capitalise on the collective strength and synergies of the Group's size and reach.

\$2.9 Bn Turnover

Conglomerate spanning across multiple businesses

Ethical Legacy

Contributing to nation and community development

25K+ Employees

Giving wings to dreams of talent across the nation

40+ Facilities

Spread across domestic and global markets

25%+ Leadership Diversity

One of the highest women leadership workforce

6+ Art, Culture Science & Tech Centres

Fostering innovation and creative thinking

7+ Healthcare & Education Centres

Focus on society and nation building

15+ Nationalities

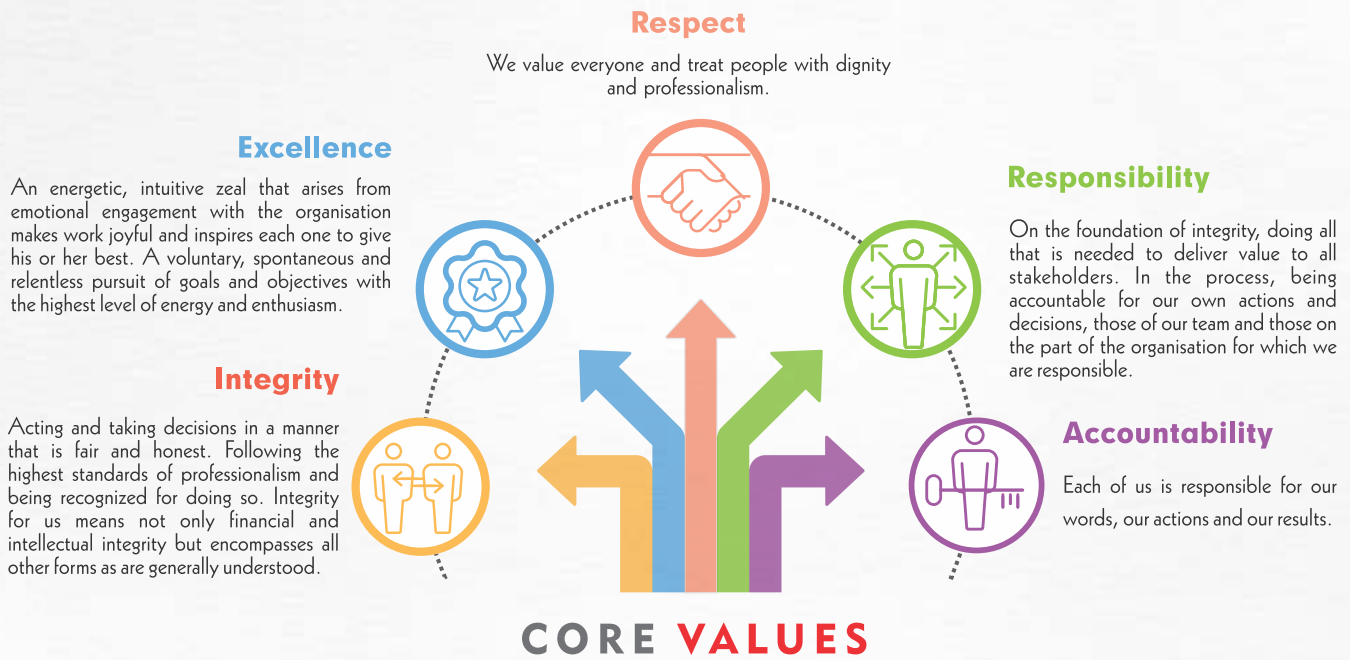
Global footprint with multi-cultural outlook

Pioneering India's first

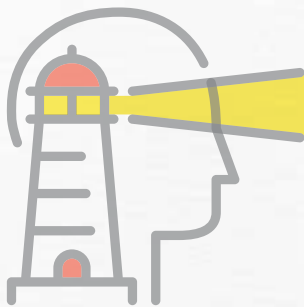
car manufacturing plant

1st bearing

manufacturer globally to receive **Deming Grand Prize**



Integrity is the cornerstone of our company's culture that earns us the trust of all our stakeholders - investors, employees, partners and customers. Our core values have always formed the foundation of our business success so far and continue to guide us as we navigate the roadmap of scaling up sustainably.



At Orient Paper, we are preparing ourselves for the future, ensuring that our intentions are aligned with the scalability and sustainability of our success. In line with this objective, our company has committed to Vision Centurion, a strategic vision leading us to our centennial in **2036** in a completely reimagined form. Ecosystem-led collaboration is the driving force, seamlessly connecting with the community in which we operate, our employees, vendors, and customers, propelling Orient Paper into the future as a responsible leader.

VISION CENTURION

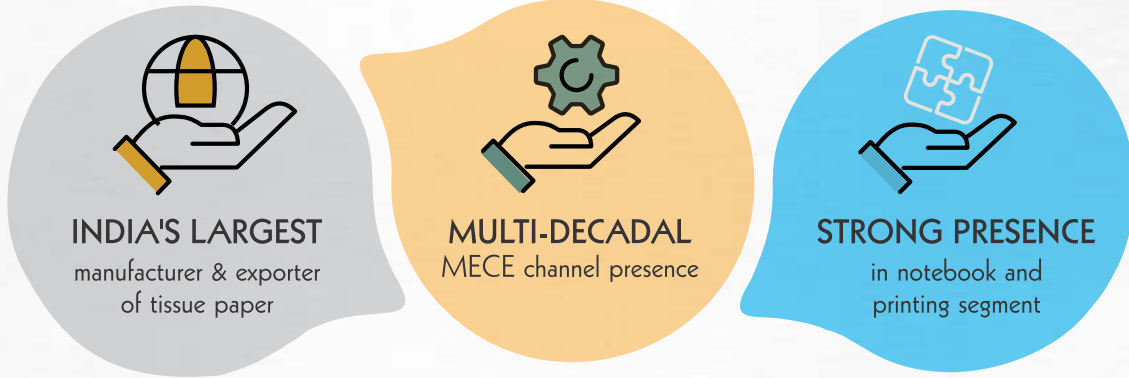
TRANSFORMATION OF PEOPLE, PROCESS & TECHNOLOGY
Transformation of People, Process & Technology



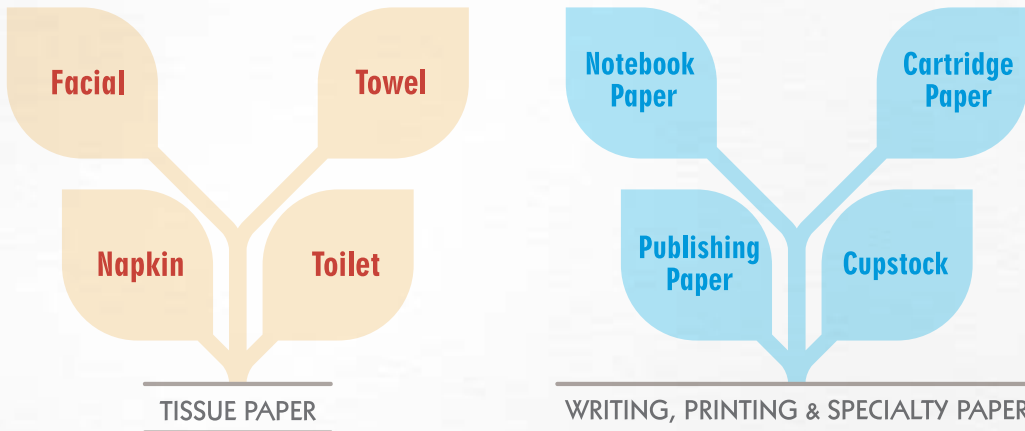
OUR PORTFOLIO & PRESENCE

Portfolio of Pride

Our product range includes writing, printing, tissues, and speciality papers. Through our commitment to innovation and continuous improvement, we offer high-quality products that meet the diverse needs of different industries. From inspiring creativity with notebooks to bringing ideas to life with printing papers, and providing comfort and hygiene with tissues, our products enhance the quality of life for consumers. Moreover, our unwavering dedication to sustainability ensures that our products are not only superior in quality but also environmentally friendly.



Education and hygiene are vital pillars of human civilization, and their significance has never been more pronounced than in today's world. The Indian government, with initiatives like the New Education Policy and a sustained emphasis on health and hygiene, is actively supporting these causes. As a leading paper manufacturing company, we are committed to serving these noble objectives through our product portfolio in the tissue and WPP segments. Our range of products is designed to promote cleanliness, hygiene, and convenience in everyday life. Our portfolio is broadly looked through two silos: The Tissue Paper Segment and Writing, Printing & Specialty Paper Segment.



Our strategic shift from commodity products to a focus on Value Added Products (VAP) has been instrumental in our growth. To accomplish this shift, we reimagined our product mix and successfully launched six new products in the Tissue and WPP segments during FY23.

Reach Beyond Borders

Our unwavering dedication to quality and customer satisfaction has allowed us to expand our presence globally. With a strong foothold in

the Middle East, Sub-continent, and Africa, we have successfully penetrated diverse markets, forging strong partnerships along the way.



PROFITS



A YEAR OF FINANCIAL TURNAROUND.
A YEAR OF OPERATIONAL TRANSFORMATION.

FY 2022-23 was a year when Orient Paper celebrated double triumphs. Not only did we accomplish a momentous business turnaround, but we also progressed on our business transformation journey.

During the financial year, the global landscape experienced substantial shifts, including soaring commodity prices, interest rates, stagflation, demand fluctuations, supply chain disruptions, policy uncertainty, and geopolitical changes. In contrast, India emerged as a frontrunner in global growth, thanks to its prudent fiscal measures during the pandemic. This revitalisation fueled the capex cycle, amplified consumption, and potentially had positive implications for the paper manufacturing industry.

This buoyant India story paired well with our dogged commitment to thrive amidst adversities to achieve **~1.6x revenue** growth despite mounting market disruptions in the financial year. In comparison to **FY22**, our revenue increased to **₹ 943 Cr**, and our **EBITDA** increased by **24 times**. Our dividend payout has been **100%** for the year and our operating **EBITDA** is at an **ALL time** high.

NUMBERS TO NOTE Performance over Past Years

Financial Year	Revenue from Operations (Rs. Cr.)	Operating EBITDA (Rs. Cr.)	PAT (Rs. Cr.)	Net Worth (Rs. Cr.)	RoCE (%)	Debt-Equity Ratio
FY 2022-2023	943	191	99	1515	7.71	0.81
FY 2021-2022	586	-8	-29	1553	-1.93	0.14
FY 2020-2021	443	-24	-47	1468	-3.11	0.06
FY 2019-2020	607	59	20	1263	1.71	0.03
FY 2018-2019	710	172	102	1385	8.42	0.02

Demonstrating strong performance in the tissue segment

In FY 2022-23, our tissue sales experienced a significant surge of 15% compared to FY 22.

We successfully onboarded new customers and witnessed a remarkable 53% increase in volumes with key customers.

Our tale of pride and partnership intertwines with Orient Paper painting a picture of resilience, trust, and unwavering dedication. Even during challenging times this trust, and commitment have been instrumental in overcoming obstacles and achieving mutual growth and success.

Krishna Kumar Khemka, Saarthak Vanijya

Opening doors to innovation for the WPP segment

In the WPP segment, our company made significant strides by introducing multiple new product categories and enhancing our presence in micro markets. These efforts have resulted in consistent strong order book positions and the ability to command premium pricing. In **FY'23**, our WPP sales experienced a commendable

growth rate of 9% compared to the previous fiscal year (**FY'22**). Furthermore, we successfully commercialised several new products, including cartridges, cup stock, pulp board, ice-cream paper and cover paper. This diversification expanded our product portfolio and contributed to our growth.

MISSION

TESTING TIDES. TRANSFORMATIVE FEATS.

During challenging times, we took the courageous path of devising a comprehensive plan that not only addressed immediate concerns but also laid the foundation for a sustainable and profitable future. We undertook a strategic exercise to ensure that our actions went beyond short-term remedies, setting us on a path towards long-term success.

In a rapidly-changing world, we have chosen to embrace a futuristic, systemic, and holistic approach. The financial year saw significant progress in fulfilling the commitments made in the previous year.

Now, more than ever, Orient Paper is steadfastly advancing towards a future where we not only address immediate business challenges but also foster a culture of continuous innovation and proactive problem-solving for potential future obstacles. Our aim is to consistently stay ahead of the curve and proactively design solutions for emerging challenges.

Business Excellence

On the pursuit of business excellence with a systematic roadmap of actionable measures and expected outcomes across critical areas, including marketing (brand positioning, customer-centricity, premium pricing, speciality focus), operations (reliability, efficiency, cost leadership, ESG), and financial/commercial aspect.

“Our collaboration with OPIL has been characterised by a deep commitment to excellence, problem-solving, and continuous improvement.”

Varun Jain, Head of India, Valmet

Digital Excellence

Embark on a journey of digital transformation with Industry 4.0, unlocking the power of automation, digitisation, and innovation. This digital transformation exercise is empowering our teams in a profound manner. Firstly, it is enhancing operational efficiency, reducing costs, and improving productivity. Secondly, it is enabling data-driven decision-making, providing insights for strategic planning and optimisation. Thirdly, it is fostering an innovation culture within our people and partners to adapt quickly to changing market dynamics.

“Siemens shares a long association with OPIL. From the inception of our relationship, OPIL has demonstrated their expertise and industry knowledge. We are delighted to witness the transformation the company is making to become a leader in the industry by embracing the latest trends and technologies.”

Shadab Ali, India Sales Head (STG), Siemens Ltd.

ESG Benchmarking

Aligned with the SDGs and the Paris Agreement, we have established a comprehensive ESG framework through technology and partnerships. Our goals include being a pioneering paper company by eliminating fossil fuels for steam needs, achieving net carbon negativity, and obtaining water positivity by 2030.

“OPIL's unwavering focus on ESG practices, compliance, and safety aligns seamlessly with the overall culture and values of Thermax.”

Kirtiraj Jilkar, EVP, Thermax India

Ecosystem led approach

Contributing to the CK Birla Group legacy, Orient Paper adopts an ecosystem-led approach with the aim of ushering in holistic transformation for the communities it impacts. Our CSR outreach programme, for example, encompasses social, economic, spiritual, and environmental aspects for the entire ecosystem.

“Our relationship with OPIL dates to the 1950s when we collaborated on projects at OPIL Brajrajnagar and Amlai. This enduring partnership, built by my father, focused on developing high-quality components for local manufacturing. We have witnessed a transformative shift in OPIL's operations, driven by technology adoption and advancements in paper manufacturing. The recent changes implemented by OPIL bring refreshing opportunities for suppliers and overall success. We warmly welcome this new direction and anticipate continued growth together.”

Asit Lathia, Owner, Lathia Rubber

PEOPLE

COMMUNITIES | PARTNERS | EMPLOYEES

True transformation starts with the people. Whether our dedicated employees, trusted partners, or the communities we engage with, they are the catalysts for positive impact. For over eight decades, Orient has been in the business of empowering lives, because we know that when people thrive, so does our collective future. Together, we are creating a legacy of growth, compassion, and meaningful impact.

COMMUNITIES

Pioneering a paradigm shift in social impact actions

We approach CSR initiatives with an equal measure of passion and precision as we do with our business decisions, always striving for excellence and a higher purpose in both endeavours. Drawing from the legacy of CK Birla Group, we have embraced an ecosystem-led CSR approach to inspire holistic community transformation. We forge powerful partnerships with NGOs, FPOs, Micro Finance Companies and SHGs, while aligning with Government Schemes and leveraging credit linkage with banks to create an impact that is larger and aligned to the needs of the nation. One such flagship initiative to create a 360° impact on the communities neighbouring our operations is our newly launched Outreach Programme aimed at transforming the lives of rural communities.



Embracing responsible leadership by aligning with the UN Sustainable Development Goals.

OUTREACH PROGRAMME: An ecosystem-led approach to community upliftment

In the financial year, Orient Paper flagged-off a ground-breaking village transformation drive at Amlai by joining hands with Action for Social Advancement (ASA), an NGO that promotes rural livelihoods through natural resource development. The goal is to enable economic, social and spiritual transformation for 1089 villages in and around our Amlai plant positively impacting the lives of over 450,000 individuals. This project will combine the strengths of MGNREGA, FPO integration, and focused development efforts to create a sustainable model for rural development by improving Human Development Index through strategic interventions in education, health, youth empowerment, and water access areas.

Economic, social, and spiritual transformation of villages



The Outreach Programme's sustainability will be ensured by integrating Farmer Producer Organizations (FPOs) into the agro-forestry value chain.



STRATEGIC INTERVENTIONS:

Partnerships with NGOs, FPOs, MGNREGA sources, and micro-finance companies

Social impact assessments

Satellite imaging to monitor crop growth

Sourcing advanced organic fertilisers

Organizing extensive meditation camps across villages in collaboration with the Heartfulness Foundation

Promoting organic farming

Improving the health and hygiene of communities through targeted wellness initiatives

PEOPLE 360° IMPACT:



ENVIRONMENTAL IMPACT

- Decarbonisation of the atmosphere, water harvesting, and soil moisture conservation.
- Irrigation will increase to at least 40% of the cultivable area from the current level of approximately 8%.
- Enhanced animal sheds: Rehabilitating and controlling farm animals.
- Organic farming: Saving the soil from synthetic fertiliser pollution.



SOCIO-ECONOMIC IMPACT

- Empowering women: Benefits to 10,000 women through Self-Help Groups (SHGs)
- Ensuring easy access to micro-credit and promote financial freedom.
- Establishing market linkages for all major crops with prominent buyers/brands to reduce middlemen.
- Aim for at least 80% of the project target group (approximately 50,000 farmers) to double their income



SPIRITUAL IMPACT

- Empowering the lives by connecting with the inner self through 500+ heartfulness sessions
- Reducing alcoholism & promoting responsible behaviour

The project will be managed by a dedicated cluster management team comprising forestry specialists and local animators to ensure efficient implementation and successful outcomes.

Transformative Power of Heartfulness
Enabling **500+** Sessions and Counting



In the pursuit of spreading peace, happiness, and wisdom to individuals, Heartfulness Sessions offer a simple set of meditative practices and lifestyle changes, developed in the twentieth century and formalized by Shri Ram Chandra Mission in 1945. With more than 500 Heartfulness sessions offered by Orient Paper in FY 23, these practices have touched over 5000 souls. The journey of inner discovery remains a continuing endeavour for all.

OPM School, Amlai
Empowering since **5** decades



With a vision to provide quality education for all in our local communities, the OPM Higher Secondary School embarked on a journey to transform lives in 1965, right from the time when Orient Paper began its business journey. Over the years, it has become a beacon of learning, nurturing the minds of over one lakh students. Financial constraints should never hinder a child's right to learn. This commitment to education for all is evident in its inclusive approach as it offers affordable fees and scholarships for financially disadvantaged students, ensuring that education is accessible to all. Through a self-sustaining model, the school has not only expanded its reach but also fostered a sense of belonging and opportunity within marginalised families.

NUMBERS THAT MATTER:



26%

annual increase in female student enrolment



12.7%

annual rise in total student enrolment

PARTNERS

Building on decades-long relationships of trust

Orient Paper highly values its partners as crucial drivers of transformation. This is clearly demonstrated by the enduring relationships we have cultivated with our partners over the course of many decades. Be it our channel partners, technology providers, or vendor partners, together, we share a collective dedication to propelling Orient Paper to unprecedented achievements and maintaining its position as a leader in the industry. In the financial year, alongside the ongoing engagement interventions, three key partner initiatives were flagged off.



CONFLUENCE

Strengthening Relationships with Customers

Confluence was designed to cultivate strong connections and provided a platform to establish a foundation of trust and an opportunity to share our future plans. The event aimed to foster enduring relationships and collaboration.



Our journey alongside Orient Paper has spanned an incredible five decades and four generations. This enduring association has been instrumental in establishing our esteemed position and market reputation.

Arvind Goenka, Owner,
PAPER TRADERS

BANDHAN

Celebrating OPIL's Heritage and Emotional Connections

Bandhan celebrated OPIL's rich heritage and the profound emotional bond it shares with its partners. It was a joyful event that demonstrated our deep gratitude and unwavering commitment to each other. The response to the event exceeded expectations, strengthening long-standing relationships with partners and solidifying OPIL's position in the market.



OPIL has been like a flourishing tree, offering opportunities for growth and success to everyone involved. We are grateful to the CK Birla Group for their trust and support and we look forward to many more years of fruitful collaboration and shared achievements with OPIL.

Sagar Sharma, Owner,
ANMOL POLYMERS (P) LTD.



Over the last few years, Orient has professionalised its operations tremendously. With astute leadership at the helm, the company's operations are undergoing a transformative phase, resulting in higher sales for us and the mill.

Priya Saran Chaudhary, MD, KCT

PRODUCTS



INNOVATION



QUALITY



CUSTOMER CENTRICITY



We're not merely in the business of paper and tissue.
We're in the business of empowering lives.



Ashwin J Laddha

QUALITY & INNOVATION ARE NOT JUST MERE METRICS AT ORIENT PAPER BUT CORNERSTONES OF OUR SUCCESS.

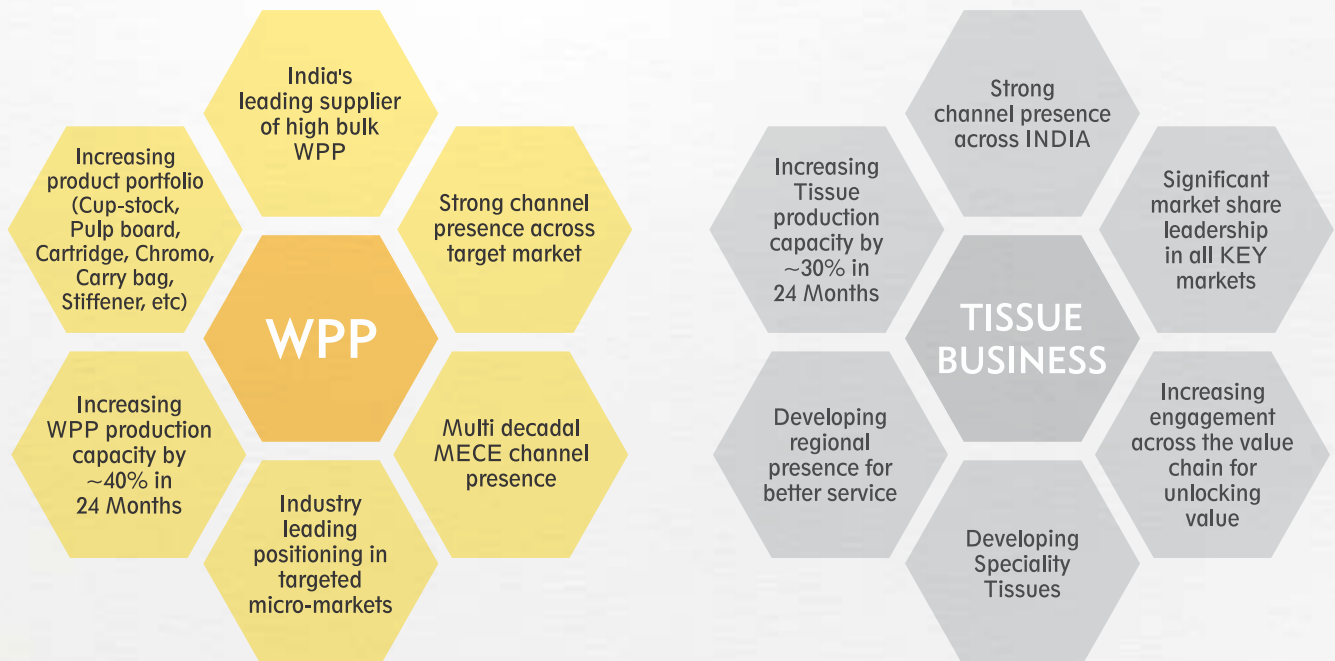
Our purpose is to provide quality education and promote hygienic lifestyles for children and communities. Education and hygiene are crucial aspects of human civilisation and their significance is unparalleled in today's world. Our unwavering dedication to our purpose propels us forward into a promising future. As India's leading paper manufacturing company, Orient Paper is dedicated to upholding the highest standards of product quality, customer centricity, and innovation. FY 23 will go down in history as the year of a steadfast focus on the evolution of our product mix at Orient Paper.

AS WE FOCUSED ON RESETTING OUR PRODUCT STRATEGIES, THE LARGER GOAL WAS TO REDEFINE THE PAPER INDUSTRY.



Transforming in line with the trends of tomorrow, we are well on track towards transitioning from a product company to a solution company. Actively expanding the value-added product range in writing paper and tissue production, the move will fortify our company against potential market challenges.

We are also focusing on micro-home markets, offering a better product mix and incorporating GSM gain. Moreover, Orient Paper is also investing in advanced technology to establish a strong pipeline for speciality products, ensuring higher productivity and resilience in the ever-evolving market landscape. As a matter of fact, above 60% of our product offerings now fall under the Value-Added Products segment.



EMPLOYEES

At Orient Paper, our people are the driving force behind our transformation. Throughout the financial year 2022-23, we prioritised their growth and well-being by implementing effective talent management strategies, emphasising health and safety measures, and conducting engagement initiatives.



TALENT MANAGEMENT:

In a rapidly evolving business landscape, the ability to attract exceptional talent, foster their development, and provide them with engaging

opportunities for growth is crucial. In an effort to foster a culture of excellence and maximise organisational potential, our company has implemented a series of talent management initiatives. A new performance review model inspired by the Balanced Scorecard approach has been introduced.

Recognising the importance of efficient HR processes, we have introduced a state-of-the-art Human Resources Information System (HRIS). This system streamlines the entire employee lifecycle, from recruitment to retirement, enhancing data management and enabling HR to deliver effective services.

Additionally, we have initiated a talent profile program aimed at reducing the average age of our employees by promoting the inclusion of young talent and providing internships to engineering and management students. An OPIL Talent Retention Incentive scheme has also been introduced to recognise and retain valuable talent within the organisation.



HEALTH & SAFETY:

In pursuit of fostering a thriving and secure work environment, Orient Paper implemented an array of

measures, one of the ground-breaking steps being extending maternity benefits to all members, not confined to the plant. Strengthening safety

skills, extensive training was conducted through behavioural, safety, and core technical programs during FY 22-23. 'SAMVAAD' our quarterly two-way communication session, allowed management staff at all levels to review the previous quarter's performance and set goals for the upcoming one, fostering a culture of continuous improvement.



EMPLOYEE ENGAGEMENT:

A positive work environment is a productive work environment. We have embraced a holistic

approach to fostering inclusivity and happiness among our employees. To achieve this, we conducted a range of cultural and engagement activities throughout the financial year. From annual sports events that bring out the competitive spirit to vibrant celebrations of national

holidays and religious festivals, we ensured that our employees feel connected and valued. Regular meditation sessions helped our employees find inner peace and balance amidst their busy schedules. Recognising exceptional efforts, we formalised rewards and recognition programs such as SPOT and Kaushal. Our STAR program is aimed to celebrate the outstanding achievements of staff members, while the Joshile program boosts team morale and camaraderie.

The larger goal is to build an inclusive work environment where everyone feels valued, inspired, and supported.



THE ROAD AHEAD

Baseline mapping is done by Great Place to Work, which has led to the formation of a blueprint to transform into a Great Place to work and a magnet to attract Top talent.



INNOVATION

New Products. New Benchmarks.



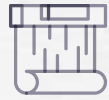
Product innovation played a vital role in shaping our growth trajectory in FY 23 with the introduction of six new value-added products, three of which are in high-growth categories. Innovating new products serves multiple advantages.

Firstly, it offers Orient Paper new growth opportunities by tapping into untapped markets and expanding its customer base. Secondly, it establishes a competitive advantage. Additionally, it helps us mitigate risks associated with market fluctuations, changing consumer preferences, or disruptive technologies.

But, most importantly, product innovation is helping us pioneer products that are good for the people and the planet. The introduction of cup stocks, a value add to our product mix, serves the larger purpose of plastic substitutions and caters to the growing demand for hygiene solutions. This innovation has positioned us as pioneers of sustainable solutions.

New Products Snapshot:

Cartridge/Drawing paper
Specification: 90 to 120 GSM
Application: Drawing books.
Sheets and reels. Notebooks.



Cupstock
Specification: 90 to 120 GSM
Application: Plastic Cup Alternative



MF Cover Paper
Specification: 90 to 120 GSM
Application: Book's cover paper



Pulpboard
Specification: 130-220 GSM
Application: Children's book cover,
punch card



HRT towel
Specification: 22-40 GSM
Application: Bathroom / toilet
USP: High wet strength with
consistent softness & quality



Ice cream paper
Specification: 60-80 GSM
Application: Ice cream cone paper



By reducing our offerings in non-growth categories and increasing our focus on health and hygiene segments, we have reaffirmed our dedication to ushering in a brighter, healthier future for all.



QUALITY Right thing. Every time.

Quality is the fiber that holds our paper together. It is integrated into all aspects of our company's principles and processes. Each operating centre within the group upholds these values and implements several strategies to achieve and surpass our quality standards. These include:

Benchmarking: We conduct a thorough benchmarking analysis of our products, comparing them with both domestic and internationally renowned competitors. This enables us to determine our product positioning and identify any areas for improvement.

Process monitoring: We closely monitor our manufacturing process to ensure adherence to established Standard Operating Procedures

(SOPs). This involves continuous visual inspections as well as the use of automated sensors such as Quality Control Systems (QCS) and Distributed Control System (DCS) devices to detect any variations or deviations.

Quality feedback system: We have established a robust quality feedback system that enables us to gather valuable input from customers regarding our products. By actively seeking and listening to customer feedback, we can take appropriate measures to enhance the quality of our offerings.

Process innovation: Research and development (R&D) efforts are dedicated to exploring various formulations and combinations of raw materials, as well as process chemicals. These endeavours aim to enhance the overall quality of our products through innovation and continuous improvement.



CUSTOMER CENTRICITY

Exceed evolving expectations

Our continuous endeavour in customer centricity revolves around a single mantra: 'anticipate their expectations, exceed their imagination'. By consistently prioritizing customer satisfaction, we aim to foster long-term relationships and align their success with ours. We recognise that customer needs and expectations evolve over time, and we remain committed to exceeding them at every opportunity. Through ongoing efforts, we strive to continually anticipate their evolving needs and go beyond their expectations, fostering a strong and lasting partnership built on mutual success.



From our very first interaction with M/s Orient Papers, the prompt responsiveness and unwavering customer service is the benchmark for the strong relationship which we have built. Orient's commitment to innovation and continuous improvement has ensured that we stay ahead in our industry.

Shashi Kant Tiwari, Owner, KOSHER

PROCESS

The financial year marked a significant period of progress for Orient Paper as we embarked on our business transformation journey, laying the foundation for Industry 4.0. We initiated a closed-loop strategy, employing AI-ML technology in manufacturing and process excellence. To ensure successful implementation, we prioritised gaining the support of our workforce, fostering behavioural changes, cultivating a culture of transformation, and developing the necessary capabilities.

By establishing robust alliances with tier-1 technology providers, we aim to enhance operational efficiency, ensure reliability, and devise strategies to overcome capacity constraints. These collaborations and roadmaps served as the basis for our announcement in March 2023 of an INR 475 Cr CAPEX investment, which will significantly bolster the company's performance.

Orient Paper is fully committed to driving this transformation with passion, persistence, and pace.

THE DRIVE FOR BUSINESS EXCELLENCE HAS BEEN A THOROUGHLY THOUGHT-OUT PLAN IMPACTING AND LEVERAGING KEY FUNCTIONS OF BUSINESS SUSTAINABILITY. BELOW IS A SUMMARY OF OUR IMPLEMENTATION PLAN, WHICH WILL BE COMPLETED ACROSS PHASES WITHIN THE NEXT 24 MONTHS.

MARKETING



Brand Positioning: Shift away from the commodity space by developing tangible customer value propositions in identified micro markets leading to predictable & scalable cash flow with premium pricing.

Customer Centricity: Develop a customer-centric organisation.

OPERATIONS



Reliability and Efficiency: Invest in improving operations reliability and efficiency by leveraging technology and modernising operations.

Industry 4.0 and HANA Migration: Invest in analytics-driven closed-loop processes through HANA migration to be implemented across operations.

ESG: Invest in a transformational ESG charter.

FINANCIAL & COMMERCIAL



Risk & Governance: Develop and institutionalise a comprehensive risk management framework.

Developing Agility: Institutionalise vendor partner engagements with the KAM framework.

Process capability enhancement initiatives:

Initiatives to enhance process capability led to significant improvements in various areas:

Digester Cycle Time Improvement: The digester cycle time was enhanced, resulting in an additional pulp capacity of 90 tons per day (TPD). The number of blows per day increased by 37.5%, allowing for increased production efficiency.

Machine Speed Increase: The machine speed was boosted by 12%, going from 415 to 465 meters per minute (MPM). This acceleration allowed for faster production and enhanced the overall process.

GSM Fungibility Enhancement: The GSM fungibility, which refers to the ability to produce a wider range of paper weights, was increased by 75%. The range expanded from 80 to 140 GSM, providing more flexibility in meeting customer demands.

Main Machine Capacity De-bottlenecking: The capacity of the main machine was de-bottlenecked by 46%. This improvement enabled an increase in production from 150 to 220 TPD, allowing for higher output and improved efficiency.

Capacity De-bottlenecking: The tissue capacity has been de-bottlenecked by 30% which will further contribute towards increasing our Value Added Products portfolio.

These improvements have not only increased production capacity but also resulted in cost savings and improved operational efficiency.

Partnering with the technology leaders

Debottlenecking of the paper machine and tissue machine.

Orient Paper, since its inception, has been closely associated with industry-leading companies such as Valmet and Therman. Back in 1965, Beloit, which was later acquired by Valmet, played a crucial role in setting up the primary machine installation. Concurrently,

Therman was entrusted with providing boilers to support the entire plant's operations.

Amongst many such partnerships, one example is that of our seamless collaboration with Valmet, Therman and Siemens to pursue operational excellence. These partnerships have resulted in a blueprint for unlocking the significant potential to debottleneck our operations and make them more agile, green, and competitive.

Mission Nipun

Empowering our people. Transforming our processes.

Over the past eight decades, it has been our people who have built Orient Paper as an industry leader, setting new benchmarks. Our belief has always been focused on people first. Therefore, we are now doubling down on preparing our talent for the future through the launch of Mission NIPUN. We have developed a comprehensive roadmap for reskilling our workforce, and we are

confident that Orient will continue to attract the best talent in the industry for a fulfilling career.

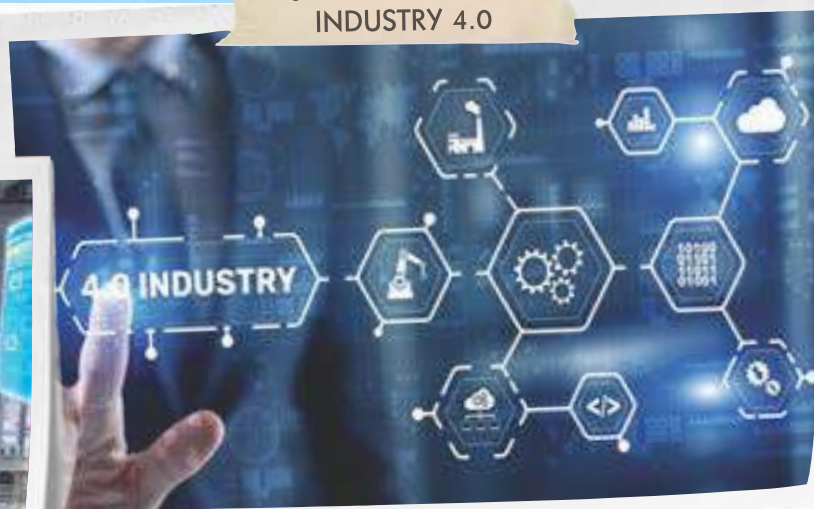
To optimise our system and deliver best-in-class solutions for our clients, we have embarked on a transformative journey by migrating to SAP HANA. This technology implementation not only sets the foundation for Industry 4.0 but will also position Orient Paper with a unique strategic competitive advantage in the years ahead. Our holistic approach to transformation encompasses crucial aspects such as product, process, and technology.

THE ROAD AHEAD

Agility & Adaptability



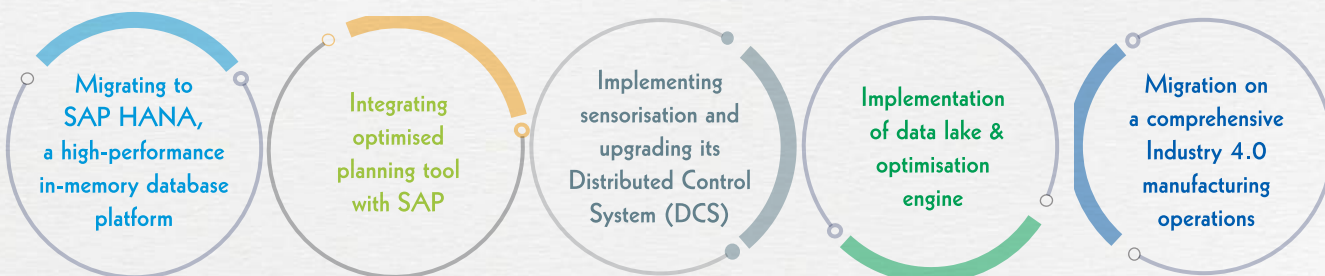
Digital Transformation with INDUSTRY 4.0



We are proud of the fact that Orient Paper is transforming into a digital company. Exponential growth, improved productivity, reduced operational costs, enhanced efficiency, agility, and adaptability are some of the prominent direct impacts of digital transformation.

Moreover, digitisation will also contribute to improved safety in operational environments, optimised resource consumption, reduced environmental impact, and enhanced transparency and traceability. In the realm of supply chain management, they will enable better inventory management, demand forecasting, and logistics optimisation, resulting in reduced costs, minimised waste, and improved customer satisfaction.

Orient Paper has made significant progress in its digitisation drive. The following key steps are currently underway:





PLANET

At the heart of our transformation journey is our impassioned drive to contribute to a sustainable future - one that is greener, cleaner, and brighter. This commitment to the planet is manifested in the exponential growth of local plantations, breathing life into sprawling 6,395 acres of land, conservation of resources, as well as our carbon-negative roadmap.

During FY23, Orient Paper undertook an ESG (Environmental, Social, and Governance) assessment, laying the groundwork for the creation of a robust ESG strategy. This evaluation forms the basis for the development of a holistic framework, which is now actively pursued for implementation.

We spearhead various manufacturing practices in our mill to promote an eco-friendly system. One significant step in this direction is the installation and commissioning of a highly energy-efficient new recovery boiler. This boiler enables us to achieve optimal chemical recovery efficiency. Furthermore, our primary objective is to minimise waste generation in all processes, including Pulp Mill, Chemical Recovery, Paper Production, and other areas.

Resource Conservation:

Prioritising responsible sourcing is not just good for the planet, it is also good for business efficiency. In FY 23, Orient Paper achieved remarkable success in integrating recycled and sustainable materials into its operations.



100% Farm Forestry Procurement:

Orient Paper holds prestigious certifications, including the Forest Stewardship Council Chain of Custody (FSC-COC) and Controlled Wood (CW) certifications. These certifications stand testimony to our 100% legal and sustainable wood procurement practices. Our Company has also prioritised the use of sustainable materials by adopting a 100% farm forestry procurement strategy.

Implementing the 5-R Concept:

We have embraced the 5R principles - Recycle, Reduce, Reuse, Refuse, & Reproduce - at our operations. A range of initiatives aimed at conserving energy and improving energy efficiency have been implemented including the installation of Variable Frequency Drives (VFD), capacitor banks, and the replacement of electrolyzers, which have led to substantial energy savings. By reducing their energy consumption, the company has not only reduced its environmental footprint but also achieved cost savings in its operations.

Water Conservation:

Orient Paper has implemented several initiatives to enhance water conservation efforts. One notable achievement is the recycling of 100% machine backwater within our system, effectively reducing our overall water consumption. Zero liquid discharge, rainwater harvesting, treatment of domestic wastewater, and the installation of river water quality monitoring systems and effluent quality monitoring systems are among the various measures undertaken by the company to promote sustainable water management.



RCC Barrage at River Sone

The Amlai, Shahdol unit of OPIL was honoured with the prestigious CII National Award for Water Management in 2022, acknowledging its exceptional efforts in this field. Additionally, the unit was also recognised by the Grow Care India Sustainability Award for its remarkable contributions in sustainable practices.

Reduction in Scope

1 & 2 CO₂ emissions

In the financial year, multiple initiatives contributed towards achieving a decrease in CO₂ emissions intensity for the paper unit by

4.3% and the chemical unit by **8.5%**



Environment Day at OPM School

Case Study:

From **2650 acres** to **6395 acres**

A turnaround shift in the green footprint of villages of Madhya Pradesh.

Orient Paper implemented two important initiatives in several villages of Madhya Pradesh, leading to a significant improvement in farm productivity.

Pioneering captive plantation scheme: Farmers were provided with machinery like tractors to plough their land, which resulted in enhanced efficiency. Additionally, Orient Paper offered saplings to the farmers on a credit basis, enabling them to cultivate better

Power Generation:

- Seamless transition of 14MW of power to the grid as a first step towards migrating to green energy.
- Improved consistency in sourcing and blending of coal, ensuring a more reliable and standardised supply.
- Reduced reliance on coal and increased the generation of steam, thereby optimising the use of resources and minimising emissions.

plantations. This scheme brought about a transformation in the planting process by facilitating the digging of deeper pits and creating improved growth conditions.

Support & awareness: Alongside training sessions and regular meetings, the company utilised an advertising vehicle called the 'Prachaar Gaadi' to effectively educate farmers on a daily or weekly basis, providing valuable information on ways to enhance their livelihoods.



Before



After

These initiatives yielded remarkable outcomes:

Successful dry weather planting from November to January, covering 95 acres. This achievement holds immense significance, as it demonstrates that plantations can thrive with minimal water consumption (just 2 litres). Additionally, the planting period has expanded to eight months per year, compared to the previous duration of only three to four months.

Increased adoption of silvicultural practices by the villagers. Previously, only 20% of the villagers followed these practices, but this year, that number rose significantly to 80%. This shift will have a positive impact on growth outcomes.

Promoted better survival rates and healthier growth of plantations

This endeavour has not only improved planting practices, it has also increased engagement and empowerment of the farming community.

A Worried Mother's Journey of Transformation

SUCCESS STORY

“ In August 2022, facing challenges with fallow land and a struggling husband, I approached OPIL. They believed in my potential, providing resources and guidance to transform the barren land into a thriving plantation.

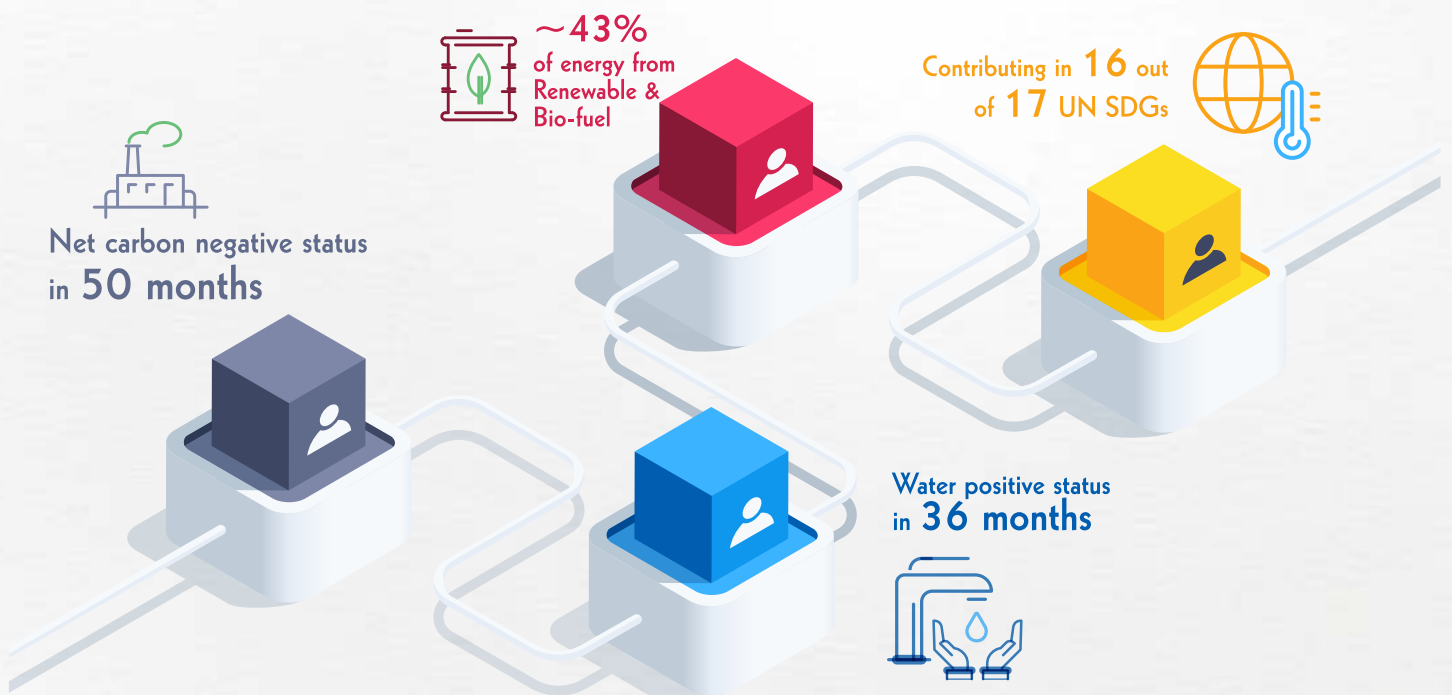
With OPIL's support, I took on the responsibility of working the soil, removing weeds, and protecting the precious plants. In addition to the plantation support, I was also offered fair compensation for the wood. This income became a lifeline for my family, enabling me to provide for their needs and invest in their education.

Today, the once barren land is a source of hope for my children. I am eternally grateful to OPIL for transforming my life and empowering me to create a better future.”

Chandravati Gond
Amadamak Village

The Road Ahead:

Targeting Global Standards in ESG and further alignment with UN SDGs



Paper
with
Pulp



total
REPORTS

Profile of Board of Directors

Particulars	Age	Date of Joining	Other Directorship
Mr. Chandra Kant Birla 24, Dr. A. P. J. Abdul Kalam Road New Delhi 110 011 Chairman Industrialist, Indian	68	29.09.1978	1. Orient Cement Limited 2. National Engineering Industries Limited 3. AVTEC Limited 4. HIL Limited 5. Birla Brothers Pvt. Limited 6. Orient Electric Limited 7. Birlasoft Limited 8. NeoSym Industry Limited 9. Birlasoft Inc., USA 10. Birlasoft (U.K.) Ltd., London 11. ASS AG, Switzerland
Ms.Gauri Rasgotra House No. C-1/3, Tilak Marg New Delhi-110001 Director Advocate, Indian	55	26.09.2014	HIL Limited
Mr. Srinivasan Vishvanathan 560.SFS Flats Mandakini Enclave,Alaknanda New Delhi-110019 Director Retired Bank official, Indian	69	25.03.2019	The Clearing Corporation of India Limited
Mr. Ashwin Bishnoi Tower 25, Flat No.404 Commonwealth Village, New Delhi-110092 Director Advocate, Indian	42	01.08.2019	National Engineering Industries Limited
Mr. Raj Kumar Agrawal U-6, Green park Extension New Delhi-110016 Director Chartered Accountant, Indian	66	27.01.2020	1. Indag Rubber Limited 2. Vachaspati Real Estate Pvt. Limited
Mr. Ashwin J. Laddha 4/A, Ramanand Adarsh Colony, Near Utengle Mangal Karyalay Gaurakshan Road, Akola Maharashtra - 444001 Managing Director & CEO Service, Indian	48	01.04.2022	-

Directors' Report

Dear Shareholders,

The Board of Directors are pleased to present the annual report along with the audited accounts of your Company for the year ended 31st March 2023.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2023 is summarized below:

(₹ in crores)

Particulars	2022-23	2021-22
Revenue from Operations	942.96	585.65
Other Income	29.14	9.17
Total Income	972.10	594.82
Earnings before Interest, Depreciation, Amortization & Taxation	191.10	(7.74)
Interest/Finance costs	10.39	4.98
Profit before Depreciation and Taxation	180.71	(12.72)
Depreciation	33.05	31.20
Profit before Taxation	147.66	(43.92)
Taxation	48.41	(15.04)
Profit for the year	99.25	(28.88)
Other Comprehensive Income	(131.32)	119.04
Total Comprehensive Income	(32.07)	90.16
STATEMENT OF RETAINED EARNINGS		
At the beginning of the year	834.90	863.54
Add: Profit for the year	99.25	(28.88)
Add: Transfer from FVOCI – sale of equity investments (net of taxes)	-	3.46
Less: Other Comprehensive Loss (net of taxes)	0.23	(2.08)
Dividend on Equity shares	5.30	5.30
At the end of the year	929.08	834.90
EPS (₹)	4.68	(1.36)

GLOBAL ECONOMIC CLIMATE

Following more than two years of pandemic, spillovers from the Russia's invasion on Ukraine sharply hastened the deceleration of global economic activity in CY22 – growing at 3.2% vs. ~6% in CY21. The global geopolitical landscape has undergone tremendous changes, leading to the emergence of a new world order not seen since WWII – high commodity prices, supply side disruptions, increased food insecurity and poverty, stagflationary headwinds and heightened policy uncertainty in CY22.

However, India had a strong FY'23, with its economy growing at ~7.2% driven by lesser dependence on global demand, increase in private consumption and private investment, on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. Govt. policy on near-universal vaccination coverage also enabled people to spend on contact-based services and helped the economic rebound post Covid-19 uncertainties.

The baseline forecast for global growth may fall from 3.2% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. Global headline inflation in the baseline may fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices but underlying inflation is likely to decline more slowly. India's economy is expected to face a moderate slowdown to ~5.9% in FY'24.

Sources: IMF, World Bank, ADB, CRISIL Research and NSO

COMPANY'S PERFORMANCE

The year under review saw ~1.6x revenue growth effected by strengthening the core, developing robust supply chain to scale the business, identifying opportunities for unlocking its full potential, engaging with customers and the value chain to discover new opportunities for Value Added Products. Additionally, the company has started the foundational work

Statutory Report

to emerge as a Sustainability leader by having a 360-degree approach, starting from developing an innovative & exhaustive outreach program to embarking on its sustainable energy transition to laying the foundation for Orient to become a digital company over next 36 months to leverage the power of AI&ML.

As our Company has an ambitious plan for its transformation to become the industry leader in specialty paper, we have launched a program called NIPUN, which as the name suggests will help us build excellence in all aspects of business (People-Process-Technology).

Realizing the importance of attracting and retaining top talent, our company has embarked on the journey towards becoming a Great Place to Work by doing a base line assessment and now in the process of developing a comprehensive HR intervention across the business.

Our Company has achieved a significant milestone by commissioning our New Recovery boiler in FY'23, commercialized several new Value-Added Products, established robust supply chain partnerships, transitioned ~40% of power needs to grid, achieved highest ever direct plantations in local catchment area (6395 acres) and integrated ESG as a core element to fuel the next phase of our business strategy.

Our company has also committed capex of ₹475 cr. in Mar'23 towards enhancing efficiency, improving reliability of operations, and de-bottlenecking capacity.

SHARE CAPITAL

There was no change in the share capital of the Company during the financial year 2022-23.

DIVIDEND

The Directors recommend payment of a dividend of Re.1/- (100%) per equity share of Re.1/- each for the Financial Year ended 31st March, 2023, subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM"). This dividend payout ratio works out to 21% of the net profit for the financial year ended 31st March, 2023.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, as amended, dividend paid or distributed by the companies shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source, at the rates prescribed therein.

The dividend recommended by the Board is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Listing Regulations is available on the Company's website: http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Dividend-Distribution-Policy.pdf

SUSTAINABLE DEVELOPMENT AND ENVIRONMENT

In the 87 years since its formation, Orient Paper has consistently strived to become the most responsible paper manufacturing company. The core values of Integrity, Excellence, Respect, Responsibility and Accountability have been deeply ingrained in the way we conduct business. Some of these values directly contribute to environmental and social development. For example, the Company has devoted itself to environmental responsibility in the past, receiving widespread recognition from independent agencies. It also prioritized respect by empowering its employees and valuing everyone's contribution. Ensuring employee welfare and safety is a top priority and it has actively engaged with and uplifted the local community through its various initiatives.

As part of its efforts, the Company has initiated an outreach program aimed at transforming the lives of over 450,000 individuals in 1,089 villages located in the hinterlands of Madhya Pradesh. This transformation encompasses social, economic, spiritual and environmental aspects for the entire ecosystem. Combined with its existing sustainability plans, Orient Paper shall contribute to 16 out of the 17 United Nations Sustainable Development Goals (SDGs) with significant focus on reducing the eco-system carbon footprint, soil and water conservation.

In FY'23, the Company conducted its ESG (Environmental, Social and Governance) profiling. This served as the foundation for developing a comprehensive framework for its ESG strategy and is already working towards its implementation.

CASH FLOW ANALYSIS

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 2(40) of the Companies Act, 2013, the cash flow statement for the year ended 31st March, 2023 is included in the annual accounts.

CORPORATE GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholders' value. The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way so as to create value that can be sustained on a long-term basis for all its stakeholders including shareholders, employees, customers, government and the lenders. In addition to compliance with the regulatory requirements, the Company endeavours to ensure the highest standards of ethical conduct throughout the organization.

The Company is in full compliance with the Corporate Governance requirements in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance and a certificate from the auditors

confirming compliance with the Corporate Governance requirements are attached and forms part of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review is presented in a separate section, forming an integral part of this annual report.

DEPOSITS

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The company has not given any loans, provided any guarantees / securities or made investments that are covered under the provisions of Section 186 of the Companies Act, 2013 (the "Act"), during the financial year ended 31st March, 2023.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the requirements of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee was constituted. Details of the CSR activities as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, are given in the Annual Report on CSR Activities annexed as **Annexure I**. The Company's Policy on Corporate Social Responsibility is available on the website of the Company at http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/CSR-Policy.pdf

ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and rules framed thereunder a copy of the Annual Return has been placed on the Company's website <http://www.orientpaperindia.com/investors/annual-general-meeting>

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

(i) Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Chandra Kant Birla (DIN: 00118473), Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

(ii) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, of the directors individually as well as the evaluation of its

various Committees. The process of evaluation has been explained in the Corporate Governance Report.

(iii) Board Meetings

The details of meetings of the Board and its various committees are given in the Corporate Governance Report.

None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013.

All the Independent Directors have given their declaration confirming that they meet the criteria of independence in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Auditors & Audit Reports

(i) Statutory Auditors

The Shareholders of the Company at the Annual General Meeting held on 10th August, 2022, appointed M/s. B S R & Co. LLP Chartered Accountants (Firm Registration no. 101248W/W-100022) as the Auditors of the Company for a period of 5 years.

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark. Further, in terms of section 143 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, notifications/circulars issued by the Ministry of Corporate Affairs, from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

Note No. 48 (c) appearing in the Notes to Financial Statements referred to in the Auditors' Report is self-explanatory.

(ii) Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and rules made there under, Mr. Somnath Mukherjee, Cost Accountant (Membership no. 5343) was appointed for the financial year ending 31st March, 2023 to conduct cost audit for the products covered under the said rule. The Board of Directors of the Company, on the recommendation of the Audit Committee has further appointed Mr. Somnath Mukherjee, Cost Accountant as Cost Auditor for auditing the cost accounts of the Company for the financial year 2023-24. The Auditor has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Cost Auditor of the Company.

(iii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. A. K. Labh, Company

Statutory Report

Secretary in Practice (CP Regn. No. 3238) to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Report of the Secretarial Auditor is annexed to this report as **Annexure II**. The comments mentioned in the Secretarial Audit Report are self-explanatory.

The Board of Directors of the Company have further appointed Mr. A. K. Labh, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2023-24.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached herewith as **Annexure III** and forms part of this annual report

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement pursuant to section 134(3) (c) of the Companies Act, 2013 is attached herewith as **Annexure IV** and forms part of this annual report.

INFORMATION OF EMPLOYEES

The prescribed information of Employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as **Annexure V** and forms part of this annual report

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on arm's length basis.

All the Related Party Transactions are presented to the Audit Committee and the Board. Prior omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee and Board of Directors on a quarterly basis specifying the nature, value and terms & conditions of the transactions. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are given in the prescribed form AOC -2 as **Annexure VI**. Web link for the policy on the website is http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Related-Party-Transaction-Policy.pdf

REMUNERATION POLICY

The Board has, on the recommendation of its Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and forms part of this annual report. Web link for the policy on

the website is http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Nomination-Remuneration-Policy.pdf

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee, inter alia, to frame, implement and monitor the risk management plan for the Company.

Pursuant to Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a risk management policy. The policy comprises of a robust business risk management framework to identify, evaluate and mitigate potential business risks. The business risk framework defines the risk level including documentation and reporting.

WHISTLE BLOWER POLICY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In line with these objectives, the Company has a Vigil Mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement.

Details of the Whistle Blower Policy are stated in the Corporate Governance Report. Web link for the policy on the website is http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Whistle-Blower-Policy.pdf

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

It has been an endeavor of your Company to support women professionals through a safe, healthy and conducive working environment by creating and implementing proper policies to tackle issues relating to safe and proper working conditions for them.

The Company as required under the provisions of the "the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

The Company has not received any complaints under the said policy during the year. Web link for the policy on the website is <http://www.orientpaperindia.com/investors/codes-and-policies/POSH.pdf>

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate internal financial control procedures commensurate with its size and nature of business. The Company has identified and documented all key internal financial controls, which impact the financial statements, as part of its Standard Operating Procedures (SOPs). The SOPs are designed for all critical processes across all its plants and offices wherein financial transactions are undertaken. The Financial controls are tested for operating effectiveness through ongoing monitoring and review process by the

management and independently by the Internal Auditors. In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility & Sustainability Report is presented in a separate section forming part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31st March, 2023 and the date of this Report.

ACKNOWLEDGEMENTS

The Board of Directors place on record their sincere gratitude to the shareholders, customers, bankers, financial institutions, government agencies, supply chain partners and the employees for their valuable contribution, co-operation and support in the Company's endeavors to achieve continuous growth and progress.

By Order of the Board of Directors

C. K. Birla
Chairman

New Delhi, 18th May, 2023

(DIN: 00118473)

Annexure - I

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility ("CSR") at Orient Paper & Industries Limited portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, the Company endeavours to contribute towards social and economic development on regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates. The Company is of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.

The Company has framed a CSR Policy as required under section 135 of the Companies Act, 2013 and more explicitly covered in the Corporate Governance Report.

2. Composition of CSR Committee:

Sl No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Ms. Gauri Rasgotra	Chairperson Non-Executive Independent Director	1	1
(ii)	Mr. Ashwin Bishnoi	Member – Non- Executive Independent Director	1	-
(iii)	Mr. Ashwin J. Laddha	Member - Managing Director & CEO	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.
- a) Composition of CSR Committee : <http://www.orientpaperindia.com/about-us>
- b) CSR Policy: http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/CSR-Policy.pdf
- c) CSR Projects: <http://www.orientpaperindia.com/investors/OD-Corporate-Social-Responsibility>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
- : The Company's average CSR obligation, during the last three financial years, does not cross the limit of Rs. 10 crores or more as prescribed under Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, therefore the requirement of undertaking Impact Assessment of CSR projects was not applicable on the Company during the financial year 2022-23.
5. (a) Average net profit of the Company as per sub-section (5) of section 135. : (-) Rs. 3079.67 lacs
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135. : Nil
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. : Nil
- (d) Amount required to be set-off for the financial year, if any. : Nil
- (e) Total CSR obligation of the financial year [(b)+(c)-(d)] : Nil
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). : Rs. 92.73 lacs
- (b) Amount spent in Administrative Overheads. : Nil
- (c) Amount spent on Impact Assessment, if applicable. : N.A.
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : Rs. 92.73 lacs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in lacs)	Amount Unspent (₹ in lacs)				
	Total amount transferred to Unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
92.73	-	Not applicable	Not applicable	-	Not applicable

(f) Excess amount for set off, if any: Rs. 66.77 lacs from preceding financial years

SI No.	Particulars	Amount (₹. in lacs)
(i)	Two percent of average net profit of the company as per sub section (5) of section 135.	Nil
(ii)	Total amount spent for the Financial Year	92.73
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	92.73
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	92.73

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
SI No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1.	FY - 1	-	-	-	-	-	-
2.	FY - 2	-	-	-	-	-	-
3.	FY - 3	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Yes No

If Yes, enter the number of Capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particular of the property or assets) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration no., if applicable	Name	Registered Address
					-	-	-

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135.

Average net profit of the Company as per sub-section (5) of section 135 being negative, the Company was not required to spend, however, the Company voluntarily spent Rs.92.73 lacs in FY22-23.

Gauri Rasgotra
Chairperson – CSR Committee
(DIN: 06862334)

Ashwin J. Laddha
Managing Director & CEO
(DIN: 09538310)

New Delhi, 18th May, 2023

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Orient Paper & Industries Limited
Unit VIII, Plot No. 7
Bhoinagar, Bhubaneswar – 751 012
Odisha

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Orient Paper & Industries Limited** having its Registered Office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751 012, Odisha (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

AUDITORS' RESPONSIBILITY

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board

process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2023 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
2. The Petroleum Act, 1934 and The Petroleum Rules, 2002;
3. Explosives Act, 1884
4. The Indian Forest Act, 1927
5. The Forest (Conservation) Act, 1980

to the extent of its applicability to the Company during the financial year ended 31st March, 2023 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that :

- (a) As represented by the management, the Company's "Directors' and Officers' Insurance Policy", inter alia, covers the requirements of "Special Contingency Insurance Policy" as mandated in terms of SEBI Circular No. SEBI / HO / MIRSD / MIRSD_RTAMB /P/CIR/2022/70 dated 25th May 2022.
- (b) The Company is in compliance with Regulations 3(5) and 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 and has a Structured Digital Database in place.
- (c) The Company has taken approval from shareholders with respect to appointment of Shri Ashwin J. Laddha as Managing Director & Chief Executive Officer of the Company including his terms of remuneration through Postal Ballot during the year under report.

For **A. K. LABH & Co.**
Company Secretaries

(CS A. K. LABH)
Practicing Company Secretary
FCS : 4848 / CP No. : 3238
UIN : S1999WB026800
PRCN : 1038/2020
UDIN : F004848E000326466

Place : Kolkata
Dated : 18th May, 2023

Annexure - III

Conservation of Energy

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

(A) CONSERVATION OF ENERGY

Energy conservation measures taken in FY 2022-23:

S. No.	Description of Proposal Implemented	Qty.
1	Installed Capacitor bank in New Recovery Plant for enhancement of P.F of 25 MW STG. (Total 1300kvar)	10 no's
2	Drawing 14MVA grid power for CSU directly, thereby reducing transmission loss to zero kw and saving 100KW/hrs	14 MVA (equivalent to 13 MW)
3	Installation of MV VFD 11kv BFP at CPP	01 no's
4	Power shifted from CPP to Grid power (MPEB) at RLK (350 kw/hr) and saved @ Rs 1 per unit	350kw
5	Re-membraning and Anode Coating Replacement of Electrolyser EL-6, EL-15, EL-13, EL-2 & EL-11	5Nos
6	Installation of New 11KV 3860KVAr Capacitor Banks for PF Improvement of Grid from 0.950 to 0.990	2Nos
7	Installation of Old 2MVA 11KV/415V Transformer after servicing with new 1000KVAr APFC Panel for improving PF from 0.990 to 0.999 in MPEB Grid	1No

(B) ADDITIONAL INVESTMENT & PROPOSAL, IF ANY BEING IMPLEMENTED FOR REDUCING CONSUMPTION OF ENERGY

S.No.	Energy Conservation Proposal	Estimated Investments (Rs Lacs)
1	Capacity Optimization of Tissue-3 Machine	200
2	Capacity Enhancement of Paper Machine	2000
3	Capacity Enhancement of Recovery Boiler from 600 TPD – 750 TPD	2600
4	Conversion of stoker boiler to AFBC boiler (90 TPH)	2800
5	Upgradation of 30 MW and 25 MW turbines	2000
6	Installation of VFD in Different Drive	50
7	Upgradation of blow heat recovery in Pulp Mill along with NCG	800
8	Installation of new rewinders at Paper machine and Tissue#3 machine	3200
9	Installation of New Steam and Condensate System for paper machine	1000
10	Installation of New Disc filter at Paper Machine	170
11	Installation of new Centricleaners system at Paper Machine	300
12	Upgradation of Paper Machine drive from line shaft to sectional drives at paper machine	1200
13	Upgradation & recoating of elements of membrane cells in CSU	1400
14	Installing 200KW VFD Drive for CL2 Compressor(D) for auxiliary power saving approx. 1000KWh/Day.	17
TOTAL INVESTMENTS		17737

(C) IMPACT OF MEASURES (A) ABOVE FOR REDUCTION OF ENERGY AND CONSEQUENT IMPACT ON COST OF PRODUCT

S No.	Energy Form	Unit	2020-21	2021-22	2022-23
1	Power (Excl. colony, Aux. & export power)*	KWH/MT of paper	1955*	1959*	1926*
2	Steam (excl. Own cons.)	MT/MT of paper	18.79	20.05	18.81
3	Water (excl. Own cons.)	M ³ /MT of paper	48	49	48.4
4	Coal*	MT/MT of paper	2.57*	2.91*	2.69
5	AC Rectification Power	KWh/MT of CS Lye	2229.98	2268.78	2340.91
6	AC Rectification Power	KWh/MT of Equivalent Production.	2023.41	2073.34	2144.52
7	AC Auxiliary Power	KWh/MT of Equivalent Production	269.85	265.45	251.11
8	Total Energy Consumed (OPM-CSU)	MKCal/MT of Equivalent Production	8.768	8.722	8.218

CO₂ Emissions & Sequestered for last Five (5) Years:

S. No	UOM	2018- 19	2019 -20	2020-21	2021-22	2022-23	
1	CO ₂ Sequestrate	tCO ₂ /MT of Paper	17.61	19.22	23.09	21.54	19.96
2	CO ₂ Emission through OPM	tCO ₂ /MT of Paper	3.49	3.74	4.44	4.54	4.29
3	Carbon Positive through sequestration	tCO ₂ /MT of Paper	14.12	15.47	18.66	17.00	15.67

(D) TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

I. Specific area in which R&D carried out by the company.

- In-House R&D unit is recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology New Delhi. Renewal of recognition of our R&D lab by DSIR has been done for next three years i.e. from 01.04.2022 to 31.03.2025. Four projects taken up in FY: 2022-23 which have been completed with fruitful outcome and have been submitted successfully to DSIR, New Delhi.
- Company's R&D laboratory is the first lab among Indian Pulp and Paper Industries, which is accredited to NABL (ISO/IEC 17025:2017) in waste water treatment, under which 23 scope parameters of waste water testing are covered.
- R&D studies have been done to examine the different types of strength additives at different doses to get the required strength in paper at optimum dose of chemical.
- Detail studies have been conducted and executed in the plant to manufacture the Toilet grade and Facial grade with 100% own pulp furnish without addition of the imported pulp.
- Lab studies have been conducted to manufacture the MG Poster base paper for development of the specialty paper.
- Recipe developed in the R&D lab for manufacturing the Cup stock paper in different pre-mutation and formulation of chemicals and fibre.
- Developed multiple pastel colored paper in R&D lab and then manufactured on Specialty Paper machine.
- To develop alternate raw material for sustainability of the plant, comprehensive pulping studies have been done using various raw materials such as Eucalyptus, Eucalyptus pills, Eucalyptus Centre Core, Bamboo, Casuarina and Acacia procured from different states across the country .
- To optimize the bleaching plant process chemicals bleached pulp evaluation has been done to maintain the physical strength properties index of pulp.
- Technical collaboration has been done with National Environmental Engineering Research Institute (NEERI) to optimize and rejuvenate HRTS (High Rate Transpiration System).
- Bleaching studies have been done with different doses of bleaching chemicals to achieve higher brightness with lesser chemical consumption.
- Detailed studies of the effluent samples received from the distinguished sections of the plant have been done as per IS 3025 and APHA standard for parameters covered under R&D scope.
- Soil and ambient air analysis from various locations of the plant have been done at a particular frequency.

II. Benefit derived as a result of above efforts i.e. product improvement, cost reduction, product development and import substitution.

1. Recognition from DST is a feather in cap of our company to improve our market size as well as brand image. DSIR recognition features our brand at world stage along with countries with similar certification programme like Europe, USA, China which are currently the manufacturing giants of the world.
2. NABL Accreditation to R&D Lab has 23 scope parameters. Testing of all parameters are covered on continuous basis for complying NABL certification. The laboratory has participated in proficiency testing program organized by external agency in 2022-2023 in 09 wastewater parameters. This establishes the competency of R&D Staff and authenticity of lab functioning.
3. Strength additives evaluated at different doses to achieve the required paper strength with higher ash content and improved machine runnability. We have achieved 2-3% higher filler loading with improved strength properties of paper with improved machine runnability.
4. Toilet and facial grade Tissue paper are being manufactured with 100% own pulp successfully without addition of imported pulp by maintaining all the desired properties. - Import substitution.
5. MG Poster for specialty base paper, manufacturing is under development stage.
6. Cup stock paper has been developed successfully and manufactured.
7. Multiple pastel colored paper have been developed in a particular shade and five different colored paper are being manufacturing consistently on Specialty Paper machine.
8. Pulping studies conducted of several different raw materials have benefited in analyzing its viability of the procured material and ensure maximum output in terms of quality and production. This further contributes to the development of alternate source of raw material. Studies of various Bamboo, Eucalyptus, Eucalyptus Pills, Eucalyptus Centre Core, Casuarina and Melia Dubia done in the lab for better decision making in plant. Assam Bamboo has better yield, lower kappa no. and higher unbleached viscosity as compared to Eucalyptus, Eucalyptus Pills, Eucalyptus Centre Core, Casuarina and Melia Dubia.
9. Bleached pulp evaluated in lab with various doses of the bleaching chemicals and optimized the process parameters to get the higher physical strength properties index in bleached pulp.
10. Collaboration with NEERI has been done to optimize and rejuvenate HRTS (High Rate Transpiration System).

11. Bleaching studies have been conducted in Lab which contributed to optimization of bleaching process, to get maximum advantage and hence improve the pulp properties with lesser chemical consumption.
12. Effluent water samples study in detail ensures us that we can control effluent load at plant level specifically in pulp mill and recovery area to improve the ETP performance.
13. Treated effluent is being used in HRTS and analysis of soil of various locations inside the plant and nearby plant periphery and air of mill surrounding area helps to determine the healthiness of plantation laid down supported by HRTS.

III. Training:

1. All the laboratory personnel have attended training programme on Laboratory Quality Management System & Internal Audit align with NABL IS/ISO 17025:2017 in the year 2022-2023 under Internal training program given by GM (QC and R&D).
2. All the laboratory personnel have attended training programme on IMS in the year 2022-2023 conducted in company premises by an external trainer.

IV. Papers published during the year 2022-2023.

Paper published in IPPTA Year 2022 Vol 34, Issue No. 1 on "Enhancing the pulp quality by optimization of pH of Chlorine Dioxide solution at the D-stage of bleaching process"

V. Future plan of action:

- Planning to develop new products on Main Machine, Tissue paper machines and Specialty Paper Machine to enrich the OPM products basket.
- Prepared proficiency testing plan for 2022-2023 for enhancing the competency of R&D Staff and authenticity of lab functioning as per the NABL guidelines.
- Planning for the development of laid paper as new product development.
- Planning to start the Eucalyptus peels in the raw material, furnish mix to develop the alternate source of raw material.
- Planning to publish 2-3 paper in renowned National and International journal.
- Research work will be continued to work out and implement other new emerging technologies for the benefits of the pulp & paper industry.
- Upgradation of the pulp mill to enhance the pulp production capacity.
- Upgradation of the bleaching section from conventional bleaching to ECF bleaching to improve the pulp quality.

- Upgradation of the Main machine to enhance the paper production and enrich the product basket from the main machine.

VI. Expenditure of R&D

S. No.	Details	2022-2023
a)	Salary (Rs. In lacs)	207.832
b)	Expenditures (Rs. In lacs)	2.519
c)	Capital (Rs. In lacs)	-
Total R&D (Rs. In lacs)		210.35

VII. Technology absorption and Innovation:

Efforts in brief made towards absorption, adoption and innovation:

1. Raw Material Development:

- ✓ Debarking machine installed in raw material yard for wood debarking.
- ✓ Bamboo share optimized from 30% to 20% in the RM furnish mix.
- ✓ Casuarina wood introduced in the raw material furnished mix for substituting of fibrous raw material.
- ✓ To achieve the consistent pulp quality homogeneous RM furnish mix (fresh arrival of local wood receipt vis-a-vis 'stacked wood) to get consistent pulp quality.
- ✓ FIFO is being maintained in the raw material yard for standard raw material furnish mix (fresh arrival versus stacked material) and supplied to chipper house for uniform mixing of wood and bamboo to achieve the desired pulp quality.
- ✓ Introduced modified planting technique to use of hydrogel to extend the planting season.

2. Pulp Mill

- ✓ Digester top lid modified to reduce the cooking cycle by 15 minutes per cook to enhance the pulp production.
- ✓ Started liquid oxygen in place of our own generation low purity oxygen gas, to achieve numerous advantages in terms of pulp quality improvement and overall cost reduction.
- ✓ Stainer replaced with higher thickness in the digesters to improve the liquor circulation to enhance the pulp quality.
- ✓ Widening the press roll of 2nd & 3rd press of ODL plant to increase the production.
- ✓ Design modification has been done in the vacuum washer of the wash plant to improve the uptime and increase the productivity.

3. Chemical Recovery, Chlorine Dioxide Plant and Rotary Lime Kiln:

- ✓ New Recovery Boiler of 600 TPD supplied by M/s Andritz has been commissioned successfully.

- ✓ New multiple effect evaporator supplied by M/s Reotech has been commissioned successfully.

- ✓ Improved sulphidity from 15 to 20% and Active Alkali from 80 to 88% to improve the white liquor quality to enhance the pulp strength index.

- ✓ Strengthening of the feed chain in the Rotary Lime Kiln to improve the lime purity and production.

- ✓ Sodium chlorate in powder form has been started in place of liquid chlorate for ClO₂ production to reduce the overall cost of production.

4. Paper Machine:

- ✓ Alignment and condition monitoring have been done by M/s Valmet team Finland to speed-up the main machine to achieve higher production levels.
- ✓ Loading pin changed for all three presses to improve the dryness which has resulted in machine efficiency improvement and quality enhancement.
- ✓ Higher ash% achieved in the paper after addition of the strength additive chemical after maintaining all the physical and surface paper properties.

5. Tissue Machine # 01 & 02:

- ✓ Started package chemicals from other alternate vendor at Tissue # 01 & 02 for cost reduction and quality improvement.
- ✓ Optimization of the refining at Tissue # 02 in the towel grade pulp to achieve higher strength properties in towel grade paper.
- ✓ Paper formation improved at Tissue # 01 after modification of high-pressure shower at wire part.
- ✓ Modified Heat exchanger of Yankee chemical boom shower at Tissue #01 to get the optimum temperature of the coating chemical for better performance in terms of roll building and chemical consumption.

6. Tissue Machine # 03:

- ✓ The highest ever paper production of 14023 MT achieved on Tissue # 03 in the FY:2022-23 (Earlier highest production was 12262 MT in FY2018-19).
- ✓ Creping blade holder changed to improve the paper roll building for Quality improvement.
- ✓ Facial grade and Toilet grade paper manufactured with 100% own pulp without addition of imported pulp.

Statutory Report

- ✓ Started usage of low bevel angle at creping blade to get the more softness in paper.
- ✓ Alignment of forming roll has been done for paper formation improvement.

7. New Product Development:

- ✓ Developed Cup stock paper-140 gsm successfully after conducting several R&D studies in lab to get the perfect premutation and combination for cup stock paper suitability and then manufactured on the main machine .This would be a good opportunity for productivity enhancement.
- ✓ Developed Cartridge Paper in natural shade and white shade .
- ✓ Developed High wet strength towel after conducting numerous R&D studies to get the perfect formulation of the pulp refining and chemical combination to achieve the high wet and dry strength in paper for the high-quality oriented customers.
- ✓ Developed Natural Shade Maplitho Paper in 68, 78 & 95 gsm for Diary segments.
- ✓ Developed Orient Platinum Paper in 80 gsm for the Ice cream cone application.

(E) Awards & Certification:

- ✓ Received "Award for Excellence in Water Management" from Confederation of the Indian Industry (CII).
- ✓ Received " Sustainability Management Award" in Gold category from Grow Care India.

- ✓ Renewal of BIS License for A-4 copier paper.
- ✓ Renewal of BIS License for Eco Mark paper.
- ✓ Recertification audit for Quality Management System QMS 9001:2015 by M/s Rina, Italy.
- ✓ Recertification audit for Environment Management System EMS 14001:2015 by M/s Rina, Italy.
- ✓ Recertification audit for Occupational Health & Safety System OHS 45001:2018 by M/s Rina, Italy.
- ✓ Surveillance for Energy Management System EnMS 5001:2018 by M/s Rina, Italy.
- ✓ Recertification audit for FSC-COC & CW by M/s NEPCon.
- ✓ Desktop Recertification for NABL for Research and Development Laboratory ISO 17025:2017 by M/s Quality Council of India, Delhi.

(F) Foreign Exchange Earnings & Outgo

The Foreign Exchange earned in terms of actual inflows during the year is Rs. 10348.48 lacs and the Foreign Exchange outgo during the year is Rs. 1750.79 lacs.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished.

- (a) Technology imported
 - (b) Year import
 - (c) Has technology been fully absorbed
 - (d) if not absorbed, areas where this has not taken place
- } Not applicable

Directors' Responsibility Statement

On the basis of compliance certificates received from various executives of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the statutory auditors of the Company from time to time, the Board of Directors state that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for this period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

C. K. Birla
Chairman
(DIN: 00118473)

Annexure - V

Particulars of Employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(a) Qualification (b) Designation/Nature of duties (c) Age (years) (d) Remuneration (in ₹) (e) Experience (years) (f) Date of Joining (g) Particulars of last employment

A. Top ten employees in terms of remuneration drawn during the year

1	Sonthalia P.K.	(a) B.Com (H), FCA, FCMA (b) President (Finance) & CFO (c) 65 (d) 31402180 (e) 43 (f) 15 April 1980 (g) None
2	Laddha A.J.	(a) B.Com, MBA (b) Managing Director & Chief Executive Officer (c) 48 (d) 20471500 (e) 26 (f) 14 January 2022 (g) Grasim Industries Ltd., Joint President & Regional Sales & Marketing Head (Pulp & Fibre Business), India, SAARC, EMEA & The Americas
3	Kashikar C.S.	(a) Ph.D.in Chemistry, M.Sc & Diploma in Industrial Pollution & Control (b) Chief Operating Officer – Amlai Paper Mills (c) 53 (d) 7991561 (e) 28 (f) 14 August 2021 (g) West Coast Paper Mills Limited, VP (Operations)
4	Basu S.*	(a) BE, PGDBM (b) Head- Sales & Marketing (Paper) (c) 50 (d) 5736139 (e) 27 (f) 21 July 2022 (g) JK Paper Ltd., Head of Sales - Plyboard and Coated Paper
5	Biyani S.	(a) B.Com(H), LLB (b) Sr. General Manager (Paper Marketing) (c) 53 (d) 5637584 (e) 25 (f) 6 November 2009 (g) Century Pulp And Paper, General Manager (Marketing)
6	Ghosh S.	(a) B.Sc(H), M.Sc, MBA (b) General Manager (Paper Marketing) (c) 53 (d) 4790872 (e) 29 (f) 16 October 2015 (g) KCT Trading Pvt Ltd, Sr General Manager (Sales & Marketing)
7	Pandey D.K.R.	(a) B.E.(Mech.) (b) Vice President – Engineering & Project (c) 51 (d) 4474053 (e) 28 (f) 29 December 2021 (g) West Coast Paper Mills Limited – Assistant Vice President (Mech.)
8	Singh R.	(a) M.Com, CA (b) General Manager (Finance & Accounts) (c) 45 (d) 4388279 (e) 20 (f) 16 March 2020 (g) Prism Johnson Limited, General Manager (Finance & Accounts)
9	Mishra A .	(a) B.Sc., PGDBM (b) Sr. General Manager (Sales) (c) 59 (d) 3916908 (e) 35 (f) 1 April 1988 (g) None
10	Shroff A.	(a) B.Com(H), CA (b) General Manager-Internal Audit (c) 43 (d) 3850401 (e) 19 (f) 1 December 2020 (g) Aditya Birla Management Corp Pvt Ltd, DGM- Corporate Management Audit

* joined during the year .

B. Employed throughout the financial year and were in receipt of remuneration not less than Rupees one crore and two lacs per annum

1	Sonthalia P.K.	(a) B.Com (H), FCA, FCMA (b) President (Finance) & CFO (c) 65 (d) 31402180 (e) 43 (f) 15 April 1980 (g) None
2	Laddha A.J.	(a) B.Com, MBA (b) Managing Director & Chief Executive Officer (c) 48 (d) 20471500 (e) 26 (f) 14 January 2022 (g) Grasim Industries Ltd, Joint President & Regional Sales & Marketing Head (Pulp & Fibre Business), India, SAARC, EMEA & The Americas

C. Employed for part of the financial year and were in receipt of remuneration not less than Rupees eight lacs fifty thousand per month:

1	Mullick G.	(a) B.Sc (H), MBA (b) Executive Vice President (Paper Marketing) (c) 65 (d) 2311589 (e) 42 (f) 7 October 1998 (g) The Andhra Pradesh Paper Mills Ltd, General Manager (Marketing)
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Notes:

- Remuneration includes actual payments and /or taxable value of perquisites and the Company's contribution to provident and other funds but excludes gratuity.
- Nature of appointment: Appointment of Mr. Ashwin J. Laddha, Managing Director & Chief Executive Officer, is contractual.
- Other terms and conditions: As per rules of the Company.
- The Managing Director & Chief Executive Officer is not a relative of any Director of the Company.

Other Details pertaining to remuneration

- (i) The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2022-23 (₹ in Lacs)	% increase in remuneration in the Financial Year 2022-23	Ratio of remuneration of Each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Mr. C.K. Birla, Chairman	12.00	71.43	2.39	N.A.
2	Ms. Gauri Rasgotra, Director	12.50	56.25	2.49	N.A.
3	Mr. S. Vishvanathan, Director	18.50	5.71	3.68	N.A.
4	Mr. Ashwin Bishnoi, Director	12.50	NIL	2.49	N.A.
5	Mr. Raj Kumar Agrawal, Director	18.00	5.88	3.59	N.A.
6	Mr. Ashwin J. Laddha, Managing Director & Chief Executive Officer	204.72	NIL	40.78	1.39
7	Mr. P. K. Sonthalia, President (Finance) & CFO	314.02	6.57	N.A.	2.13
8	Mr. R.P. Dutta, Company Secretary	34.35	9.22	N.A.	0.23

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 5.02 lacs p.a.
- (iii) In the financial year, there was an increase of 4.80 % in the median remuneration of employees.
- (iv) There were 1315 permanent employees on the rolls of Company as on 31st March, 2023.
- (v) Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year i.e., 2022-23 was 9.22 % whereas the percentile increase in the total managerial remuneration for the same financial year was NIL.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contract/arrangement/entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2022-23. The Company has laid down policies and procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee and Board of Directors.

(₹ in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Nil							

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTION AT ARM'S LENGTH BASIS:

(₹ in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Nil *						

* During the financial year 2022-23, no 'Material' contracts or arrangements or transactions were entered into with any related party of the Company, as per the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Related Party Transaction Policy of the Company.

C. K. Birla
Chairman
(DIN: 00118473)

Management Discussion and Analysis

INDUSTRY STRUCTURE & DEVELOPMENT:

The global geopolitical landscape has undergone tremendous changes in FY22-23, leading to the emergence of a new world order not seen since WW-II. These changes include high commodity prices, supply-side disruptions, increased food insecurity and poverty, stagflationary headwinds and heightened policy uncertainty. While most of the large economies had low growth forecasts, India benefited from its responsible and innovative fiscal measures taken during COVID-19 pandemic period, resulting in being the torchbearer of global growth. This growth was driven by lesser dependence on global demand, instead far more on private consumption and private investment on the back of government policies to improve transport infrastructure, logistics and the business ecosystem. Govt. policy on near-universal vaccination coverage also enabled people to spend on contact-based services and helped the economic rebound post COVID-19 uncertainties. India grew at a rate of ~ 7.2%, making it the fastest-growing large economy in the world. This led to revival of the capex cycle and healthy increase in consumption across all categories.

Paper industry is a major employer and contributor to the Indian economy. In FY'23, the paper industry is estimated to have grown at ~7.2%. This growth was driven by several factors, including:

- Govt. of India's New Education Policy: aimed at making education more accessible resulting in stable demand for writing & printing category.
- Focus on health & hygiene: drove consumption of tissue paper leading to sustained demand.
- Plastic substitution: government's policies and increased commitment for environment is resulting in several categories to shift their demand from plastics to sustainable options like paper.
- The growth of the e-commerce sector: The e-commerce sector grew at a rate of ~30% in FY'23, resulting in increased demand for packaging materials.

MODERATE GLOBAL DEMAND FOR PAPER AND PAPERBOARD IN CY22:

Global demand for paper and paperboard in CY'22 is estimated to have grown 0-1% Y-o-Y on a low base of CY'21, due to COVID-19 related demand contractions across the globe. The writing and printing (W&P) segment, which saw a 0-1% demand growth in CY'21 is estimated to have declined further due to digitalisation of offices and educational institutes. On the other hand, newsprint demand which saw sharper drop

of ~(-4-6)% in CY'21, is estimated to have fallen further (6-8)%, due to increasing digitalisation.

Paper demand moderation in CY'22 can be correlated with world gross domestic product (GDP) growth during the period. According to the International Monetary Fund's (IMF) economic outlook (January 2022), world GDP is estimated to have grown 3.2% in CY'22 after expanding 6% in CY'21. The emerging markets and developing countries grew 3.7% Y-o-Y. These economies represent major drivers for paper demand. The economy of developed countries is estimated to have grown 2.4% in CY'22 after expanding 5.2% in CY'21.

Source: Industry, CRISIL Research, NSO

INDIAN PAPER INDUSTRY OUTLOOK:

The Indian paper industry is estimated to have grown by ~7.2% in FY'23. Tissue and other specialty segment is projected to have grown by ~13% as compared to ~6% of global growth. Packaging segment growth is estimated at ~10% as compared to 5-6% of global growth. Writing & printing segment has maintained steady growth rate at ~4% vs. global degrowth of ~ -0.5%.

TISSUE PAPER:

Government's Swachh Bharat Abhiyan and the COVID-19 pandemic has accelerated the adoption of healthy and hygienic lifestyle, which has fuelled the demand for several categories in this segment including tissue paper. The growing urbanization and rapid growth of hospitality industry is also contributing to increasing consumption of tissue paper in commercial sectors such as hospitality, healthcare and restaurants. Thus, we anticipate the tissue paper consumption in India is likely to sustain a healthy multi-year demand growth.

WRITING & PRINTING:

The writing & printing paper market in India is expected to grow at a moderate pace in the FY'24 compared to FY'23. The demand for writing & printing paper is driven by the education sector, government offices and the printing industry.

The Indian government's new education policy focus on promoting education, particularly in rural areas, is expected to create a demand for notebooks, textbooks and other writing & printing paper products. Additionally, the growth of the e-commerce sector is creating opportunities for online stationery stores, which is expected to boost the sales of writing & printing paper products. Thus, we anticipate the demand in WPP segment to be moderately positive in the mid-term.

CAUSTIC SODA UNIT:

The Industry witnessed a volumes growth of ~3% in FY'23, however, the year also benefited domestic chemical manufacturers with high prices in some of the months of FY'23.

Two key factors in the global supply chain for caustic manufacturing led to significant volatility in prices, one was on account of volatility in fuel prices led to disruption in production in Asia and EU for few months and second, the disruption in global supply chain resulted in multi-fold increase in freight charges thus increasing the import parity delta up to ~ ₹ 10,000/MT.

REVIEW AND ANALYSIS OF OUR PERFORMANCE

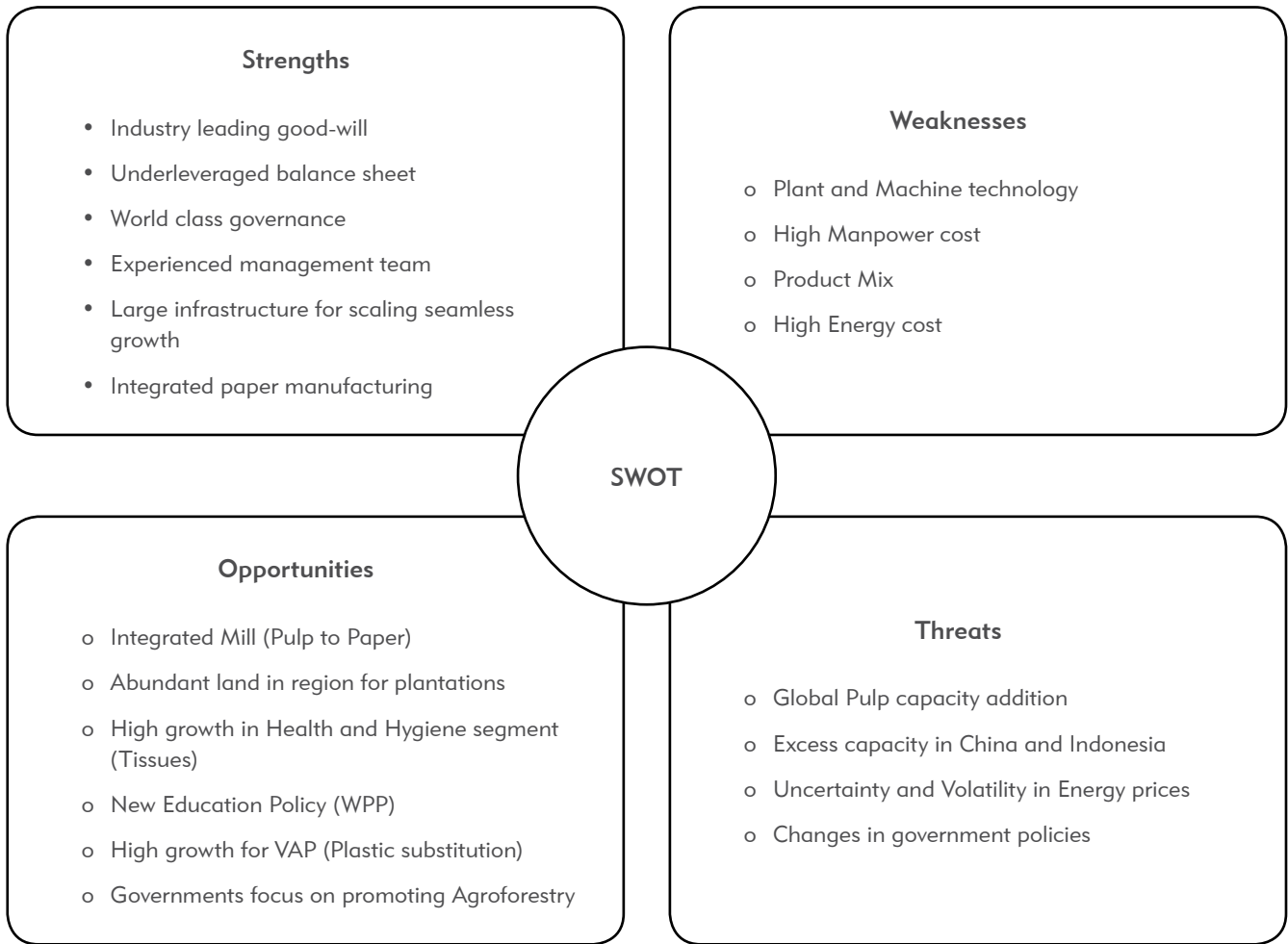
The year under review saw significant transition in the Company's strategy for attaining a sustainable, scalable and profitable business model. The Company adopted a thoughtful approach for the market segment for each product category like developing micro-market strategy for the core products and to expand the market presence for new products (mainly aimed at plastic substitution), in a structured manner.

Additionally, the Company also increased engagement across the value chain to develop the category for tissue.

On the operations side, our Company has established strong partnerships with several tier-1 technology providers for enhancing efficiency, improving reliability of operations and building a roadmap for debottlenecking capacity. The outcome of our engagements led to creation of a detailed roadmap for d-bottlenecking & modernisation of our capacity which formed the basis of our announcement of ₹ 475 cr. capex in March'23.

We transitioned from 100% in-house coal-based power generation to sourcing ~40% of our power needs from the grid as a first step towards energy transition by FY'25. We also set the foundation for our journey towards industry 4.0 with the implementation plan of a closed loop AI-ML based manufacturing & process excellence in next 24 months.

To add to our long-term competitiveness, we have significantly increased plantations around the local area. FY'23 saw us achieve highest ever direct plantations ~6395 acres. We also developed a blueprint for an exhaustive outreach program covering 1 lakh acres, enhancing the lives of 4,50,000 people.



TISSUE PAPER:

Orient Paper was the first company to launch tissue paper in India, having developed the value chain and category, it has the unique advantage of a deep understanding of the segment and goodwill across the value chain.

Tissue category continues to grow at a healthy rate of over 13%, this also attracts the attention of traders for imports at one end and domestic recycled tissue manufacturing on the other end.

In FY'23,

- tissue sales grew by 15 % as compared to FY'22
- pricing vs competition in all micro markets remained 2% higher.
- onboarded 8 new customers.
- volumes with key customers grew by 53%.
- volumes in target micro markets grew by 9% in North, 28% in West and 32% in South.

WRITING & PRINTING:

In the W&P segment, the company added several new product categories and worked towards increasing its relevance in the micro markets which led to a consistently healthy order book position and realisation of premium pricing.

In FY'23:

- WPP sales grew by 9 % as compared to FY'22.
- pricing vs competition in all micro markets remained ~4 % higher.
- commercialised several new products like cartridge, cup stock, pulp board & cover paper.
- volumes with key customers grew by 37%.
- volumes in micro markets grew by 11% in East UP, Delhi-NCR, 14% in MP- CG region.
- added 8 new customers and 2 new markets for VAP.

PULPING CAPACITY & EFFICIENCY

With the commissioning of the New Recovery Boiler, the Company debottlenecked its pulp capacity by ~24%. This has also helped the Company to increase availability of steam from the recovery boiler by 32% (from 22%) & increased the black liquor consumption by ~9% thereby reducing the cost while sustainably improving the reliability of the process.

POWER & COAL

The paper industry has historically relied heavily on coal consumption for energy and steam generation. However, the geopolitical developments post Russia - Ukraine war since Feb'22 led to unprecedented supply chain shocks resulting in all-time high for coal prices coupled with scarcity in supplies.

In the first half of FY'23, despite having secured ~74% of demand from Fuel Supply Agreement (FSA) with Coal India, the Company could hardly manage to get 41% supplies (shortfall of ~33%).

While managing the short term, our Company had developed a blueprint for its energy transition to achieve competitive energy cost sustainably and as an immediate measure we shifted 14MW on grid from Q3 which enabled us to get 100% of coal supplies through FSA and Coal India Auction thereby reducing our coal cost by 44.5%.

As a first step towards reducing our dependence on fossil fuel, we have also progressed on our energy transition agenda to become one of the world's first paper company to shift ~43% of its energy requirements to renewable sources, this transition is likely to take place in Q2 of FY'25.

OUR PERFORMANCE FOR THE FY 2022-23

Our turnover for the year was higher at ₹ 942.96 crores compared to ₹ 585.65 crores last year. Our net profit after tax was ₹ 99.25 crores this year.

We invested ₹ 130 crores on capital projects during the year.

CRITICAL RATIOS:

	2022-23	2021-22
(i) Debtors Turnover Ratio	45.94	23.23
(ii) Inventory Turnover Ratio	9.42	8.22
(iii) Interest Coverage Ratio	7.91	(0.64)
(iv) Current Ratio	0.77	0.46
(v) Debt Equity Ratio	0.18	0.14
(vi) Operating Profit Margin (%)	20.27	(1.32)
(vii) Return on Net Worth (%)	6.47	(2.05)

Reasons for significant changes in ratios have been explained in relevant sections above.

ENVIRONMENT PROTECTION & COMPLIANCE:

In FY'23 we have made a considerable progress on our ESG agenda, the approach has shifted from compliance to setting new benchmarks. Our action plan covers 16 out of the 17 UN-SDG goals, with significant focus on reducing the Eco-system Carbon Footprint, soil and water conservation.

We have done our GHG inventory analysis across scope-1,2,3 and are currently in the process of strategizing ways to reduce our carbon footprint.

As per UNFCCC-CDM methodology (AR-ACM0003) of carbon accounting via GHG removal – creating sinks by afforestation and reforestation activities, we will be carbon negative in 72 months (FY'29) considering CO₂ sequestration by our large-scale plantation initiatives across barren lands.

Our work on water conservation across our supply chain will help us conserve more water that we consume in our operations by FY'26 and by FY'30 we shall help conserve 2.6x water more water than our consumption.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company continues its policy of continuous training and motivation to achieve greater efficiencies and competencies. The total number of permanent employees as of 31st March, 2023 was 1315.

Industrial relations were harmonious. Safety, welfare and training at all levels of our employees continue to be the areas of major focus for the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established adequate internal control systems, which provide reasonable assurances regarding safeguarding of the Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. In addition to its own internal audit department, the Company has retained Ernst & Young (EY) to regularly review internal control systems in business processes and verify compliance with the laid down policies and procedures. Reports of these internal audits are reviewed by the senior management and are also placed before and comprehensively discussed in meetings of the audit committee. The audit committee reviews the adequacy of internal control systems, audit findings and suggestions. The internal audit group also keeps a track of and monitors the progress on implementation of suggestions for improvements.

The Company's statutory auditors regularly interact with the audit committee to share their findings and the status of further improvement actions under implementation.

OUTLOOK:

• Global influence

The ongoing disruption on the supply side continues to have significant implications for the business. In the first half of the year, approximately 2.5 million tonnes (~10% of global hard-wood capacity) is likely to be commissioned in low-cost countries (LATAM). This is likely to result in a sharp drop in pulp prices globally, resulting in pressure on paper prices. Although, the consumption is projected to increase by ~ 2%, it is likely that some high-cost capacity in north America and Europe may go out of system. Thus, it is anticipated that it may take up to eight quarters for this new low-cost capacity to be absorbed into the system.

• Cost implications

Fuel costs are likely to remain rangebound until clarity emerges on the Ukraine-Russia conflict. Similarly, raw material demand and supply are expected to remain range-bound on account of sustained demand of wood from the plywood and MDF value chain, with no additional supplies expected before 2026.

• Demand projections

We expect the WPP segment to experience lower single-digit growth (~4% volume growth vs. global degrowth of -0.5%), while the tissue segment is likely to witness a healthy ~13% growth.

With several new, value-added products being planned for commercial launch in FY'24, Orient shall shift its product mix for multi-year growth in various categories.

CAUTIONARY STATEMENT

Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events.

The Company assumes no responsibility in respect of forward-looking statements made herein which may undergo changes in future based on subsequent developments, information or events.

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholders' value. The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way so as to create value that can be sustained on a long-term basis for all its stakeholders including shareholders, employees, customers, government and the lenders. In addition to compliance with the regulatory requirements, the Company endeavours to ensure the highest standards of ethical conduct throughout the organization.

2. BOARD OF DIRECTORS

2.1 Board's Composition, Category and other relevant details of Directors

The Board of Directors of the Company comprises of six members, consisting of five Non-Executive Directors who account for more than 80% of the Board's strength as against the minimum requirement of 50% as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Out of six directors, four are Independent Directors. The Non-Executive Directors are eminent professionals with rich experience in business and industry, finance, law and public enterprises. Board's Composition, Category and other relevant details are as under:

Name of the Director	Category of the Director	Number of Directorship(s) held * (including the Company)	Number of Board Committee (s) of which he/she is a member** (including the Company)	Number of Board Committee (s) of which he/she is a Chairman** (including the Company)
Mr. Chandra Kant Birla (DIN 00118473)	Promoter, Non-Executive Chairman	8	-	-
Ms. Gauri Rasgotra (DIN 06862334)	Non-Executive Independent	2	2	2
Mr. Srinivasan Vishvanathan (DIN 02255828)	Non-Executive Independent	2	2	1
Mr. Ashwin Bishnoi (DIN 06862466)	Non-Executive Independent	2	2	-
Mr. Raj Kumar Agrawal (DIN 00177578)	Non-Executive Independent	2	1	1
Mr. Ashwin J. Laddha (DIN 09538310)	Executive- Managing Director & CEO	1	1	-

* Excluding Directorships in private limited companies, foreign companies and section 8 companies.

** Includes the membership/chairmanship only of Audit Committee(s) and Stakeholders' Relationship Committee(s).

2.2 The names of the other listed entities where directors of the Company are directors are as follows:

Name of the Director	Name of the other Listed Companies	Category of directorship
Mr. Chandra Kant Birla	Orient Cement Limited	Promoter, Non-executive Chairman
	Orient Electric Limited	Promoter, Non-executive Chairman
	HIL Limited	Promoter, Non-executive Chairman
	Birlasoft Limited	Non-executive Director
Ms. Gauri Rasgotra	HIL Limited	Independent Director
Mr. Srinivasan Vishvanathan	-	-
Mr. Ashwin Bishnoi	-	-
Mr. Raj Kumar Agrawal	Indag Rubber Limited	Independent Director
Mr. Ashwin J. Laddha	-	-

Statutory Report

2.3 Details of sitting fee, remuneration, among others, paid to Directors:

- a) The Non-Executive Directors were paid sitting fees of ₹ 1,00,000/- for attending meeting of the Board/Audit Committee and sitting fees of ₹ 50,000/- was paid for attending meeting of other committees.

Name of the Director	Remuneration paid during 2022-23 for attending meetings of the Board and/or Committees thereof (amount in Rupees)		
	Fee	Commission	Total
1. Mr. Chandra Kant Birla	5,00,000	7,00,000	12,00,000
2. Ms. Gauri Rasgotra	5,50,000	7,00,000	12,50,000
3. Mr. Srinivasan Vishvanathan	11,50,000	7,00,000	18,50,000
4. Mr. Ashwin Bishnoi	5,50,000	7,00,000	12,50,000
5. Mr. Raj Kumar Agrawal	11,00,000	7,00,000	18,00,000
Total	38,50,000	35,00,000	73,50,000

- b) The details of remuneration of Mr. Ashwin J. Laddha, Managing Director & CEO:

Particulars	Remuneration* (Amount in Rupees)
Salary	65,00,004
Perquisites & other benefits	1,25,41,492
Contributions to P.F./ National Pension Scheme	14,30,004
Total	2,04,71,500

*The above Remuneration does not include contribution to Gratuity Fund.

The appointment of Managing Director & CEO is contractual in nature for a period of three year with effect from 1st April, 2022, as approved by the shareholders and is terminable by either side on three months' notice. No severance fee is payable to the Managing Director & CEO upon termination of his employment.

2.4 Number of Board Meetings held and attended by Directors

- a) Five meetings of the Board of Directors were held during the year ended 31st March, 2023 on 29th May, 2022, 9th August, 2022, 10th November, 2022, 3rd February, 2023 and 15th March, 2023.
- b) The attendance record of each of the Director at the Board meetings during the year ended 31st March, 2023 and of the last Annual General Meeting is as under:

Name of the Director	Number of Board Meeting attended	Attendance at the last AGM
Mr. Chandra Kant Birla	5	Yes
Ms. Gauri Rasgotra	3	No
Mr. Srinivasan Vishvanathan	5	Yes
Mr. Ashwin Bishnoi	3	Yes
Mr. Raj Kumar Agrawal	5	No
Mr. Ashwin J. Laddha	5	Yes

2.5 Disclosure of relationships between directors inter-se

There is no relationship between directors inter-se.

2.6 Details of shares held by Directors

Name of the Director	Number of shares held
Mr. Chandra Kant Birla	34,05,893
Ms. Gauri Rasgotra	Nil
Mr. Srinivasan Vishvanathan	Nil
Mr. Ashwin Bishnoi	Nil
Mr. Raj Kumar Agrawal	Nil
Mr. Ashwin J. Laddha	1,13,000

2.7 Familiarisation Programme

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia explains the role, functions, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant Acts, Rules and Regulations. With a view to familiarise him with the Company's operations, the Managing Director has a personal discussion with the newly appointed Director.

At various Board meetings during the year, quarterly presentations are made on operations that include information on business performance, operations, projects, market share, financial parameters, working capital management, fund flows etc.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role as a Director of the Company. Details of the familiarisation programme imparted to the Independent Directors are displayed on the website of the Company at the weblink http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Familiarisation-Programme.pdf

2.8 The skills/expertise/competence of the Board of Directors requires for the Company can be broadly categorised as follows:

• Knowledge of Industry	• Financial Experience	• Risk Management
• Effective leadership	• Corporate Sustainability and Responsibility	• Innovation and Research and Development

The Board is skill-based comprising of directors who collectively have the skills, knowledge and competencies to effectively govern and direct the organisation.

The skills, knowledge and competencies required on the Board will change as the organisation evolves.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above. All the Directors of the Company have the skills, knowledge and competencies to effectively govern and direct the organization.

3. AUDIT COMMITTEE

3.1 The Board has constituted a well-qualified Audit Committee. The terms of reference of the Audit Committee cover the matters specified for audit committees under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as provisions of the Companies Act, 2013 which broadly includes:

- (i) Review of financial reporting processes
- (ii) Review of risk management, internal control and governance processes
- (iii) Review of quarterly, half yearly and annual financial statements
- (iv) Interaction with statutory, internal and cost auditors
- (v) Review of related party transactions

3.2 The Audit Committee comprises of four Non-Executive Independent Directors, namely:

- (1) Mr. Srinivasan Vishvanathan
- (2) Ms. Gauri Rasgotra
- (3) Mr. Ashwin Bishnoi
- (4) Mr. Raj Kumar Agrawal

Mr. Srinivasan Vishvanathan is the Chairman of the Committee.

3.3 Four meetings of the Audit Committee were held during the year ended 31st March, 2023 on 29th May, 2022, 9th August, 2022, 10th November, 2022 and 3rd February 2023.

3.4 The attendance of each Audit Committee member was as under:

Name of the member	Number of meetings attended
Mr. Srinivasan Vishvanathan	4
Ms. Gauri Rasgotra	2
Mr. Ashwin Bishnoi	2
Mr. Raj Kumar Agrawal	4

3.5 At the invitation of the Company, Statutory Auditors and Internal Auditors attended the meetings. The Managing Director & CEO, President (Finance) & CFO and the Head of internal audit attended the Audit Committee Meetings, as and when required, to brief the Committee and to answer and clarify queries raised at the Committee meetings. The Company Secretary acts as the Committee's Secretary. In addition, other concerned officers of the Company/external agencies/ professionals also attended the Audit Committee meetings to brief the Committee and clarify any queries raised by the Committee, as and when required.

3.6 Mr. Somnath Mukherjee, Cost Accountant in practice, was appointed as the Cost Auditor of the Company for the financial year 2022-23. The Company has maintained the cost accounts and records pertaining to the products under audit, as required, which have been duly audited by the Cost Auditor. Cost audit report for the financial year 2021-22 was filed on 6th September, 2022.

4. NOMINATION & REMUNERATION COMMITTEE

4.1 The terms of reference of the Committee, inter alia, include the following:

- a. formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
- b. advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management Personnel;
- c. monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
- d. monitoring and evaluating the application of this Policy;
- e. monitoring and evaluating current remuneration structures and levels in the Company.

In reviewing the overall remuneration of the Board of Directors and Senior Management, efforts are made to ensure that remuneration of the Non-Executive Directors and the Executives matches the level in comparable companies, whilst also taking into consideration their

Statutory Report

required competencies, effort and the scope of the work and/or responsibility as the senior management.

- 4.2 The Nomination & Remuneration Committee of the Directors of the Company comprises three Independent Directors, namely (1) Mr. Srinivasan Vishvanathan, (2) Mr. Ashwin Bishnoi and (3) Mr. Raj Kumar Agrawal.

Mr. Srinivasan Vishvanathan is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

- 4.3 One meeting of the Nomination & Remuneration Committee was held during the year ended 31st March, 2023, on 29th May, 2022.

The attendance of each Committee member was as under:

Name of the member	Number of meetings attended
Mr. Srinivasan Vishvanathan	1
Mr. Ashwin Bishnoi	-
Mr. Raj Kumar Agrawal	1

4.4 Remuneration Policy

The Nomination and Remuneration Committee (NRC) has adopted a Nomination and Remuneration Policy which, inter alia, deals with manner of selection and determining remuneration of the directors and executives of the Company. The extracts of the contents of the Policy are as under:

a) Remuneration to Executive Directors and KMPs:

Remuneration structure of the Executive Directors and KMPs may include the following components:

Fixed Salary:

- Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made thereunder and / or Listing Regulations, for the time being in force. The monthly remuneration shall include basic salary, special pay, house rent allowance (as per statutory limits) and other components as may be considered appropriate.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee within the statutory limits, wherever applicable and approved by the shareholders and Central Government, wherever required.

Variable components:

- The Executive Director and KMP participate in a performance linked variable pay scheme which will be based on the individual and Company's performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration.

Reimbursement of Expenses:

- The Executive Directors and KMPs are also entitled for reimbursement of several work-related expenses, including car, telephones, broadband at home and work-related newspapers and magazines as per statutory provisions. However, reimbursement of these expenses incurred for official purposes shall not be part of the remuneration.

Subsequent Change / Increments:

Any subsequent change / increments in the remuneration of Executive Directors shall be approved by the Board in accordance with the recommendation of the Committee, subject to the statutory provisions and the approval of the shareholders and Central Government, wherever required.

b) Remuneration to Non-Executive Directors:

Remuneration to Non-Executive Directors (including independent Directors) on the Board may consist of the following components:

Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act for per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Profit related commission:

The Non-Executive Directors are entitled to profit related commission at such percentage, not exceeding the limit prescribed in the Act, of the net profits of the Company, as shall be approved by the shareholders of the Company.

However, the Board, on the recommendation of the Committee, shall review and approve the remuneration payable to Non-Executive Directors (including Independent Directors) of the Company within the overall limits approved by the shareholders (excluding sitting fees), wherever such approval is required. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total

annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

Reimbursement of expenses:

The Non-Executive Directors shall be reimbursed with the expenses in connection with Board and committee meetings.

c) Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly by way of remuneration any such sum in excess of the limits prescribed under the Act or without approval as may be required under the Act, he/she shall refund such sum to the Company within a period of two years or such lesser period as may be specified by the Board and until such sum is refunded, hold it in trust for the Company.

d) Remuneration to Senior Management Personnel:

i. The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Senior Management Personnel of the Company, which shall include all remuneration payable, in whatever form.

ii. Where any insurance is taken by the Company on behalf of its Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

iii. Remuneration to Senior Management Personnel may consist of the following components:

Fixed pay:

- Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by Board on the recommendation of the Committee.

Variable components:

The Senior Management Personnel participate in a performance linked variable pay scheme which will be based on the individual and Company's performance for the year, pursuant to which the Senior Management Personnel may be entitled to performance-based variable remuneration.

Evaluation of Performance of Directors, Board as a whole and Committees thereof

Performance Evaluation criteria of Directors, Board as a whole and Committees thereof is as follows:

- a. At least one meeting of the Independent Directors be held in a financial year.
- b. Independent Directors, in their meeting, shall:
 - i) review the performance of non-independent directors and the Board as a whole;
 - ii) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
 - iii) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

Independent Directors will do the above evaluation based on structured questionnaires.

- c. Report of performance evaluation done by the Independent Directors to be submitted to the Chairman of the Board / authorised Director / official in sealed envelope.
- d. Board of Directors will evaluate the performance of the Board, its Committees and the Executive, Non-Executive and Independent Directors in the financial year. The Director being evaluated will not participate in his own evaluation process. Set of structured questionnaires to be circulated to the Board / Committee Members. Evaluation to be carried based on responses of individual Directors / Committee Members on the questionnaires.
- e. The final report of performance evaluation as stated above shall be kept either in the custody of the Chairman of the Board or such other official as may be so authorized.
- f. Committee shall review the performance evaluation process.

The policy is also posted on the website of the Company http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Nomination-Remuneration-Policy.pdf

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

5.1 The scope/terms of reference to the Stakeholders Relationship Committee are as under:

- a. Resolving the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report,

Statutory Report

non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

5.2 The Committee comprises two Non-Executive Independent Directors, namely, Ms. Gauri Rasgotra, Mr. Srinivasan Vishvanathan and an Executive Director, Mr. Ashwin J. Laddha.

Ms. Gauri Rasgotra is the Chairperson of the Committee.

Mr. R. P. Dutta, the Company Secretary is the Compliance Officer.

During the year ended 31st March, 2023, 58 numbers of complaints were received from the shareholders and were attended in time and there were no grievances pending as on 31st March, 2023. There were no share transfers pending for registration for more than 15 days as on 31st March, 2023.

5.3 One Stakeholders Relationship Committee meeting was held during the year ended 31st March, 2023, on 10th November, 2022. The attendance of each Committee member was as under:

Name of the member	Number of meetings attended
Ms. Gauri Rasgotra	-
Mr. Srinivasan Vishvanathan	1
Mr. Ashwin J. Laddha	1

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Corporate Social Responsibility ("CSR") at Orient Paper & Industries Limited portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and economic development on regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates. We are of opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.

6.1 The Scope of the CSR Committee broadly includes -

- (i) Formulate and review the CSR Policy;

(ii) Formulate and recommend to the Board for its approval, an annual action plan every financial year outlining the following:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the Company.

6.2 The CSR Committee comprises two Non-Executive Independent Directors, namely, Ms. Gauri Rasgotra, Mr. Ashwin Bishnoi and an Executive Director, Mr. Ashwin J. Laddha.

Ms. Gauri Rasgotra is the Chairperson of the Committee.

The Company Secretary acts as Secretary to the Committee.

6.3 One CSR Committee meeting was held during the year ended 31st March, 2023, on 29th May, 2022. The attendance of each Committee member was as under:

Name of the member	Number of meetings attended
Ms. Gauri Rasgotra	1
Mr. Ashwin Bishnoi	-
Mr. Ashwin J. Laddha	1

The policy is also posted on the website of the Company at the weblink http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/CSR-Policy.pdf.

7. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted a Risk Management Committee ('RMC') in terms of the requirements under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Committee, inter alia, shall frame, implement and monitor the Risk Management Plan for the Company.

7.1 The Scope/Terms of Reference of RMC broadly includes -

- i. To formulate a risk management policy of the Company which shall include:
 - a. A framework for identification of internal and external risks, in particular including financial, operational, sectoral, strategic, compliance, reputational, sustainability (particularly, ESG related risks), business continuity plan,

information, cyber security risks or any other risk as may be determined by the Committee.

- b. Measures for risk mitigation including systems and processes for internal control of identified risks.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- iii. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
- iv. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- v. Ensuring compliance with regulatory requirements and best practices with respect to risk management.
- vi. Submit half-yearly report on effectiveness of Risk Management Framework to the Board of Directors and Audit Committee.

7.2 The composition of the Risk Management Committee is as under:

Name of the Member	Category of Directors
1) Mr. Raj Kumar Agrawal	Independent Director
2) Ms. Gauri Rasgotra	Independent Director
3) Mr. S. Vishvanathan	Independent Director

Mr. Raj Kumar Agrawal is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

7.3 Two meetings of the Risk Management Committee were held during the year ended 31st March, 2023, on 23rd September, 2022 and 21st February, 2023. The attendance of each Committee member was as under:

Name of the member	Number of meetings attended
Mr. Raj Kumar Agrawal	2
Ms. Gauri Rasgotra	-
Mr. S. Vishvanathan	2

8. DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company and can be accessed at http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Dividend-Distribution-Policy.pdf.

9. MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors was held on 15th March, 2023, inter alia to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors except Ms. Gauri Rasgotra attended the meeting.

On the basis of declarations/certificates received, the Board confirms that in its opinion, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

10. WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement in line with the objective of strengthening the Governance mechanism and to report to the Audit Committee instances of illegal or unethical practices/behaviour, actual or suspected fraud or violation of the Company's Code of Conduct .

All stakeholders including directors and individual employee(s) & their representative bodies are eligible to make Protected Disclosures under this Policy. The policy is also posted on the website of the Company at the weblink http://www.orientpaperindia.com/resources/fck_upload/codeandpolicies/Whistle-Blower-Policy.pdf

All protected disclosures should be addressed to the designated officer or in exceptional circumstances to the Chairman of the Audit Committee.

The contact details of the Designated Officer are:

The Company Secretary
Orient Paper & Industries Limited
Birla Building, 9th floor, 9/1, R. N. Mukherjee Road
Kolkata 700001
email: cosec@opil.in

The contact details of the Chairman of the Audit Committee are:

The Chairman of the Audit Committee
C/o The Company Secretary
Orient Paper & Industries Limited
Birla Building, 9th floor, 9/1, R. N. Mukherjee Road
Kolkata 700 001

Protection will be given to Whistle Blowers against any unfair practice. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Disclosure. No person was denied access to the Audit Committee.

11. GENERAL BODY MEETINGS

11.1 The details of Annual General Meeting held in last three years are as under:

Year	Day	Date	Time	Venue	Whether Special Resolution passed
2019-20	Thursday	27.08.2020	11.00 AM	Through Video Conferencing / Other Audio-Visual Means	Yes
2020-21	Friday	27.08.2021	11.00 AM	Through Video Conferencing / Other Audio-Visual Means	Yes
2021-22	Wednesday	10.08.2022	11.00 AM	Through Video Conferencing / Other Audio-Visual Means	No

11.2 Postal Ballot

The Company has passed two special resolutions through Postal Ballot during the Financial year 2022-23, for appointment of Mr. Ashwin J. Laddha as the Managing Director & CEO of the Company for a period of three years from 1st April, 2022 to 31st March, 2025 and approval of terms of remuneration of Mr. Ashwin J. Laddha as the Managing Director & CEO of the Company.

Date of Notice: 27th April, 2022

Date of Declaration of Results: 3rd June, 2022

Sl. No.	Description of Resolutions	Type of Resolutions	No. of valid votes received	No. and % of votes in favour	No. and % of votes in against
(i)	Appointment of Mr. Ashwin J. Laddha as Managing Director & CEO of the Company.	Special	12,82,08,736	12,81,95,408 (99.9896%)	13,328 (0.0104%)
(ii)	Approval of terms of Remuneration of Mr. Ashwin J. Laddha as Managing Director & CEO of the Company.	Special	12,82,08,736	12,71,33,369 (99.1612%)	10,75,367 (0.8388%)

Mr. Atul Kumar Labh, Practising Company Secretary (Membership No. FCS 4848), of M/s. A.K. Labh & Co., Company Secretaries, Kolkata, was appointed as the Scrutinizer to scrutinize the Postal ballot voting process, in a fair and transparent manner.

The Company has followed the procedure prescribed for conduct of Postal ballot under the provisions of the Companies Act, 2013, rules made thereunder along with the circulars issued by the Ministry of Corporate Affairs read with the Listing Regulations.

12. MEANS OF COMMUNICATION

Quarterly/half yearly and annual financial results are normally published in one English daily newspaper circulating in the whole/substantially the whole of India and in one daily newspaper published in Oriya language and are promptly furnished to the stock exchanges for display on their respective websites. The results are also displayed on the website of the company www.orientpaperindia.com. Management Discussion & Analysis forms part of the Annual Report.

Presentations made to institutional investors or to the analysts, if any, are promptly furnished to the Stock Exchanges for display on their respective websites and are also made available on the website of the Company along with transcripts of calls.

13. FINANCIAL CALENDAR (FY 2023-24)

First quarterly results	Before 14 th August, 2023
Second quarterly results	Before 14 th November, 2023
Third quarterly results	Before 14 th February, 2024
Audited yearly results for the year ending 31 st March, 2024	Before end of May, 2024

14. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

A Code of Conduct as applicable to the Directors and the members of the senior management was approved by the Board and the same is being duly abided by all of them. Declaration to this effect was obtained from the Managing Director & CEO of the Company and is annexed herewith as Annexure I.

15. CEO/CFO CERTIFICATE

The Managing Director & CEO and Chief Financial Officer have issued certificate pursuant to the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed herewith as Annexure II.

16. COMPLIANCE CERTIFICATE

Compliance certificate for Corporate Governance from auditors of the Company is annexed herewith as Annexure III.

A Certificate from a company secretary in practice confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed herewith as Annexure IV.

17. GENERAL SHAREHOLDER INFORMATION

17.1 Annual General Meeting ("AGM")

Day & Date: Tuesday, 8th August, 2023

Time: 11:00 AM

Mode: Video Conferencing/ Other Audio Visual Means

17.2 Financial Year

The Company follows 1st April to 31st March as Financial year.

17.3 Dividend Payment Date

Dividend for the year 2022-23

(subject to approval by the shareholders):

Within 30 days from the date of AGM

17.4 Listing on stock exchanges

The equity shares of the Company are listed at the following stock exchanges:

(i) BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

(ii) National Stock Exchange of India Limited

"Exchange Plaza", C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

The Annual Listing fee for the year 2022-23 has been paid to the aforesaid stock exchanges. The Company has also paid the Annual Listing fees to the stock exchanges for the year 2023-24.

17.5 Stock code

BSE Limited	502420
National Stock Exchange of India Limited.	ORIENTPPR

17.6 Book Closure

From 2nd August, 2023 to 8th August, 2023 (both days inclusive).

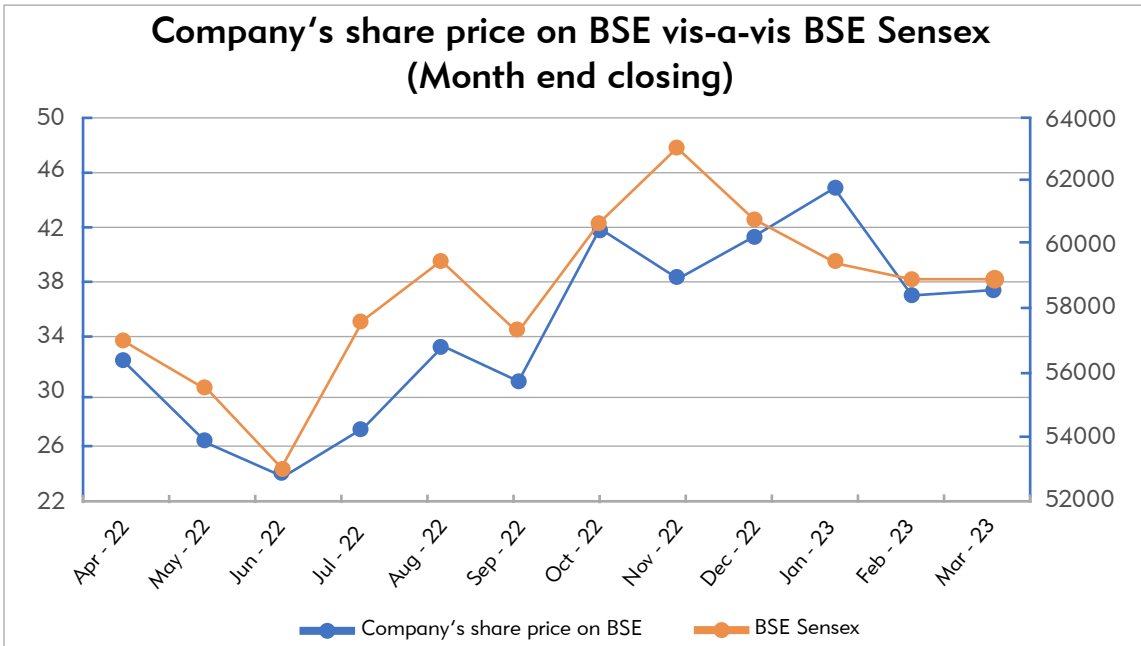
17.7 Market price data

The details of monthly highest and lowest quotations of the Company's equity shares on BSE Ltd. (BSE) and National Stock Exchange of India Ltd (NSE) during financial year 2022-23 are as under:

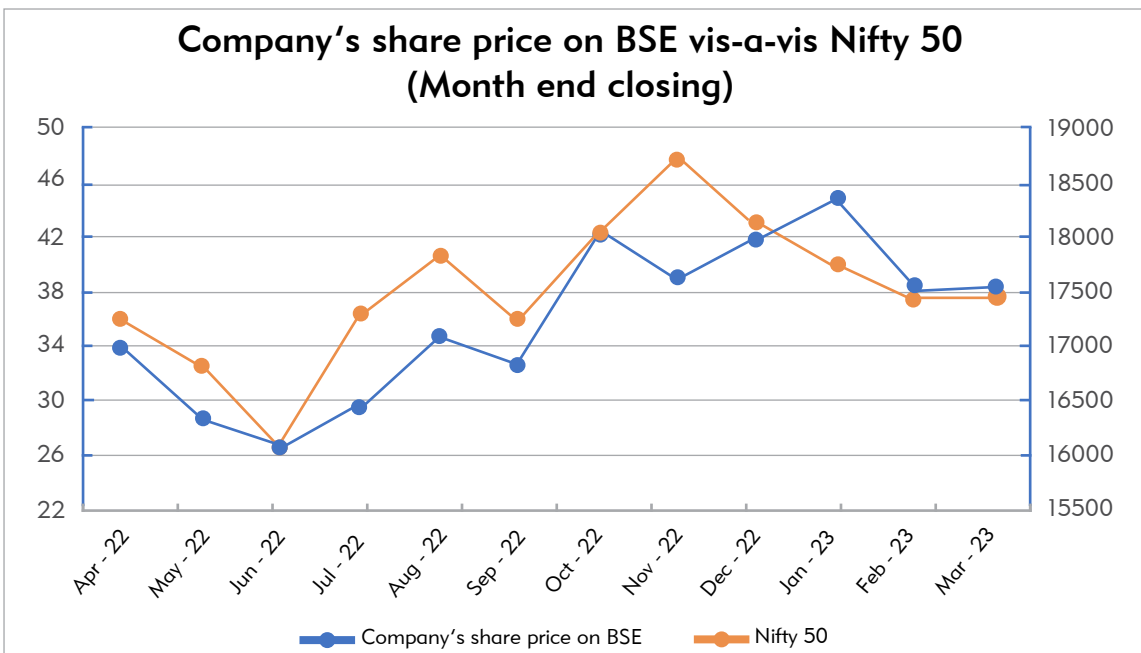
Month	BSE		NSE	
	High	Low	High	Low
April 2022	37.6	32.05	37.6	32
May 2022	32.4	25.55	32.4	25.1
June 2022	26.9	19.8	26.75	19.8
July 2022	28.5	23.5	28.5	23.55
August 2022	34.25	27.4	34.3	27.5
September 2022	36.05	28.75	36	28.65
October 2022	42.25	30.2	42.25	30.05
November 2022	42.6	37.65	42.65	37.55
December 2022	43.8	35.2	43.75	35.25
January 2023	45.8	40.65	45.75	40.75
February 2023	46.3	36.15	45.9	36
March 2023	40.61	34.35	40.65	34.35

17.8 Performance in comparison to broad based indices:

i. Company’s share price on BSE vis-à-vis BSE Sensex (Month end closing)



ii. Company’s share price on NSE vis-à-vis Nifty 50 (Month end closing)



17.9 Registrar and Share Transfer Agent (RTA)

KFin Technologies Limited
 Selenium Building, Tower-B, Plot No. 31-32
 Financial District, Nanakramguda, Serilingampally
 Hyderabad, Rangareddy, Telangana, India-500032
 Email: einward.ris@kfintech.com
 Toll Free/ Phone Number: 1800 309 4001
 WhatsApp Number: (91) 910 009 4099
 KPRISM (Mobile Application): <https://kprism.kfintech.com/>
 KFINTECH Corporate Website : www.kfintech.com
 RTA Website : <https://ris.kfintech.com>
 Investor Support Centre (DIY Link) : <https://ris.kfintech.com/clientservices/isc>

17.10 Share Transfer System

In terms of Regulation 40(1) of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form. Further, SEBI vide its Circular dated 25th January, 2022, mandated all listed companies to issue securities in dematerialised form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

17.11 Distribution of shareholding as on 31st March, 2023

No. of equity shares	No. of holders	% of holders	No. of shares	% of total shares
1 – 5000	77911	97.41	29881004	14.08
5001 – 10,000	1028	1.29	7898170	3.72
10,001 - 20,000	511	0.64	7462682	3.52
20,001 - 30,000	181	0.23	4574892	2.16
30,001 - 40,000	78	0.10	2734787	1.29
40,001 - 50,000	56	0.07	2641467	1.24
50,001 - 100,000	103	0.13	7340497	3.46
1,00,001 and above	111	0.14	149652003	70.53
Total	79979	100.00	212185502	100.00

17.12 Shareholding pattern as on 31st March, 2023

Category of Shareholder	No. of holders	No. of shares	% of total shares
1. PROMOTER AND PROMOTER GROUP	17	82193294	38.74
2. PUBLIC			
2.A. Institution			
Mutual funds	4	17722134	8.35
Foreign Portfolio Investors	22	1921299	0.91
Banks	9	147660	0.06
Overseas Corporate Bodies	2	3813748	1.80
2.B. Non-Institutions			
Resident Individuals	77182	66336541	31.26
NBFC	1	1100	0.00
Trusts	7	830440	0.39
Non-Resident Indians	500	1134169	0.53
Clearing Members	30	253088	0.12
Non-Resident Indian Non Repatriable	289	889303	0.42
Bodies Corporate	463	31647108	14.91
Qualified Institutional Buyer	1	449538	0.21
IEPF	1	889472	0.42
HUF	1451	3956608	1.86
Total	79979	212185502	100.00

17.13 Dematerialisation of equity shares and liquidity

As on 31st March, 2023, 99.66 % of the Paid-up equity share capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

	NSDL	CDSL	Physical	Total
Shares (nos.)	17,42,13,183	3,72,50,930	7,21,389	21,21,85,502
Share (%)	82.10	17.56	0.34	100

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE592A01026.

Statutory Report

17.14 Commodity price risk or foreign exchange risk and hedging activities

The Company is not having much exposure to foreign exchange and there is a natural hedge available in terms of exports made by the Company.

The Company manages fluctuations in raw materials prices through stocking by advance procurement when prices are perceived to be low and also by entering into periodic buying contracts as strategic sourcing initiative to keep raw material availability and prices in check.

17.15 Unclaimed Shares in demat suspense account/ unclaimed suspense account

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

17.16 Payment of fees to the Auditors

Fees paid to the Price Waterhouse & Co. Chartered Accountants LLP (erstwhile Statutory Auditors) : ₹ 5 lacs.

Fees paid to B S R & Co. LLP, Chartered Accountants (Statutory Auditors): ₹ 24 lacs

17.17 Plants (manufacturing units):

- a. Orient Paper Mills, P.O. Amlai, Dist. Shahdol, Madhya Pradesh - 484117
- b. Orient Paper Mills, P.O. Brajrajnagar, Dist. Jharsuguda, Odisha - 768216 (non operational)

17.18 Address for correspondence:

Orient Paper & Industries Limited
Birla Building, 9th Floor, 9/1, R. N. Mukherjee Road, Kolkata – 700001 (WB)
Email id: cosec@opil.in
Ph: 033 4082 3700/22200600

17.19 Credit ratings

Care Ratings Limited has given the credit rating of CARE A+ (Single A Plus)/Stable for long term bank facilities and CARE A1+ (A One Plus)/Stable for short term bank facilities. The details of Credit Ratings are available on the website at <http://www.orientpaperindia.com/rating>

18. OTHER DISCLOSURES

- i) There were no material related party transactions that may have potential conflict with the Company's interest at large.

- ii) No penalties or strictures were imposed on the Company by stock exchanges or the SEBI or any statutory authority on any matter related to capital markets during the last three years.
- iii) During the year under review, there were no instances wherein recommendation of any Committee of the Board, which is mandatorily required for approval of the Board, were not accepted by the Board.
- iv) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a) No. of complaints filed during the year: Nil
 - b) No. of complaints disposed by the committee during the year: Nil
 - c) No. of complaints pending before the committee as on end of the financial year: Nil
- v) The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company and takes steps to rectify instances of non-compliances, if any.
- vi) The Company has plans in place for orderly succession for appointment to the Board of Directors and senior management.
- vii) The Company does not have any Subsidiary.
- viii) The Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.
- ix) The Company has disseminated all the information on its website www.orientpaperindia.com in terms of the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- x) All the information required to be placed in terms of the Part A of Schedule II to the Listing Regulation are regularly placed before the Board of Directors of the Company.
- xi) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

The above report was placed before the Board at its meeting held on 18th May, 2023 and was approved.

Declaration Regarding Code of Conduct

The Board of Directors
Orient Paper & Industries Limited

This is to confirm that the Company has received affirmation of compliance with "The Code of Conduct for Directors and Senior Executives" from all the Directors and Senior Executives of the Company to whom the same is applicable, for the year ended 31st March, 2023.

New Delhi, 18th May, 2023

Ashwin J. Laddha
Managing Director & CEO
(DIN: 09538310)

CEO/CFO Certificate

The Board of Directors
Orient Paper & Industries Limited

We hereby certify that: -

- a) We have reviewed financial statement and the cash flow statement for the financial year 2022-23 and that to the best of our knowledge and belief: -
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements, present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2022-23 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - i) Significant changes in internal control during the said financial year
 - ii) Significant changes in accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

New Delhi, 18th May, 2023

Ashwin J. Laddha
Managing Director & CEO
(DIN: 09538310)

P.K. Sonthalia
President (Finance) & CFO
(PAN: ALQPS6822D)

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Orient Paper & Industries Limited
Unit VIII, Plot No. 7
Bhoinagar, Bhubaneswar – 751 012
Odisha

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Orient Paper & Industries Limited** having CIN : L21011OR1936PLC000117 and having registered office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751 012, Odisha (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Chandrakant Birla	00118473	29.09.1978
2.	Raj Kumar Agrawal	00177578	27.01.2020
3.	Srinivasan Vishvanathan	02255828	25.03.2019
4.	Gauri Rasgotra	06862334	26.09.2014
5.	Ashwin Bishnoi	06862466	01.08.2019
6.	Ashwin J. Laddha	09538310	01.04.2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date : 18th May, 2023

Name : **CS Atul Kumar Labh**
Membership No. : FCS 4848
CP No. : 3238
PRCN : 1038/2020
UIN : S1999WB026800
UDIN : F004848E000326444

Auditors' Certificate regarding compliance of conditions of Corporate Governance

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF ORIENT PAPER & INDUSTRIES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated May 08, 2023 and addendum to the engagement letter dated May 08, 2023.
2. We have examined the compliance of conditions of Corporate Governance by **Orient Paper & Industries Limited** ("the Company"), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & CO LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayanta Mukhopadhyay
Partner

Membership No: 055757
UDIN: 23055757BGYIHQ1543

Place: Kolkata
Date: 18 May 2023

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Company details:

S. No.	Questions	Responses
1.	Corporate Identity Number (CIN) of the Listed Entity	L21011OR1936PLC000117
2.	Name of the Listed Entity	ORIENT PAPER & INDUSTRIES LIMITED
3.	Year of incorporation	1936
4.	Registered office address	Unit - VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751 012 (Odisha)
5.	Corporate address	Birla Building, 9 th floor, 9/1, R. N. Mukherjee Road, Kolkata - 700 001 (WB)
6.	E-mail	cosec@opil.in
7.	Telephone	Ph: (0674) 2396930 Fax: (0674) 2951364
8.	Website	www.orientpaperindia.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	INR 21.22 crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ram Prasad Dutta Company Secretary, Orient Paper & Industries Limited. Birla Building, 9/1, R.N. Mukherjee Road, Kolkata - 700001 Email id: cosec@opil.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On a standalone basis

II. Product and Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1)	Writing, Printing & Publishing	The company's main operations include the manufacturing and sales of pulp and WPP reels and sheets.	40.73%
2)	Tissue	The company specializes in the production of pulp and tissue jumbo rolls and engages in both domestic sales and exports of their products.	40.98%
3)	Caustic Soda & Other Chemicals	The company engages in the manufacturing of various chemicals, including CS flakes, CS lye, hydrochloric acid, liquified chlorine and bleaching powder, which are then domestically sold to customers within the country.	17.37%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1)	Paper & Tissue	1701	81.71%
2)	Chemicals	2011	17.37%

III. Operations

	Location	Number of plants	Number of offices	Total
16. Number of locations where plants and/or operations/offices of the entity are situated	National	1	4	5
	International	Nil	Nil	Nil
17. Markets served by the entity:				
	Locations	Number		
a. Number of locations	National (No. of States)	21 States & 4 UT		
	International (No. of Countries)	8		
b. What is the contribution of exports as a percentage of the total turnover of the entity?		11.30%		
c. A brief on types of customers	<p>WPP: The company serves a diverse range of customers, including publishers who require paper products for printing books, commercial printers who need high-quality paper and printing supplies, notebook manufacturers who rely on the company's paper products for producing notebooks and cup manufacturers who require specialized materials for making cups and other disposable containers.</p> <p>Tissue: The company primarily caters to tissue converters who require specialized materials to produce napkins, facial tissues, towels and toilet paper, offering high-quality jumbo rolls of pulp and tissue that are optimized for use in the tissue converting industry.</p> <p>Caustic Soda & Other Chemicals: The company's customer base includes traders and distributors, as well as manufacturers in a variety of industries such as soap, textile, aluminum, iron and steel, bleaching, CPW, water purification, sanitization and other organic and inorganic chemical industries, who rely on the company's broad range of chemical products for their manufacturing and distribution needs.</p>			

IV. Employees

18. Details as at the end of Financial Year: a. Employees and workers (including differently abled): - (employee details throughout the report are provided for operational units that contribute to business)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1)	Permanent (D)	457	450	98.5%	7	1.5%
2)	Other than Permanent (E)	35	33	94.3%	2	5.7%
3)	Total employees (D + E)	492	483	98.2%	9	1.8%
WORKERS						
1)	Permanent (F)	804	803	99.9%	1	0.1%
2)	Other than Permanent (G)	1649	1572	95.3%	77	4.7%
3)	Total workers (F + G)	2453	2375	96.8%	78	3.2%
DIFFERENTLY ABLED EMPLOYEES						
1)	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2)	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3)	Total employees (D + E)	Nil	Nil	Nil	Nil	Nil
DIFFERENTLY ABLED WORKERS						
1)	Permanent (F)	4	4	100%	Nil	Nil
2)	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
3)	Total workers (F + G)	Nil	Nil	Nil	Nil	Nil

Statutory Report

19. Participation/Inclusion/Representation of women -

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.66%
Key Management Personnel	3	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years) –

	FY23			FY22			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.0%	0.7%	19.7%	20.1%	0.0%	20.1%	14.9%	0.5%	15.3%
Permanent Workers	7.0%	0.0%	7.0%	6.3%	0.0%	6.3%	7.8%	0.0%	7.8%

V. Holding, subsidiary and associate companies (including joint ventures)

21. Names of holding/subsidiary / associate companies / joint ventures -

S.no	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Nil	Nil	Nil	Nil

VI. CSR Details

22. CSR details

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013:	Yes
(ii) Turnover (in ₹) for FY22	585.65 crore
(iii) Net worth (in ₹) as on 31 March 2022	1552.85 crore

VII. Transparency and disclosures compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY'23			FY'22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	-	Nil	Nil	-
Investors	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	58	Nil	-	83	Nil	-
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	No	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil

24. Overview of the entity's material responsible business conduct issues –

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1)	Energy Management	Risk/ Opportunity	<p>Energy management represents both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: The industry is a significant consumer of energy, with large amounts of electricity, heat and steam required for the production process. This dependency on energy makes the industry vulnerable to price fluctuations and supply chain disruptions, which can lead to increased costs and reduced competitiveness.</p> <p>Opportunity rationale: Effective energy management presents an opportunity for the industry to reduce costs, enhance operational efficiency and improve sustainability. By implementing energy-efficient technologies and processes and by utilizing renewable energy sources such as biomass, the industry can reduce its environmental footprint while also improving its bottom line. Additionally, effective energy management can enhance the industry's reputation as a responsible and sustainable sector, which can in turn lead to increased customer loyalty and market share.</p>	<p>To adopt energy-efficient technologies and processes, optimize energy consumption and diversify energy sources.</p> <p>Investment in renewable energy sources such as wind, solar and biomass, to reduce reliance on fossil fuels and mitigate the environmental impact of our operations.</p> <p>Engagement with stakeholders, including employees, customers and investors and provide transparent and reliable information on their energy management practices and performance.</p>	<p>Negative implications: Increased energy costs, compliance costs and potential fines for non-compliance. Negatively impacting the reputation and social license to operate.</p> <p>Positive implications: Adopting sustainable and responsible energy management practices to reduce energy costs, improve operational efficiency and create new revenue streams from renewable energy sources.</p>
2)	Responsible Forestry	Risk/ Opportunity	<p>Responsible forestry represents both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: Responsible forestry practices can increase the cost of sourcing raw materials for the industry, as it may require additional investments in sustainable forest management, certification and traceability systems. This can make it more challenging for some companies to remain competitive, particularly those that rely heavily on low-cost raw materials from non-certified sources.</p> <p>Opportunity rationale: Responsible forestry practices can provide an opportunity for the industry to enhance its reputation and access new markets. Increasingly, customers are looking for products that are produced in an environmentally responsible and socially sustainable manner. By adopting responsible forestry practices, companies can demonstrate their commitment to sustainability and meet the growing demand for eco-friendly products. This can help to increase customer loyalty, drive sales and ultimately enhance the industry's long-term viability.</p>	<p>To develop a comprehensive responsible forest management policy, implement FSC-FM with chain of custody certification, engage with stakeholders, adopt sustainable forest management practices, implement supply chain due diligence and continuously monitor and report on its performance.</p>	<p>Negative implications: Increased compliance costs associated with sustainable forestry practices, potential legal or reputational risks and reduced access to timber resources.</p> <p>Positive implications: Adopting responsible forestry practices to enhance the reputation, improve stakeholder trust and secure long-term access to timber resources.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3)	Availability of Raw Material	Risk/ Opportunity	<p>The availability of raw materials represents both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: The industry relies heavily on a steady supply of wood fiber and other raw materials and any disruption to this supply chain can have a significant impact on production capacity and costs. This risk is particularly acute in regions where forest resources are limited or where regulations restrict the use of certain raw materials, as it can lead to increased competition for available resources and higher prices.</p> <p>Opportunity rationale: The availability of new and innovative raw materials presents an opportunity for the industry to diversify its supply chain and reduce its environmental impact. For example, the use of alternative fibers such as bamboo or agricultural waste can help to reduce pressure on forests and improve sustainability. Additionally, advances in technology are making it possible to extract more value from existing raw materials, such as using wood waste to produce biofuels or chemicals. By embracing these opportunities, the industry can enhance its long-term viability and strengthen its position in the marketplace.</p>	<p>To diversify our raw material sources by exploring alternative sources such as agricultural residues, recycled paper and non-wood fibers.</p> <p>Adopting sustainable forestry practices to ensure the long-term availability of wood fiber.</p> <p>Collaborate with suppliers and other stakeholders to ensure a reliable supply chain and implement inventory management strategies to maintain adequate raw material stock levels.</p>	<ul style="list-style-type: none"> - Negative implications: Experiencing a shortage of raw materials, that may lead to increased procurement costs and reduced profitability. - Positive implications: Adopting responsible sourcing practices and investing in sustainable forest management and conservation efforts to secure long-term access to raw materials and enhance reputation and social license to operate
4)	Water Management	Risk/ Opportunity	<p>Water management represents both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: The industry is a significant consumer of water and any disruption to the availability or quality of water can have a significant impact on production capacity and costs. This risk is particularly acute in regions where water resources are limited or where regulations restrict the use of certain water sources, as it can lead to increased competition for available resources and higher prices.</p> <p>Opportunity rationale: Effective water management presents an opportunity for the industry to reduce costs, enhance operational efficiency and improve sustainability. By implementing water-efficient technologies and processes and by utilizing innovative water treatment and reuse systems, the industry can reduce its environmental footprint while also improving its bottom line. Additionally, effective water management can enhance the industry's reputation as a responsible and sustainable sector, which can in turn lead to increased customer loyalty and market share.</p>	<p>Implementing a water management system to monitor and manage water consumption, implementing water-efficient technologies and process optimization techniques and adopting a closed-loop water system to minimize water discharge.</p> <p>Collaborating with stakeholders such as local communities, governments and NGOs to promote responsible water management practices and engage in water stewardship initiatives to protect water resources.</p> <p>To comply with regulatory requirements related to water management and continuously monitor and report on water management performance.</p>	<ul style="list-style-type: none"> - Negative implications: Increased compliance costs and potential fines for non-compliance due to water scarcity or water pollution. - Positive implications: Adopting sustainable water management practices can help reduce water consumption and improve operational efficiency, resulting in cost savings. - Investing in water conservation and restoration initiatives to create new business opportunities and enhance the industry's reputation.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5)	Occupational health and safety	Risk/ Opportunity	<p>Occupational health and safety represent both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: The industry is known for its high-risk work environments, with potential hazards including heavy machinery, chemicals and exposure to noise and dust. Any failure to adequately manage these risks can result in accidents, injuries and even fatalities, which can have significant legal, financial and reputational implications for companies.</p> <p>Opportunity rationale: Effective occupational health and safety practices present an opportunity for the industry to improve employee well-being, reduce absenteeism and turnover and enhance productivity. By investing in appropriate training, equipment and safety procedures, companies can create a safer work environment for their employees and improve overall job satisfaction. Additionally, effective occupational health and safety practices can help to enhance the industry's reputation as a responsible and ethical sector, which can in turn lead to increased customer loyalty and market share.</p>	<p>Implementing a comprehensive health and safety management system to identify, assess and manage potential risks.</p> <p>Providing employee training and awareness programs to use personal protective equipment and implement safe work procedures and emergency response plans.</p> <p>Engaging with stakeholders such as employees, trade unions and regulatory authorities to promote a culture of safety and continuously monitor and report on health and safety performance.</p>	<ul style="list-style-type: none"> - Negative implications: Workplace accidents and injuries leading to increased insurance costs, worker compensation claims, legal fees and potential regulatory fines. - Positive implications: Investing in occupational health and safety programs and training to reduce the likelihood of accidents and injuries, leading to cost savings and improved productivity.
6)	Community Development and CSR	Risk/ Opportunity	<p>Community development and Corporate Social Responsibility (CSR) represent both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: Failure to effectively engage with local communities and implement socially responsible practices can lead to negative impacts on the environment, social unrest and reputational damage. This can result in increased regulatory scrutiny, legal challenges and difficulties in accessing capital and markets.</p> <p>Opportunity rationale: Effective community development and CSR practices present an opportunity for the industry to build strong relationships with local communities, enhance its reputation and gain a competitive edge. By investing in community development initiatives, such as education and training programs, healthcare services and infrastructure projects, companies can improve the quality of life for local residents while also creating a positive image of the industry. Additionally, effective CSR practices can help to demonstrate a company's commitment to sustainability and social responsibility, which can lead to increased customer loyalty and market share.</p>	<p>Engaging with local communities and stakeholders to understand their needs, priorities and concerns.</p> <p>To develop and implement community development programs that promote sustainable economic, social and environmental development.</p> <p>To adopt responsible business practices and ethical conduct, including respecting human rights, promoting diversity and inclusion and managing environmental and social impacts.</p> <p>Monitoring and reporting on CSR performance and engaging in stakeholder dialogue to foster trust and collaboration.</p>	<ul style="list-style-type: none"> - Negative implications: Including reputational damage, potential legal fees or fines and community opposition leading to disruptions in operations. - Positive implications: Implementing effective community development and CSR programs to result in positive financial implications such as improved stakeholder relations, access to new markets and increased customer loyalty. - Investing in community development and CSR initiatives to create new business opportunities and enhance the industry's reputation.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7)	Employee Development and Retention	Risk/ Opportunity	<p>Employee development and retention represent both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: The industry is facing a growing shortage of skilled workers, particularly in technical and engineering roles. This shortage can lead to increased recruitment costs, reduced productivity and difficulties in meeting production targets. Additionally, high employee turnover rates can result in a loss of institutional knowledge, decreased morale and difficulties in maintaining a positive company culture.</p> <p>Opportunity rationale: Effective employee development and retention practices present an opportunity for the industry to attract and retain top talent, enhance productivity and improve overall business performance. By investing in employee training, career development and mentorship programs, companies can develop a skilled and engaged workforce that is better equipped to tackle complex challenges and drive innovation. Additionally, effective employee retention practices can help to foster a positive company culture, improve morale and enhance the industry's reputation as an employer of choice.</p>	<p>Providing employee training and development programs to enhance their skills, knowledge and career development opportunities.</p> <p>Providing compensation and benefits packages to create a safe and healthy work environment and foster a positive workplace culture that values diversity, equity and inclusion.</p> <p>Engaging with employees and providing opportunities for feedback, recognition and employee participation in decision-making processes.</p>	<p>Positive implications: Investing in employee development and retention programs to positive financial implications, such as improved employee satisfaction, productivity and retention.</p>
8)	Accountability and Transparency	Risk/ Opportunity	<p>Accountability and transparency represent both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: Failure to uphold high standards of accountability and transparency can result in reputational damage, legal challenges and difficulties in accessing capital and markets. The industry has historically faced criticism over its environmental impacts, particularly related to deforestation and water pollution. Any failure to effectively address these concerns can lead to increased regulatory scrutiny, consumer backlash and investor disinterest.</p> <p>Opportunity rationale: Effective accountability and transparency practices present an opportunity for the industry to build trust with stakeholders, enhance its reputation and gain a competitive edge. By implementing robust reporting and monitoring systems and publicly disclosing environmental and social performance data, companies can demonstrate their commitment to responsible business practices. Additionally, effective accountability and transparency practices can help to identify areas for improvement, drive innovation and foster collaboration across the value chain.</p>	<p>Promoting transparency in financial reporting, supply chain management and environmental and social impacts.</p> <p>To adopt internationally recognized standards and frameworks, such as the Global Reporting Initiative (GRI) and the Forest Stewardship Council (FSC), to ensure transparent and accountable operations.</p>	<p>Negative implications: Negative implications include legal fees, fines and reputational damage due to non-compliance with regulations or unethical practices.</p> <p>Positive implications: Improved stakeholder trust, access to new markets and enhanced reputation.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9)	Reporting and Disclosure	Risk/ Opportunity	<p>Reporting and disclosure represent both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: Failure to effectively report and disclose environmental and social performance data can lead to reputational damage, legal challenges and difficulties in accessing capital and markets. This can result in increased regulatory scrutiny, consumer backlash and investor disinterest.</p> <p>Opportunity rationale: Effective reporting and disclosure practices present an opportunity for the industry to build trust with stakeholders, enhance its reputation and gain a competitive edge. By voluntarily reporting on key environmental and social indicators, companies can demonstrate their commitment to responsible business practices and engage with stakeholders to address concerns. Additionally, effective reporting and disclosure practices can help to identify areas for improvement, drive innovation and foster collaboration across the value chain.</p> <p>Moreover, investors, customers and other stakeholders are increasingly demanding greater transparency and disclosure, especially related to environmental and social impact. As such, companies that proactively report and disclose their performance data are likely to be viewed more positively and enjoy a competitive advantage in the marketplace.</p>	<p>Implementing a robust reporting and disclosure system that provides accurate, reliable and timely information on its ESG performance.</p> <p>Engaging with stakeholders and providing opportunities for stakeholder consultation and feedback on reporting and disclosure practices.</p> <p>To comply with regulatory requirements and adopt internationally recognized standards and frameworks, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), to ensure transparent and credible reporting.</p>	<p>- Negative implications: Loss of investor confidence, legal and regulatory penalties and damage to the company's reputation and brand value.</p>
10)	Creating Economic Value	Risk/ Opportunity	<p>Creating economic value represents both a risk and an opportunity for the pulp and paper industry.</p> <p>Risk rationale: The industry faces significant pressure to reduce costs and improve efficiency in the face of global competition and changing market dynamics. This can lead to a focus on short-term financial performance at the expense of longer-term sustainability considerations, such as environmental and social impacts. Additionally, the industry's reliance on natural resources, particularly wood fiber, creates potential risks related to resource depletion and price volatility.</p> <p>Opportunity rationale: Creating economic value presents an opportunity for the industry to drive sustainable growth and build long-term resilience. By adopting sustainable business practices, companies can improve efficiency, reduce costs and enhance their competitive position in the marketplace. Additionally, investing in innovation and diversification can help to create new revenue streams and reduce dependence on traditional pulp and paper products. Furthermore, creating economic value can support the industry's role as an engine of economic development, particularly in rural areas where many pulp and paper mills are located. By generating employment, income and tax revenues, the industry can contribute to the economic well-being of local communities.</p>	<p>Adopting cost-effective and efficient production processes.</p> <p>Optimizing supply chain management and diversifying our product portfolio.</p> <p>Engagement with stakeholders, including customers, suppliers and investors, to provide transparent and reliable information on its financial performance and growth prospects.</p>	<p>- Negative implications: Failure to create economic value can have negative financial implications, such as decreased shareholder value, lower profitability and reduced access to capital.</p> <p>- Positive implications: Increased shareholder value, higher profitability and improved access to capital.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1)	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	No	No	Yes	No	No	Yes	Yes	No
	c. Link of the Policies, if available	www.orientpaperindia.com								
2)	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3)	Do the enlisted policies extend to your value chain partners? (Yes/No)	Policies are extended to value chain partners to the extent required.								
4)	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.									
	Orient Paper Mills, Amlai has been certified with Integrated Management Systems (Quality- ISO 9001:2015, Environment-ISO 14001:2015 and Energy Management System ISO 50001:2018) and also for new ISO 45001 – 2018 standard for Occupational Safety and Health Management. BIS certification for 70 GSM copier paper and BIS Eco certification and Forest Stewardship Council (FSC)-COC & CW.									
5)	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Goals and Targets will be set once the procedures are set.								
6)	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Not Applicable								

Governance, leadership and oversight**7) Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Orient Paper firmly believes in the three pillars of sustainability - Economic, Social and Environmental. We constantly identify and implement practices that satisfy the goals of sustainability in a holistic manner.

In order to benefit the environment, foster social progress and increase financial viability, we work to incorporate ethical environmental practices into our commercial operations. The responsible use of natural resources, the reduction of air pollutants, the reduction in the generation of waste and the reduction of energy consumption are our goals. We also want to make targeted investments in marketable technologies that promise sustainable growth that goes beyond mere compliance with the law.

Our core values, Integrity, Excellence, Respect, Responsibility & Accountability have been deep-rooted in the way we have been doing business. Some of the core values can be directly linked to Environmental & Social development.

At Orient Paper, we are envisioning a business that can grow sustainably while putting innovation at the heart of all it does in order to meet the demands of all its stakeholders. Our business model is changing from being a product firm to a solution company. This attitude, in our opinion, will enable us to create an extremely stable and adaptable operating environment.

Climate change is one of the greatest concerns we all face in the quickly changing global dynamics and calls for immediate action. We at Orient believe we can accelerate efforts toward achieving this common goal, hence we are currently integrating our fundamental belief in an ecosystem-led strategy into the new ESG framework.

The real test, however, will come in the months that follow when we must figure out how to comprehend and react to the dynamics of the new normal as they progressively change. In this case, technology will be helpful. We are working together with our main technology providers and important vendor partners to not only manage the transformation smoothly but also to challenge the status quo and consistently develop innovative solutions.

In order to create flexible and competitive operations, we think that our People-led, process-driven engagement with key partners across our ecosystem will be a strategic advantage.

Our first aim is to steer our manufacturing business towards the ESG agenda while providing communities with useful products and solutions.

We have embarked upon an ambitious journey to empower the lives of over 90,000 Farmers and contribute to soil & water conservation and afforestation covering over 1,00,000 acres of primarily barren land in ~1089 villages around Amlai. We reimagine the possibilities for co-creating value for communities across our ecosystem and achieve holistic transformation by forming web of partnerships with NGOs, FPOs and micro-finance companies. This journey encompasses social, economic, spiritual and environmental transformation of our ecosystem in ~100 kms radius of Amlai.

This year we have started to formalize our ESG to internationally recognized frameworks. This we believe will act as a catalyst to our existing sustainability strategy and will help us achieve greater success on all three fronts Environment, Social & Governance.

And finally, to bring more transparency to the way we do business, we would be publishing our first Sustainability Report in 2023.

8)	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Ashwin J. Laddha (Managing Director & CEO) E-mail id - ashwin.laddha@opil.in Telephone number- 033-4082 3700</p> <p>Mr. Pradeep Kumar Sonthalia (President (Finance) & CFO) E-mail id - pks@opil.in Telephone number - 033 - 2248 3406</p>
9)	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	<p>Yes, CSR Committee comprising of: Ms. Gauri Rasgotra (Chairperson) Mr. Ashwin Bishnoi (Member) Mr. Ashwin J Laddha (Member)</p>

10) Details of Review of the policies

Whether each policy is reviewed, if reviewed, the frequency of review for each of the policy (Annually/Half yearly/ quarterly/ Any other – please specify)

Yes, the senior management team continuously evaluates the policies and the performance against them and when necessary, follow-up actions are taken.

The Board of Directors evaluates the Company’s business responsibility performance on an annual basis and policies are reviewed as required.

11) Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

We have carried out an independent assessment/ evaluation of the working of our policies by an external agency wherever required. The effectiveness of the BRSR policies has, however, been evaluated internally.

12) If not, all Principles are covered by a policy, reasons to be stated:

NA

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors and Key Managerial Personnel	The Independent Directors and KMP have organised 5 programmes.	The programmes comprised of: <ul style="list-style-type: none"> • Analysis of annual Budget & CAPEX • Export & domestic business • Industry updates and development • Business initiatives and plans/projects • Products launched/market standing. • Segment-wise performance • CSR activities undertaken. Programmes covered principles 2, 3, 6 & 8.	100%
Employees other than BoD and KMPs	No of awareness programmes held - 131	The training covered upskilling and reskilling of employees on the following: <ul style="list-style-type: none"> • ESG aspects • Occupational Health and Safety • Prevention of Sexual Harassment • Human Rights • Consumer Safety • Cyber Security • Regulatory compliance • Code of Conduct • Leadership & Soft skills • Specific to department/business function Training covered principles 1, 2, 3, 5, 6 & 9.	100%
Workers	Number of awareness programmes held- 54	Training programmes covered: <ul style="list-style-type: none"> • Health and Safety Training • Code of Conduct • Prevention of Sexual Harassment Training covered Principles 1, 2, 3, 5 & 6.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

Monetary						
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Penalty/ Fine	Nil	NA	Nil	NA	NA	
Settlement	Nil	NA	Nil	NA	NA	
Compounding fee	Nil	NA	Nil	NA	NA	
Non-Monetary						
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	NA	Nil		NA	
Punishment	Nil	NA	Nil		NA	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, we have an anti-corruption or anti-bribery policy; These policies are embedded in the Company's Codes of Conduct (Code of Conduct for Directors and Senior Management), Whistle Blower Policy, HR policies and various HR practices.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY'23	FY'22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest.

Details of complaints with regard to conflict of interest	FY'23	
	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No fines/penalties/actions are taken against the company or its employees by any regulators on corruption and conflict of interest.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

- R&D expenditure (₹ In lacs) - 210. 35
- Capex – NIL

Note: Details of R&D initiatives can be referred to in Annexure-III

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No):

Yes.

At OPIL, we focus on responsible sourcing and consumption of resources, deploy innovative technology solutions to enhance operational efficiencies, manage waste and emissions and protect biodiversity around our operations to reduce our carbon footprint. Our goal is to produce sustainable products that are renewable, recyclable and biodegradable to further minimize and mitigate the environmental impact of our offerings across the value chain. OPIL strongly focuses on empowering local community stakeholders through several interventions, including growing local sourcing to create livelihoods and enhance the quality of life.

Our sustainability strategy guides our efforts to promote plantations and farm forestry as a responsible and disruption-free way to source raw materials like wood and bamboo. We encourage local farmers to plant Eucalyptus clonal saplings supplied by the Company at a subsidized rate on their available unutilized land. We have a buyback arrangement for the wood produced by the farmers. This provides a sustainable source of income for the farmers while generating a significant number of rural jobs in and around the Amlai plant. Wood sourced in this manner also becomes a long-term, self-sustaining source of raw material for OPIL. Our raw material development team provides free technical guidance to build the capacity and capability of the farmers to develop and manage the plantations. Local unemployed youth are also trained and engaged as 'motivators' to promote farm forestry plantations amongst the farmers.

Strategic collaborations with technology providers are playing a critical role in helping us adopt Industry 4.0 frameworks and run agile and efficient operations. We encourage sourcing from local communities to ensure an uninterrupted supply of raw materials. This also creates livelihoods for farmers. Today, we maintain thriving green belts that serve as crucial sources of raw material. This includes captive plantations and farmland sourcing that meet around 38% requirement of the wood we use as raw material locally without the need for long-distance transportation. From 2005, about 6.30 Cr. saplings have been planted in an area of 28628 hectares. Moreover, 1578 MT wood sourced were from our own plantation.

a. If yes, what percentages of inputs were sourced sustainably?

Orient Paper Mills (OPM) is situated in the Sohagpur coal belt area of Southeastern Coal Field (SECL) which helps us to minimize the transportation impact of coal. OPM also invests in farm forestry programs to ensure sustainable source of Raw material supplies from areas near the plant with an assured buyback arrangement. This farm forestry program

Statutory Report

has been promoted on area spread around 200 kms periphery of the plant. Around 40 % of Raw material is sourced from these areas whereas the balance quantity also comes from authentic farmer's sources from faraway areas of UP, Assam, Odisha and Andhra. While 87 % of the coal is sourced from mines of SECL and balance 13% is from Others in which Private Party is 11% & NCL is 2%.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life:

(a) Plastics (including packaging)-	The Company uses most of the plastic waste internally only, however, there are a few units that have plastic waste (including packaging). The Company engages with SPCB-authorized recyclers for the disposal of such waste.
(b) E-waste-	The Company has various systems in place at an all-India level to manage e-waste. The Company engages with certified SPCB-authorized recyclers for the disposal of e-waste.
(c) Hazardous waste-	The Company sells ETP sludge to SPCB-authorized recyclers for reuse and manufacturing of paper board, millboard and cardboard, while used oil is also sold to SPCB-authorized recyclers. Additionally, the ETP secondary sludge is utilized as a fuel in the company's AFBC boiler for energy recovery.
(d) other waste-	Fly ash is used by brick manufacturers and cement industries.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR will be implemented in FY 2023-24.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

1 Details of measures for the well-being of employees:

Category	% of employees covered by										
	Health insurance			Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	450	450	100.0%	450	100.0%	NA	NA	0	0.0%	NA	NA
Female	7	7	100.0%	7	100.0%	7	100.0%	NA	NA	7	100.0%
Total	457	457	100.0%	457	100.0%	7	100.0%	0	0.0%	7	100.0%
Other than Permanent employees											
Male	33	33	100.0%	33	100.0%	NA	NA	0	0.0%	NA	NA
Female	2	2	100.0%	2	100.0%	2	100.0%	NA	NA	2	100.0%
Total	35	35	100.0%	35	100.0%	2	100.0%	0	0.0%	2	100.0%

b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Health insurance			Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	803	803	100%	803	100%	0	NA	0	0.0%	0	NA
Female	1	1	100%	1	100%	1	100%	0	NA	1	100.0%
Total	804	804	100%	804	100%	1	100%	0	0.0%	1	100.0%
Other than Permanent workers											
Male	1572	1572	100%	1572	100%	0	NA	0	0.0%	0	NA
Female	77	77	100%	77	100%	77	100%	0	NA	77	100.0%
Total	1649	1649	100%	1649	100%	77	100%	0	0.0%	77	100.0%

2. Details of retirement benefits, for Current/Previous Financial Year:

Benefits	FY'23			FY'22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	98%	Y	100%	98%	Y
ESI	5.69%	14.93%	y	7.73%	37.56%	y

3. Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

No. We have taken note of this and plan to get our structures reviewed via competent agencies to comply with the act.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

No.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	No	No	No	No
Total	No	No	No	No

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? Yes/No (If yes, then give details of the mechanism in brief)

Permanent Workers	Yes
Other than Permanent Worker	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Since our inception, we have placed a strong emphasis on open and honest communication with our stakeholders. We encourage all our employees to speak with senior management, HR, or the company's leaders about any problems they are having. Any employee, regardless of rank, is free to communicate with senior management at the company.

Furthermore, the Company's whistle-blower policy gives employees a formal forum to air their complaints on a variety of issues. Through a customised module, employees are informed about the grievance procedure. This mechanism is also explained to new hires as part of the employee induction procedure. We have a policy on workplace sexual harassment prevention, prohibition and remedy, as well as an Internal Complaints Committee (ICC) compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's policy on the same is placed on the Company's website.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.

Category	FY'23			FY'22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	457	61	13.3%	401	56	14.0%
Male	450	61	13.6%	397	56	14.1%
Female	7	0	0.0%	4	0	0.0%

Statutory Report

Category	FY'23			FY'22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Workers	804	804	100.0%	860	860	100.0%
Male	803	803	100.0%	859	859	100.0%
Female	1	1	100.0%	1	1	100.0%

8. Details of training given to employees and workers:

Category	FY'23					FY'22				
	On Health and safety measures			On Skill upgradation		On Health and safety measures			On Skill upgradation	
	Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	6688	3508	52.5%	3180	47.5%	2285	824	36.1%	1461	63.9%
Female	242	134	55.4%	108	44.6%	76	52	68.4%	24	31.6%
Total	6930	3642	52.6%	3288	47.4%	2361	876	37.1%	1485	62.9%
Worker										
Male	4218	1481	35.1%	2738	64.9%	1208	468	38.7%	673	55.7%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total	4218	1481	35.1%	2738	64.9%	1208	468	38.7%	673	55.7%

9. Details of performance and career development reviews of employees and worker:

Category	FY'23			FY'22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	450	391	86.9%	397	286	72.0%
Female	7	7	100.0%	4	2	50.0%
Total	457	398	87.1%	401	288	71.8%
Worker						
Male	803	786	97.9%	859	844	98.3%
Female	1	1	100.0%	1	1	100.0%
Total	804	787	97.9%	860	845	98.3%

10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, OPIL has a certified Integrated Management System (IMS).

At our company, we prioritize the management of occupational health and safety. Our goals and commitments include the following:

- Ensuring the provision of a secure and healthy work environment to prevent work-related injuries and health issues.
- Pledging to eliminate potential hazards and minimize risks related to occupational health and safety.
- Making a commitment to continuously improve our management system for environment, health and safety.
- Ensuring compliance with legal and other regulations.

We take a proactive approach to identifying work-related risks and their sources within our work environment. To ensure the safety of our employees, we provide them with personal protective equipment and offer training sessions on SOPs and best practices. Our EHS teams and site management supervise each site, conducting workplace inspections and identifying potential hazards that are then reported to the EHS head. In addition, we engage external agencies to conduct Safety and Environment audits within our plant to identify any gaps and ensure compliance with regulations.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

OPIL places a strong emphasis on health and safety in its operations. As part of our efforts to ensure a safe work environment, we have implemented a risk assessment process that includes Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA). These processes allow us to identify potential hazards and assess the level of risk associated with them.

To further enhance our safety measures, we also conduct comprehensive safety audits, which are carried out by proficient third-party agencies like the National Safety Council of India and M/S Chola Risk Services. These audits help us identify any gaps in our safety protocols and provide recommendations for improvement.

Through these processes, we are able to ensure that our employees work in a safe environment, free from potential hazards and risks. We remain committed to continually improving our health and safety management systems and processes to further enhance the well-being of our employees.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) –

Yes,

OPIL is committed to ensuring the safety and well-being of its employees. In addition to our risk assessment processes and safety audits, we have also implemented a Near Miss Reporting System to encourage workers to report any potential safety incidents that could have resulted in harm. This system helps us identify potential hazards and take appropriate action to prevent future accidents.

Furthermore, we believe in worker participation in our safety management system and have established a Central Safety Committee and Departmental Safety Committee for this purpose. These committees provide an opportunity for workers to share their safety concerns and suggestions with management and to actively participate in the development and implementation of safety measures.

Through these initiatives, we encourage a culture of safety and open communication, where workers feel empowered to speak up about any safety concerns and take ownership of their own safety and the safety of their colleagues. By fostering a safe work environment, we can enhance the well-being of our employees and improve our overall productivity and efficiency.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes,

OPIL recognizes the importance of providing access to non-occupational medical and healthcare services for its employees. To achieve this, we have established our own Occupational Health Centre (OHC), which is operational 24x7. The OHC is equipped with the latest medical equipment and is staffed by two doctors, one female and one male, who are both qualified MBBS professionals.

The OHC provides a wide range of medical services to employees, including routine health check-ups, diagnosis and treatment of illnesses and injuries, emergency care and referral to specialized medical care if needed. We also provide counselling services for mental health issues and offer health education programs to promote preventive health practices among employees.

By providing access to quality medical care, we are able to ensure the well-being of our employees and promote a healthy work environment. We remain committed to continuously improving our non-occupational medical and healthcare services to meet the changing needs of our employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY'23	FY'22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	3.65	5.12
	Workers		
Total recordable work-related injuries	Employees	0	1
	Workers	20	32
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Statutory Report

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The entity takes several measures to ensure a safe and healthy workplace for its employees. These include implementing a work permit system, conducting Job Safety Analysis (JSA) and Hazard Identification and Risk Assessment (HIRA) processes, performing regular safety audits and inspections, organizing safety training sessions, conducting Toolbox Talks (TBT) and safety meetings, celebrating Safety Week and establishing standard operating procedures (SOPs) for critical activities. By utilizing a work permit system, the entity ensures that all work activities are conducted safely and in a controlled manner. The JSA and HIRA processes help identify potential hazards and assess associated risks, enabling proactive measures to be taken to mitigate them. Safety audits and inspections help identify any gaps in safety protocols and provide recommendations for improvement.

To equip employees with the knowledge and skills to work safely, regular safety training sessions, TBT and safety meetings are conducted, covering a broad range of topics. Safety Week is celebrated to promote awareness of safety and health issues among employees and recognize the importance of safe work practices. Standard operating procedures (SOPs) have been established for all critical activities to provide clear guidance on safe and proper procedures. By implementing these measures, the entity maintains a safe and healthy work environment, free from potential hazards and risks. The entity remains committed to continuously improving its safety and health management systems and processes to further enhance the well-being of its employees.

13. Number of Complaints on the following made by employees and workers:

Number of Complaints on the following made by employees and workers:	FY'23			FY'22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints	0	0	No complaints
Health & Safety	0	0	No complaints	0	0	No complaints

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Health and safety practices	100% assessed by two parties - National Safety Council (NSC) and M/S Chola Risk Services.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

In order to address any safety-related incidents that may occur, measures have been taken to ensure the safety of employees in the workplace. These measures include the installation of ELCBs, RCCBs and industrial electrical plugs and sockets, as well as proper cable dressing to prevent any electrical hazards. Furthermore, comprehensive renovations of civil and steel structures over the plant have been undertaken to enhance the overall safety of the facility.

These corrective actions were taken after conducting assessments of health and safety practices and working conditions, identifying significant risks and concerns. It was found that such measures were necessary as a precautionary measure to prevent any safety-related incidents from occurring. While no incidents have occurred thus far, it is important to remain vigilant and proactive in ensuring the safety of all employees in the workplace.

Overall, the installation of ELCB's, RCCB's and industrial electrical plug and sockets, proper cable dressing and comprehensive renovations of civil and steel structures are essential measures that have been implemented to mitigate any potential risks and enhance the overall safety of the facility. It is important to continue assessing and addressing any potential safety concerns to maintain a safe working environment for all employees.

16. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for both employees and workers the entity provides the life insurance and compensatory package in the event of death.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.

1. Describe the processes for identifying key stakeholder groups of the entity.

OPIL has a wide range of stakeholders, including customers, employees, suppliers, investors, government regulators, local communities and environmental organizations. Identifying the key stakeholder groups is an important process in understanding the interests, expectations and concerns of each group and developing strategies to address their needs.

OPIL identifies potential stakeholders and categorizes them based on their level of interest and influence. Key stakeholder groups are prioritized based on their potential impact on the industry and their criticality to the business. A stakeholder engagement plan is developed to address the needs of the prioritized stakeholder groups.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Emails - Regular interactions - Townhall/Samvaad	Daily	- Training sessions - Performance appraisal - Annual reward and recognition
Investors	No	- Annual general meetings - Websites - Investor and analyst quarterly meetings - Investor conferences - Annual report	Frequent and need-based	- Return on Equity - Business strategy - Long-term business performance - Goals and targets - Risk assessment and management
Local Community	Yes	- Community representatives - Grievance - Face-to-face interactions	Need-based	- Infrastructure development - Education and Skill Development - Environment, Health & Safety
Customers	No	- Email, SMS, - Newspaper, - Pamphlets, - Advertisement,	Frequent and need-based	- Product Quality - Customer Feedback - Business Development/ Sales
Suppliers	No	- Through Reports and returns. - Emails	Need-based	- Compliance to rules and regulation

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Orient Paper has taken a proactive approach to engage with vulnerable and marginalized stakeholder groups, seeking to identify their needs and concerns and addressing them in a phased manner. In response, the company has implemented a range of programs aimed at improving the quality of life for these stakeholders, such as healthcare provision, rural education, skill development, construction of community toilets and safe drinking water supplies in villages around Amlai. Further details of these initiatives can be found in the Corporate Social Responsibility (CSR) section of this report.

By prioritizing engagement with vulnerable and marginalized stakeholders, Orient Paper has demonstrated a commitment to operating in a socially responsible manner. The company has worked to establish strong relationships with these groups, enabling them to provide input on the development of programs that are tailored to their specific needs. Through these efforts, Orient Paper has sought to enhance the economic, social and environmental well-being of the communities in which it operates and to build a sustainable future for all stakeholders.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY'23			FY'22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	457	457	100%	401	401	100%
Other than permanent	35	35	100%	6	6	100%
Total Employees	492	492	100%	407	407	100%

Statutory Report

Category	FY'23			FY'22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Workers						
Permanent	804	804	100%	860	860	100%
Other than permanent	1649	1649	100%	1776	1776	100%
Total Employees	2453	2453	100%	2636	2636	100%

Note: Human rights issue is embedded in the company's code of conduct. Also, we are drafting a separate human rights training program to address all the articles related to this topic.

2. Details of minimum wages paid to employees and workers -

Category	FY'23					FY'22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	457	0	0.0%	457	100.0%	401	0	0.0%	401	100.0%
Male	450	0	0.0%	450	100.0%	397	0	0.0%	397	100.0%
Female	7	0	0.0%	7	100.0%	4	0	0.0%	4	100.0%
Other than Permanent	35	0	0.0%	35	100.0%	6	0	0.0%	6	100.0%
Male	33	0	0.0%	33	100.0%	6	0	0.0%	6	100.0%
Female	2	0	0.0%	2	100.0%	0	0	0.0%	0	0.0%
Workers										
Permanent	804	17	2.1%	787	97.9%	860	15	1.7%	845	98.3%
Male	803	17	2.1%	786	97.9%	859	15	1.7%	844	98.3%
Female	1	0	0.0%	1	100.0%	1	0	0.0%	1	100.0%
Other than Permanent	1649	1437	87.1%	212	12.9%	1776	1547	87.1%	229	12.9%
Male	1572	1364	86.8%	208	13.2%	1696	1472	86.8%	224	13.2%
Female	77	73	94.8%	4	5.2%	80	75	93.8%	5	6.3%

3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	7	1	7
Key Managerial Personnel	3	204.7	0	NA
Employees other than BoD and KMP (in Lacs)	450	7.8	7	7.9
Workers	803	3.7	1	3.1

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. –

Respect for human rights is a fundamental and core value of the OPIL, which strives to support, protect and promote human rights and ensure fair and ethical business and employment practices. OPIL is dedicated to creating a secure and peaceful work environment that accommodates individuals of all backgrounds, including ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and other factors.

Our Company believes that all workplaces should be free from any forms of violence, harassment, intimidation, or other unsafe or disruptive conditions, whether they are caused by external or internal threats. Consequently, the Company has put in place reasonable measures to protect employees' privacy and dignity and provide them with appropriate safeguards at work.

The Company has a strict policy against all forms of slavery, forced labor, child labor, human trafficking and physical, sexual, psychological, or verbal abuse. We do not hire employees or work with agents or vendors against their will, as it goes against our policy.

6. Number of Complaints on the following made by employees and workers –

	FY'23		FY'22	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	No	NA	No	NA
Discrimination at workplace	No	NA	No	NA
Child Labour	No	NA	No	NA
Forced Labour/ Involuntary Labour	No	NA	No	NA
Wages	No	NA	No	NA
Other human rights related issues	No	NA	No	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases-

The Company has made a conscious effort to promote the well-being of women professionals by establishing a secure, healthy and supportive working environment. Proper policies have been created and put into practice to address issues related to their safe and appropriate working conditions. As per the provisions of the "Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013," the Company has formulated a policy for the prohibition, prevention and redressal of sexual harassment against women at the workplace, including any matters connected to or arising from it. During the year, the Company did not receive any complaints under this policy.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) –

Yes, the Company upholds and advocates for the human rights of all its stakeholders, ensuring that everyone is treated with dignity and respect. Our operations are guided by a comprehensive human rights policy that mandates strict compliance with human rights principles and applicable regulations in India. The policy prohibits practices such as child labor, slavery or forced labor, discrimination, bullying, harassment and any other relevant incidents. We have a zero-tolerance approach to human rights violations and encourage our employees and stakeholders to report any breaches through the appropriate channels. We are committed to raising awareness about human rights issues among our contractors, customers and suppliers. We also encourage our supply chain partners to adopt and adhere to our human rights policies and practices. In the event of any policy violations, a structured disciplinary process in line with the laws and regulations is in place. In FY'23, no human rights violations were reported across the organization.

9. Assessments for the year:	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	No
Forced/involuntary labor	No
Sexual harassment	No
Discrimination at workplace	No
Wages	No

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above –

We have been compliant with all applicable laws and regulations and as a result, we have not received any corrective action directives in the past year.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.**1. Details of total energy consumption (in Joules or multiples) and energy intensity:**

For OPM (Paper Unit incl. process, project, auxiliary & ancillary)

P6 E1- Energy	Unit	FY'23	FY'22
Total electricity consumption (A)	GJ	11185	330
Total Fuel Consumption (B)	GJ	4546234	4259622
Energy Consumption from Black liquor (C) ¹	GJ	1983667	1829887
Energy Consumption from Solar PV (C)	GJ	6278	6127
Total Energy Consumption (A+B+C)	GJ	6547365	6095965
Energy intensity per rupee of turnover (Total Energy Consumption/ Turnover in Lakhs ₹)	GJ/ ₹ Lakhs	841	1302
Energy intensity per tonne of Production	GJ/tonne	81.91	85.59

For CSU (Chemical) Unit

P6 E1- Energy	Unit	FY'23	FY'22
Total electricity consumption (A)	GJ	164488	0
Total Fuel Consumption (B)	GJ	1152942	1588574
Energy Consumption from Black liquor (C) ¹	GJ	0	0
Energy Consumption from Solar PV (C)	GJ	0	0
Total Energy Consumption (A+B+C)	GJ	1317430	1588574
Energy intensity per rupee of turnover (Total Energy Consumption/ Turnover in Lakhs ₹)	GJ/ ₹ Lakhs	803	1351
Energy intensity per tonne of Production	GJ/tonne	36.12	46.55

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Yes, OPIL is under PAT cycle 7.

3. Provide details of the following disclosures related to water, in the following format:

For OPM (Tissue and Paper) Unit

Water withdrawal by source (in kiloliters)	FY'23	FY'22
(i) Surface water (kL)	10749289	10151920
(ii) Groundwater (kL)	0	0
(iii) Third party water (kL)	0	0
(iv) Seawater / desalinated water (kL)	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v) (kL)	10749289	10151920
Total volume of water consumption (in kiloliters)	3866719	3503601
Water intensity per rupee of turnover (Water consumed / turnover in million ₹) ²	496.38	748.49
Water intensity - Water consumed/ Production (KL/tonne of production)	48.40	49.20
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	N	N

For CSU unit

Water withdrawal by source (in kiloliters)	FY'23	FY'22
(i) Surface water (kL)	368027	330369
(ii) Groundwater (kL)	0	0
(iii) Third party water (kL)	0	0

¹ Energy from available biomass (termed as Black Liquor solids mainly consists of lignin which comes out from wood in cooking process of Pulp mill) to fire in Recovery Boiler to reduce fossil fuel consumption.² Water consumption for Processes under pulp & paper unit. Remaining water is used for Colony, CSR distribution, new project construction, Plantation, and other utilities.

Water withdrawal by source (in kiloliters)	FY'23	FY'22
(iv) Seawater / desalinated water (kL)	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v) (kL)	368027	330369
Total volume of water consumption (in kiloliters) ³	133195	122070
Water intensity per rupee of turnover (Water consumed / turnover in million ₹)	81.23	103.84
Water intensity - Water consumed/ Production (KL/tonne of production)	3.70	3.60
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	N	N

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, we have implemented a mechanism for ZLD. 100% effluent is being discharge on land after proper treatment. We utilize the entire treated effluent for ash quenching, wood log washing and our company-owned plantation, which spans more than 400 acres of land developed under the HRTS technology patented by NEERI, Nagpur. The Caustic Soda unit recycles industrial effluent back into the process after treatment. We maintain the quality of our treated effluent as per the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB) Charter norms for Water Recycling & Pollution Prevention (WRPP) specific to the Indian Pulp & Paper Industries in the Ganga River Basin.

Our industry has a complete water management plan and adheres to WRPP charter norms for the pulp & paper sector. We have installed 16 piezometric sampling points at various locations of HRTS sites to monitor the groundwater quality. We regularly monitor our wastewater with our NABL accredited laboratory and we have installed Ultrasonic / Electromagnetic flow meters for industrial cooling/boiler feed, process, CSR and domestic purposes. NEERI, Nagpur, is currently reviewing and revalidating the HRTS technology used by our company.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format-**

P6- E5- Air Emissions (Other than GHG Emissions)	Unit	FY'23	FY'22
NOx	Ton	990.54	522.378
SOx	Ton	920.06	894.323
Particulate matter (PM)	Ton	252.41	178.27
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No		

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

For OPM (Paper and Pulp) unit

Parameter	Please specify unit	FY'23	FY'22
Total Scope 1 emissions			
CO ₂	Metric tonnes of CO ₂ equivalent	440731	412254
CH ₄	Metric tonnes of CO ₂ equivalent	1630	1355
N ₂ O	Metric tonnes of CO ₂ equivalent	1791	1674
HFC	Metric tonnes of CO ₂ equivalent	NA	NA
PFC	Metric tonnes of CO ₂ equivalent	NA	NA
SF ₆	Metric tonnes of CO ₂ equivalent	NA	NA
NF ₃	Metric tonnes of CO ₂ equivalent	NA	NA

³Water consumption for Processes under CSU unit. Remaining water is used for Colony, CSR distribution, new project construction, Plantation, and other utilities.

Statutory Report

Parameter	Please specify unit	FY'23	FY'22
Total	Metric tonnes of CO ₂ equivalent	444152	415282
Total Scope 2 emissions			
CO ₂	Metric tonnes of CO ₂ equivalent	NA	NA
CH ₄	Metric tonnes of CO ₂ equivalent	NA	NA
N ₂ O	Metric tonnes of CO ₂ equivalent	NA	NA
HFC	Metric tonnes of CO ₂ equivalent	NA	NA
PFC	Metric tonnes of CO ₂ equivalent	NA	NA
SF ₆	Metric tonnes of CO ₂ equivalent	NA	NA
NF ₃	Metric tonnes of CO ₂ equivalent	NA	NA
Total	Metric tonnes of CO ₂ equivalent	2206	65
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent/Lakh INR	57.30	88.73
Total Scope 1 and Scope 2 emissions per tonne of production	Metric tonnes of CO ₂ equivalent/tonne of production	5.58	5.83

For CSU unit

Parameter	Please specify unit	FY'23	FY'22
Total Scope 1 emissions			
CO ₂	Metric tonnes of CO ₂ equivalent	107901	143224
CH ₄	Metric tonnes of CO ₂ equivalent	292	417
N ₂ O	Metric tonnes of CO ₂ equivalent	415	592
HFC	Metric tonnes of CO ₂ equivalent	NA	NA
PFC	Metric tonnes of CO ₂ equivalent	NA	NA
SF ₆	Metric tonnes of CO ₂ equivalent	NA	NA
NF ₃	Metric tonnes of CO ₂ equivalent	NA	NA
Total	Metric tonnes of CO ₂ equivalent	108608	144234
Total Scope 2 emissions			
CO ₂	Metric tonnes of CO ₂ equivalent	NA	NA
CH ₄	Metric tonnes of CO ₂ equivalent	NA	NA
N ₂ O	Metric tonnes of CO ₂ equivalent	NA	NA
HFC	Metric tonnes of CO ₂ equivalent	NA	NA
PFC	Metric tonnes of CO ₂ equivalent	NA	NA
SF ₆	Metric tonnes of CO ₂ equivalent	NA	NA
NF ₃	Metric tonnes of CO ₂ equivalent	NA	NA
Total	Metric tonnes of CO ₂ equivalent	32441	0
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent/Lakh INR	86.02	122.69
Total Scope 1 and Scope 2 emissions per tonne of production	Metric tonnes of CO ₂ equivalent/tonne of production	3.87	4.23

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail:

Steps taken or impact on conservation of energy hence saving GHG Emissions	<p>In the pursuit of continual improvement in energy conservation, many initiatives as listed below have been taken in the financial year 2022-2023 for energy conservation and preservation of natural resources:</p> <ul style="list-style-type: none"> The Company is continuously concentrating on improving its productivity in terms of production, reduction in power consumption and thermal energy consumption through various steps including the installation of Variable Frequency Drives (VFDs). Process optimization and improvement initiatives on a consistent basis across all plants. Re-Use of Bio-mass firing in the Recovery boiler. The Company utilizes waste from Wood logs chippers as an alternative fuel for power generation. The company has facilitated the construction of rainwater harvesting ponds for farmers residing near its plant, thereby enhancing soil fertility, boosting agricultural yields and contributing to carbon sequestration efforts.
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The steps taken by the Company for utilizing Alternate Sources of Energy hence reducing emissions	To improve energy efficiency across operational locations and enhance the proportion of renewable energy sources OPIL generates 27% of its energy from installed solar PV and Renewable Biomass (black liquor) in FY'23 as compared to 25% in FY'22. It helps in mitigating the consumption of non-renewable energy and improves public health and environmental quality for the surrounding ecosystem and enhances economic, environmental and societal capital.
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8. Provide details related to waste management by the entity:

	Unit	FY'23	FY'22
Total Waste Generated (in metric tonnes)			
Plastic waste (A)	Metric tonnes	103.73	101.44
E-waste (B)	Metric tonnes	0.29	1.48
Bio-medical waste (C)	Metric tonnes	0.20	0.21
Construction and demolition waste (D)	Metric tonnes	0	0
Battery waste (E)	Metric tonnes	0.12	0.24
Radioactive waste (F)	Metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G)			
Used Oil	Metric tonnes	5.33	2.48
ETP Chemical Sludge	Metric tonnes	39.9	22.8
ETP Primary Sludge (Waste pulp & paper sludge)	Metric tonnes	2970.68	2750
Other Non-hazardous waste generated (H)			
Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)			
Lime Sludge	Metric tonnes	17195	11230
Lime Grit	Metric tonnes	3967.5	7298
Bed Ash & Fly Ash	Metric tonnes	104234	112799
Wood & Bamboo Dust	Metric tonnes	4189	3914
Total (A+B + C + D + E + F + G + H)	Metric tonnes	132706	138120
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	Metric tonnes	17305	11336
(ii) Re-used	Metric tonnes	111172	122847
(iii) Other recovery operations	Metric tonnes	4229	3937
Total	Metric tonnes	132706	138120
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	Metric tonnes	0.083	0.085
(ii) Landfilling	Metric tonnes	0	0
(iii) Other disposal operations	Metric tonnes	0	0
Total		0.083	0.085
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes/No	No	No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The manufacturing process of paper in OPIL generates waste materials that can lead to pollution of land, air and water.

For instance, the production of lime through rotary lime kilns generates waste such as lime sludge and lime grit, which can cause land pollution. To minimize the impact of such waste, OPIL adopts practices such as reburning the lime sludge to recover the lime, using the lime grit for road making or filling low-lying areas within the mill premises.

Similarly, the burning of coal in boilers generates fly ash and coal ash, which can cause land and air pollution. OPIL reduces this impact by using the waste for cement manufacturing, brick-making or filling low-lying areas within the plant premises.

The production of pulp and paper using wood as a raw material generates solid waste, which may cause land pollution. The waste can be recovered and sold to SPCB-authorized recyclers for manufacturing paperboard, millboard or cardboard.

Statutory Report

Waste-water treatment generates ETP chemical and process sludge waste, which may lead to land and water pollution. The waste can be used as fuel in boilers to recover energy or given to MPPCB-authorized re-processors for board manufacturing.

The use of machine oil and lubricants can generate used oil, which may cause land and water pollution. OPIL adopts responsible practices and dispose of this waste through authorized recyclers.

Overall, OPIL take responsibility for their waste generation and adopt sustainable practices to minimize the impact of their operations on the environment.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.**

No.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

None

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.**

Yes, the entity is compliant with the applicable environmental laws/regulations/guidelines in India.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

1. a. Number of affiliations with trade and industry chambers/ associations - 4
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1)	Indian Chamber of Commerce (ICC)	National
2)	Indian Paper Manufacturing Association (IPMA)	National
3)	Alkali Manufacturers Association of India (AMAI)	National
4)	Federation of Indian Export Organisations (FIEO)	National
5)	Confederation of Indian Industry (CII)	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

There were no adverse orders from regulatory authorities.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

None

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

To ensure that grievances within the community are addressed in a timely and effective manner, it is important to have clear mechanisms in place for receiving and redressing such concerns. One such mechanism involves utilizing the proper channels to bring forth complaints. It is necessary for the complainant to submit a written report and register their grievance with either the HR Head or COO. This approach not only ensures that the complaint is properly recorded, but also allows the Company to take swift and appropriate action.

If the grievance is related to the Company, then it is the responsibility of the concerned department or function to address and provide a status report. This helps to ensure that the issue is being handled by those who are best equipped to address it. By having a clear process in place for addressing grievances, the community can be assured that their concerns are being taken seriously and that appropriate action is being taken to address them.

Overall, having effective mechanisms for receiving and redressing grievances is crucial for maintaining a positive and supportive community. It not only helps to resolve specific issues, but it also promotes transparency and trust between the

community and the company. Therefore, it is important to establish clear channels for receiving complaints and to ensure that appropriate measures are taken to address and resolve them in a timely and effective manner.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY'23	FY'22
Directly sourced from MSMEs/ small producers	9.91 %	8.94 %
Sourced directly from within the district and neighboring districts	9.14 %	11.28 %

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER.

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

There are various methods that OPIL uses to receive and address consumer complaints and feedback.

One such approach is to require customers to provide specific details such as an invoice copy, invoice number, or lot number sample to lodge a complaint. Once these details are received, they can be logged into a Microsoft Access software system.

After the complaint details are registered in Microsoft Access, a PDF file can be generated from the software. To further investigate the complaint, a complaint sample can be sent to the mill by courier along with the complaint details.

Once received our Research and Development team can analyze the samples and provide feedback on the complaint. By utilizing these mechanisms, businesses can effectively receive and address consumer complaints and feedback in a timely and efficient manner.

2. Turnover of products/services as a percentage of turnover from all products/services that carry information about Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/or safe disposal.

NA

3. Number of consumer complaints in respect of the following:

	FY'23		FY'22	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	Nil	NA	Nil	NA
Advertising	Nil	NA	Nil	NA
Cyber-security	Nil	NA	Nil	NA
Restrictive Trade Practices	Nil	NA	Nil	NA
Unfair Trade Practices	Nil	NA	Nil	NA
Others	Nil	NA	Nil	NA

4. Details of instances of product recalls on account of safety issues:

Details of instances of product recalls on account of safety issues:	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, OPIL has a framework/ policy on cyber security and risks related to data privacy.

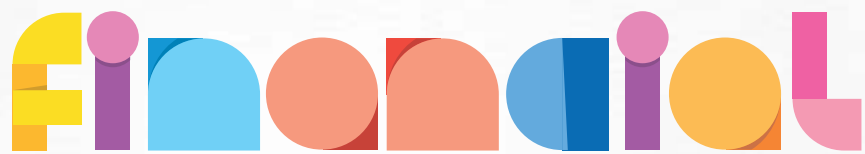
www.orientpaperindia.com

6. Details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There were no issues raised on the following topics and hence this question is not applicable to us.

FORWARD-LOOKING STATEMENT

The report includes predictions about the operations and performance of the company in the future. When discussing future operating or financial performance, these statements often use the words "believes," "estimates," "anticipates," "expects," "intends," "may," "will," "plans," and other terms with similar meanings. These predictions of future operating, financial and other results are not promising because they rely on assumptions, facts, or methodologies that may be incorrect or imprecise. They represent our present expectations, which are supported by plausible assumptions. Due to a variety of potential future events, risks and uncertainties, some of which are outside of our control, the Company's actual results might significantly differ from those anticipated in any forward-looking statements. The Company disclaims any need to update or alter any forward-looking statements, whether because of new information, unexpected developments, or other factors.



financial

STATEMENTS

Partner
with
purpose

Independent Auditor's Report

To
The Members of
Orient Paper & Industries Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Orient Paper & Industries Limited (the "Company") which comprise the balance sheet as at 31 March 2023 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023 and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Litigations

See Note 48 to the financial statements

The key audit matter

As at 31 March 2023, the Company has exposures towards litigations relating to various matters including water tax and cess on captive power consumption as set out in the aforesaid Notes.

The Company assesses the need to make a provision or to disclose a contingent liability on a case-to-case basis considering the underlying facts of each litigation. The outcome of the litigations is uncertain and estimation at balance sheet date involves significant judgement by the Company to assess such matters and determine recognition, measurement and disclosure of provisions for these proceedings. These judgements are based on inputs from legal counsel in certain cases.

Due to uncertainty of outcome of these legal proceedings and application of significant judgement, it is considered to be a Key Audit Matter.

How the matter was addressed in our audit

In view of the significance of the matter, our audit procedures included the following:

- Tested design and operating effectiveness of key controls over identification of litigations and recording of related provisions and disclosures.
- Obtained a list of litigations from the Company and performed inquiries with the Company for developments and the status of significant litigations.
- Assessed the objectivity and competence of the Company's legal counsels involved in the process.
- Rolled-out enquiry letters to Company's external legal counsels and considered their responses in our evaluation.
- Performed our assessment on a test basis on the underlying details of the contingent liabilities disclosed in the financial statements.
- Testing completeness of litigations and claims recorded by assessing the Company's legal expenses and the minutes of the Board meetings.
- Evaluated the disclosures related to provisions and contingent liabilities in the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Management and Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Financial Statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

The financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 29 May 2022.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the

directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 48 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d.
 - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe

that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g)

of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to a whole time director is in excess of the limit laid down under Section 197 read with Schedule V of the Act, however, necessary approval with respect to the same has been obtained by the Company (refer note 44 to the financial statements). The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jayanta Mukhopadhyay

Partner

Place: Kolkata

Membership No.: 055757

Date: 18 May 2023

ICAI UDIN:23055757BGYIHP3414

Annexure A to the Independent Auditor’s Report on the Financial Statements of Orient Paper & Industries Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	243.33	Hukum Chand Jute and Industries Limited	No	2008	Order from Tehsildar for registration of property awaited
Leasehold Land	2.17	Hukum Chand Jute and Industries Limited	No	2008	Order from Tehsildar for registration of property awaited
Investment properties (Refer Note 4 to the financial statements)	432.94	The Embassy of Union of Soviet Socialist Republic	No	1989	The process for transfer of property in the name of the Company is in progress

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to other parties, in respect of which the requisite information is as below. The Company has not granted any loans to companies, firms or limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Loans (Amount in ₹ lakhs)
Aggregate amount during the year	14.52
– Others	
Balance outstanding as at balance sheet date	7.95
– Others	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans (which are interest free) during the year are, prima facie, not prejudicial to the interest of the Company, considering that these have been granted to employees.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the repayments have been regular. Repayment of interest is not applicable as these employee loans are interest free in nature. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any

investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“the Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, except for dues in respect of Industrial License Fees under Orissa Municipal Act which has not been paid as mentioned below, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Goods and Service Tax, Provident Fund, Employees State Insurance and Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Orissa Municipal Act	Industrial License Fees	37.98	1996-97 to 2022-23	Beginning of the respective years	Not paid yet	-

Financial Statements

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Sales Tax, Value Added Tax, Excise Duty, Water Cess, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax Act, 1956	Sales Tax	0.50	1986-87	High Court	
	Sales Tax	6.27	1995-96	Sales Tax Tribunal	
	Sales Tax	42.42	2001-02, 2007-08 and 2010-11 to 2012-13	Appellate and Revision Board	
	Sales Tax	0.12	1979-80 to 1982-83	Sales Tax Commissioner	
	Sales Tax	12.22	1985-86 and 1999-2000	Assistant Commissioner	
	Sales Tax	0.85	2013-14	Additional Commissioner	
	Sales Tax	88.80	2016-17	Additional Commissioner	
West Bengal Value Added Tax, 2003	Value Added Tax	40.82	2007-08	West Bengal Commercial Taxes Appellate and Revision Board	
Bihar Finance Act, 1981	Sales Tax	39.74	1994-95 to 1996-97	Commissioner of Commercial Tax	
	Sales Tax	7.90	1994-95 to 1997-98	Joint Commissioner of Commercial Tax	
Orissa Sales Tax Act, 1947	Sales Tax	2.06	1985-86 and 1986-87	High Court	
	Sales Tax	0.02	1983-84	Assistant Commissioner	
Madhya Pradesh VAT Act 2022	Value Added Tax	14.63	2006-07 to 2009-10	High Court	
	Value Added Tax	11.11	2008-09	Commercial Tax Appellate Board	
MP Commercial Tax Act	Sales Tax	7.01	2001-02	High Court	
MP Sales Tax Act, 1961	Sales Tax	14.65	1998-99	High Court	
	Sales Tax	1.07	1986-87	Commercial Tax Appellate Board	
Central Excise Act, 1944	Excise Duty	1,364.24	1975-76, 1976-77, 1979-80, 1982-83, 1986-87 to 1996-97, 1989-90, 1994-95, 1995-96, 2005-06 to 2008-09, 2011-12	Customs, Excise & Service Tax Appellate Tribunal	
	Excise Duty	18.63	2007-08, 2010-11, 2011-12 and 2014-15	Commissioner (Appeals)	
	Excise Duty	130.74	1975-76 to 1978-79 and 1986-87 to 1997-98	Assistant Commissioner, High Commissioner central excise	
Madhya Pradesh Entry Tax Act, 1976	Purchase Tax/Entry Tax	36.74	2000-01 and 2001-02	High Court	
Madhya Pradesh Entry Tax Act, 1976	Purchase Tax/Entry Tax	4.26	2006-07	M.P Commercial Tax, Appellate Board	
The Water (Prevention and Control Of Pollution), Cess Act 1977	Water Cess	213,632.78	June 1998 to February 2003, 1998-99, 1961-62 to 1976-77, 1961-62 to 1999-2000	High Court	
The Water(Prevention and Control Of Pollution), Cess Act 1977	Water Cess	5.40	January 1994 to July 1996	State and preventions Pollution Control Board	

Name of the statute	Nature of the dues	Amount (₹ in lakhs)*	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Terminal Tax on Railway Passengers Act, 1956	Terminal Tax on supply of coal	184.67	2000-01 to 2007-08	High Court	
ESI Act, 1948	ESI Payment	195.58	April 1993 to March 1999, 2011-12	Labour Court	
	ESI Payment	227.42	April 1979 to February 1985, August 1990 to March 1993, April 1990 to April 1994, 1996-1999, 1993 to January 1997, 1996 to July 1998	ESIC Office	
	ESI Payment	27.66	January 1968 to November 1977, 1988-89 to 1990-91, 2000, April 1980 to March 1984 and November 1988 to July 1990	High Court	
Madhya Pradesh Upkar (Sanshodan) Adhinyam 2004	Energy Development Cess including surcharge	19,025.46	2001-2002 to 2020-21	Supreme Court	
Orissa Survey & Settlement Act, 1958	Land revenue	68.73	1982-83 to 2022-23	Orissa High Court	

*Amounts are net of pre-deposits, made under protest, aggregating to Rs 352.00 lakhs.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes except amount aggregating to Rs 3,094.46 lakhs raised on short-term basis and used for long-term purpose.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the

Financial Statements

Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has incurred cash losses of ₹ 1,322.95 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

ICAI UDIN:23055757BGYIHP3414

Place: Kolkata

Date: 18 May 2023

Annexure B to the Independent Auditor's Report on the financial statements of Orient Paper & Industries Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Orient Paper & Industries Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to

financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jayanta Mukhopadhyay

Partner

Place: Kolkata

Membership No.: 055757

Date: 18 May 2023

ICAI UDIN:23055757BGYIHP3414

Balance Sheet as at 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

	Notes	As at 31 st March, 2023	As at 31 st March, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	148,877.46	128,213.21
Capital work-in-progress	3c	7,115.03	18,083.19
Investment properties	4	611.62	615.99
Intangible assets	5	13.82	19.83
Biological assets other than bearer plants	42	48.15	40.83
Financial assets			
(i) Investments	6	38,966.31	53,842.41
(ii) Other financial assets	7	756.28	434.25
Income tax assets (net)	8	-	450.82
Other non-current assets	9	3,157.82	2,358.55
Total non-current assets		199,546.49	204,059.08
Current assets			
Inventories	10	13,432.68	6,588.90
Biological assets other than bearer plants	42	108.32	57.53
Financial assets			
(i) Trade receivables	11	1,796.41	2,308.44
(ii) Cash and cash equivalents	12	283.95	390.19
(iii) Bank balances other than (ii) above	13	152.66	153.41
(iv) Loans	14	7.95	8.43
(v) Other financial assets	15	24.05	27.39
Other current assets	16	5,047.14	3,658.75
		20,853.16	13,193.04
Assets classified as held for sale		20.60	-
Total current assets		20,873.76	13,193.04
Total assets		220,420.25	217,252.12
Equity and liabilities			
Equity			
Equity share capital	17	2,121.96	2,121.96
Other equity	18	149,425.96	153,163.60
Total equity		151,547.92	155,285.56
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	14,677.00	6,750.00
(ii) Lease liabilities	3b	344.80	491.15
Provisions	20	542.07	632.69
Deferred tax liabilities (net)	21	26,112.12	25,564.53
Total non-current liabilities		41,675.99	33,438.37
Current liabilities			
Financial liabilities			
(i) Borrowings	19	12,243.39	13,646.00
(ii) Lease liabilities	3b	143.13	118.26
(iii) Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		320.46	392.39
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,277.40	8,557.67
(iv) Other financial liabilities	23	3,760.20	3,180.24
Other current liabilities	24	2,633.33	1,954.87
Provisions	25	657.66	678.76
Income tax liabilities (net)	26	160.77	-
Total current liabilities		27,196.34	28,528.19
Total liabilities		68,872.33	61,966.56
Total equity and liabilities		220,420.25	217,252.12
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited
CIN No. L21011OR1936PLC000117

C.K.Birla
Chairman
(DIN 00118473)
Place : New Delhi

Ashwin J. Laddha
Managing Director & CEO
(DIN 09538310)
Place : New Delhi

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
Place: Kolkata
Date: 18 May 2023

P.K.Sonthalia
President Finance & CFO
(PAN ALQPS6822D)
Place : New Delhi
Date: 18 May 2023

R.P.Dutta
Company Secretary
(M.NO. A14337)
Place : New Delhi

Statement of Profit And Loss for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

	Notes	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Income			
Revenue from operations	27	94,295.67	58,565.12
Other income	28	2,913.91	916.67
Total income (I)		97,209.58	59,481.79
Expenses			
Cost of materials consumed	29	29,319.58	23,534.52
Changes in inventories of work-in-progress and finished goods	30	22.17	549.06
Power & fuel	31	27,225.24	17,388.74
Employee benefits expense	32	8,017.92	8,133.91
Finance costs	33	1,039.46	497.95
Depreciation and amortisation expense	34	3,304.49	3,120.17
Other expenses	35	13,514.99	10,648.91
Total expenses (II)		82,443.85	63,873.26
Profit / (Loss) before tax (I - II)		14,765.73	(4,391.47)
Income tax expense			
Current tax	36	2,586.11	(76.34)
Deferred tax		2,255.05	(1,427.48)
Total tax expense		4,841.16	(1,503.82)
Profit / (Loss) for the year		9,924.57	(2,887.65)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations	45	36.88	320.29
Fair value changes on equity investments through OCI	18	(14,876.11)	13,439.20
Income tax relating to items that will not be reclassified to profit or loss	36	1,707.46	(1,855.82)
Total other comprehensive income/ (loss) for the year, net of tax		(13,131.77)	11,903.67
Total comprehensive income for the year		(3,207.20)	9,016.02
Earnings per equity share			
(Nominal value ₹ 1/- per share) (in ₹)	46		
Basic and diluted earnings per equity share		4.68	(1.36)
* Refer note 53 for reclassification			
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited
CIN No. L21011OR1936PLC000117

C.K.Birla
Chairman
(DIN 00118473)
Place : New Delhi

Ashwin J. Laddha
Managing Director & CEO
(DIN 09538310)
Place : New Delhi

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
Place: Kolkata
Date: 18 May 2023

P.K.Sonthalia
President Finance & CFO
(PAN ALQPS6822D)
Place : New Delhi
Date: 18 May 2023

R.P.Dutta
Company Secretary
(M.NO. A14337)
Place : New Delhi

Statement of Changes in Equity for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Amount
As at 1 st April 2021	2,121.96
Changes in equity share capital during the year	-
As at 31 st March 2022	2,121.96
Changes in equity share capital during the year	-
As at 31 st March 2023	2,121.96

B. OTHER EQUITY

	Reserves and surplus				Equity instruments through OCI	Total
	Investment subsidy	Securities premium account	General reserve	Retained earnings		
As at 1 st April 2021	15.00	4,697.49	11,006.84	86,353.96	42,604.75	144,678.04
Profit for the year	-	-	-	(2,887.65)	-	(2,887.65)
Other comprehensive income for the year	-	-	-	208.37	11,695.30	11,903.67
Total comprehensive income / (loss) for the year	-	-	-	(2,679.28)	11,695.30	9,016.02
Transactions with owners of the Company:						
Dividend paid	-	-	-	(530.46)	-	(530.46)
Transfer from equity instruments through other comprehensive income to retained earnings on sale of equity shares	-	-	-	346.09	(346.09)	-
As at 31 st March 2022	15.00	4,697.49	11,006.84	83,490.32	53,953.96	153,163.60

	Reserves and surplus				OCI Equity instruments through OCI	Total
	Investment subsidy	Securities premium account	General reserve	Retained earnings		
As at 1 st April 2022	15.00	4,697.49	11,006.84	83,490.32	53,953.96	153,163.60
Profit for the year	-	-	-	9,924.57	-	9,924.57
Other comprehensive income / (loss) for the year	-	-	-	23.95	(13,155.72)	(13,131.77)
Total comprehensive income / (loss) for the year	-	-	-	9,948.52	(13,155.72)	(3,207.20)
Transactions with owners of the Company:						
Dividend paid	-	-	-	(530.46)	-	(530.46)
Dividend distribution tax paid	-	-	-	-	-	-
As at 31 st March 2023	15.00	4,697.49	11,006.84	92,908.38	40,798.24	149,425.96

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of

Orient Paper & Industries Limited

CIN No. L21011OR1936PLC000117

C.K.Birla

Chairman

(DIN 00118473)

Place : New Delhi

Ashwin J. Laddha

Managing Director & CEO

(DIN 09538310)

Place : New Delhi

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Kolkata

Date: 18 May 2023

P.K.Sonthalia

President Finance & CFO

(PAN ALQPS6822D)

Place : New Delhi

Date: 18 May 2023

R.P.Dutta

Company Secretary

(M.NO. A14337)

Place : New Delhi

Statement of Cash Flows for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
(A) Cash flows from operating activities:		
Profit / (loss) before income tax	14,765.73	(4,391.47)
Adjustments for:		
Depreciation and amortisation expense	3,304.49	3,120.17
Finance costs	1,039.46	497.95
(Gain) / loss on disposal of property, plant and equipment (net)	(1,432.28)	11.35
Impairment losses on financial assets	-	8.49
Rental income from investment properties	(184.60)	(220.53)
Unspent liabilities, provisions no longer required and unclaimed balances written back	(52.47)	(27.64)
Unrealised foreign exchange loss (net)	-	1.48
Interest income	(119.09)	(41.24)
Dividend income	(687.24)	(478.73)
Operating profit / (loss) before changes in working capital	16,634.00	(1,520.17)
Increase/ (decrease) in trade payables, other liabilities and provisions	(100.68)	10.93
(Increase) / Decrease in inventories	(6,843.78)	408.91
(Increase) / Decrease in biological assets	(58.11)	69.53
(Increase) in trade receivables, loans and advances and other assets	(1,480.35)	(1,425.78)
Cash generated from / (used in) operations	8,151.08	(2,456.58)
Income taxes (paid) / refund (net)	(1,974.52)	8.65
Net cash generated from / (used in) operating activities	6,176.56	(2,447.93)
(B) Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	2,234.48	0.63
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress	(12,978.97)	(12,614.28)
Proceeds on disposal of investments in equity shares	-	3,162.17
Rental income from investment properties	184.60	220.53
Interest received	115.74	29.59
Dividend received	687.24	478.73
Proceeds from maturity of bank deposits	0.96	13.12
Net cash used in investing activities	(9,755.95)	(8,709.51)

Statement of Cash Flows for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
(C) Cash flows from financing activities:		
Proceeds from long-term borrowings	7,463.28	7,500.00
Repayment of long-term borrowings	(1,750.00)	(250.00)
Net proceeds from short-term borrowings	811.10	4,935.25
Principal payment of lease liabilities	(121.47)	(121.67)
Finance costs paid	(2,399.30)	(1,160.51)
Dividend paid	(530.46)	(530.02)
Net cash inflow from financing activities	3,473.15	10,373.05
Net decrease in cash and cash equivalents (A+B+C)	(106.24)	(784.39)
Cash and cash equivalents at the beginning of the year (Refer note 12)	390.19	1,174.58
Cash and cash equivalents at the end of the year (Refer note 12)	283.95	390.19

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. Refer note 41 for reconciliation of movement of liabilities to cashflows arising from financing activities.

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of

Orient Paper & Industries Limited

CIN No. L21011OR1936PLC000117

C.K.Birla

Chairman

(DIN 00118473)

Place : New Delhi

Ashwin J. Laddha

Managing Director & CEO

(DIN 09538310)

Place : New Delhi

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Kolkata

Date: 18 May 2023

P.K.Sonthalia

President Finance & CFO

(PAN ALQPS6822D)

Place : New Delhi

Date: 18 May 2023

R.P.Dutta

Company Secretary

(M.NO. A14337)

Place : New Delhi

1.1 COMPANY BACKGROUND

Orient Paper & Industries Limited (the 'Company') is a public limited Company, incorporated and domiciled in India. The equity shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange in India. The registered office of the Company is located at Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012, Orissa, India.

The Company is mainly engaged in the business of manufacturing and selling of paper and paper-related products and chemicals as detailed under Note 27, "Revenue from operations".

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 18 May 2023.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

- Equity instruments measured at fair value through OCI
- Net defined benefit (asset)/ liability - measured at fair value of plan assets less the present value of the defined benefit obligation
- Biological assets - measured at fair value less costs to sell

(iii) Rounding of amounts

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest lakhs (in two decimals), as per the requirement of Schedule III, unless otherwise stated.

(iv) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
 - b) held primarily for the purpose of trading,
 - c) expected to be realised within twelve months after the reporting period, or
 - d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period, or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The normal operating cycle of the Company, that is, the time between the acquisition of assets for processing and their realisation in cash or cash equivalent is 12 months."

(v) Critical estimates and judgements

"The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures. Revisions to estimates are recognised prospectively. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the financial statements is as follows:"

The areas involving critical estimates or judgements are:

- Employee benefits plans — Notes 2.15 and 45
Post-employment benefits represent obligations that will be settled in the future and require

Notes to Financial Statements as at and for the year ended 31st March, 2023

assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate, salary growth rate etc. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Contingencies — Notes 2.18 and 48

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Company consults with legal counsel and other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- Valuation of deferred tax assets — Notes 2.17 and 21

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation method, estimated useful lives and residual values

"Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values on a pro-rata basis using the straight-line method [except for furniture and fixtures and vehicles with gross carrying amount of ₹ 1,993.54 lacs (31st March 2022: ₹ 1,135.31 lacs) where written down value method is followed] to allocate their cost net of their estimated residual values, over their estimated useful lives.

The useful lives have been determined based on evaluation done by the management's expert and are in

line with the useful life specified in Part C of Schedule II to the Companies Act, 2013, except for certain plant and equipment and non-factory buildings, in order to reflect the actual usage of the assets. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.”

Estimated useful lives of the property, plant and equipment as estimated by the management are as follows:

Factory buildings - 30 years
Non-factory buildings - 5 to 60 years
Railway sidings - 15 years
Plant and equipments - 3 to 40 years
Furniture and fixtures - 10 years
Computers (included under plant and equipments) - 3 years
Office equipments - 5 years
Vehicles - 8 to 10 years

The residual values are not more than 5% of the original cost of the asset.

2.2 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset (“ROU”) and a lease liability at the lease commencement date, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-

use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is

Notes to Financial Statements as at and for the year ended 31st March, 2023

a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land (other than those in the nature of perpetual leases) are amortised on straight - line basis over the primary lease period or their respective useful lives, whichever is shorter.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

2.3 Intangible assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss. The estimated useful life of Computer software is 3 years.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Research costs are expensed as incurred.

2.4 Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation on investment properties is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management. The estimated useful life of investment properties (buildings) as estimated by the management is 60 years which is in line the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

2.5 Impairment of non-financial assets

At each reporting date, the carrying amounts of non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) is reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on weighted average basis. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes direct materials, direct labour, an appropriate share of variable and fixed production overheads, the latter being allocated on the basis of normal operating capacity.

By-products are valued at net realisable value. Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis."

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis.

2.7 Biological assets

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

Eucalyptus plantation are accounted for as biological assets until the point of harvest. Harvested eucalyptus plants are transferred to inventory at fair value less costs to sell when harvested.

Changes in fair value of the biological assets are recognised in the Statement of Profit and Loss.

The fair value of growing eucalyptus plantation is determined using a discounted cash flow model based on the expected plant yield by plantation size, the market price for wood and after allowing for harvesting costs and other costs yet to be incurred in getting the plants to maturity.

2.8 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI) – equity investment; or
- fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

- **Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- **Equity investments at FVOCI:** These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the

Notes to Financial Statements as at and for the year ended 31st March, 2023

transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

2.9 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 2.7: biological assets;
- Note 2.10: disposal group held for sale;
- Note 2.4: investment property;
- Note 2.8: financial instruments;

2.10 Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Notes to Financial Statements as at and for the year ended 31st March, 2023

Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet."

2.11 Revenue recognition

Sale of goods

The Company earns revenue primarily from sale of paper products and chemicals. It also includes revenue from scrap sales, sale of clonal plants, etc.

At contract inception, Company assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised goods or services to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those goods or services.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of goods or services revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods or services. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be

entitled in exchange for the goods that will be transferred to the customer.

2.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

2.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.14 Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

2.15 Employee benefits

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment benefits

Post-retirement benefits to employees can either be through defined contribution plans or defined benefit plans.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered funds / schemes for this purposes.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company operates the following defined benefit plans:

- (a) Defined benefit gratuity plan, which requires contributions to be made to a separately administered fund and
- (b) Provident fund, a portion of which is administered by Birla Industries Provident Fund.

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or

loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the Eligible employee and the Company make monthly contributions to the provident fund plan at a percentage of the covered employee's salary. The Company contributes a portion to the Birla Industries Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the short fall, if any, between the return from the investments of the trust and the notified interest rate. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in the statement of profit & loss under employee benefit expense.

Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under current provisions in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.16 Recognition of Dividend Income, Interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

Notes to Financial Statements as at and for the year ended 31st March, 2023

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.17 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no

longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

2.18 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable

Notes to Financial Statements as at and for the year ended 31st March, 2023

estimate of the amount cannot be made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.19 Earnings per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director & CEO of the Company. Refer Note 43 for segment information presented.

2.21 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards)

Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below. Other amendments included in the notification does not have any significant impact on the financial statements.

Ind AS 1 Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 12 Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

Notes to financial statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	31-Mar-23	31-Mar-22
Note 3a. Owned assets	90,893.84	69,943.40
Note 3b. Leased assets	57,983.62	58,269.81
Total	148,877.46	128,213.21

3A. OWNED ASSETS

	Freehold land	Factory buildings	Non-factory buildings	Railway sidings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying amount									
Cost as at 1 st April 2021	30,947.04	6,153.22	3,595.14	68.75	79,203.15	776.55	319.27	359.39	121,422.51 (a)
Additions	-	9.13	-	-	671.86	9.82	6.24	-	697.05
Disposals	-	-	-	-	195.65	0.62	-	9.83	206.10
Transfer from Right - of - use assets	-	-	-	-	59.10	-	-	-	59.10
As at 31st March 2022	30,947.04	6,162.35	3,595.14	68.75	79,738.46	785.75	325.51	349.56	121,972.56 (a)
Additions	-	988.08	260.49	-	22,609.95	893.10	9.94	19.58	24,781.14
Disposals	551.83	-	80.48	-	2,419.69	0.33	-	54.14	3,106.47
As at 31st March 2023	30,395.21	7,150.43	3,775.15	68.75	99,928.72	1,678.52	335.45	315.00	143,647.23 (a)
Accumulated depreciation									
As at 1 st April 2021	-	2,712.10	1,355.28	52.29	44,031.01	623.03	300.83	217.76	49,292.30
Charge for the year	-	161.05	88.52	2.14	2,558.71	31.18	4.24	28.98	2,874.82 (b)
Disposals	-	-	-	-	184.15	0.62	-	9.34	194.11
Transfer from Right - of - use assets	-	-	-	-	56.15	-	-	-	56.15
As at 31st March 2022	-	2,873.15	1,443.80	54.43	46,461.72	653.59	305.07	237.40	52,029.16 (b)
Charge for the year	-	165.55	89.20	2.13	2,690.21	93.35	3.98	20.85	3,065.27
Disposals	-	-	35.94	-	2,274.35	0.31	-	30.44	2,341.04
As at 31st March 2023	-	3,038.70	1,497.06	56.56	46,877.58	746.63	309.05	227.81	52,753.39
Net carrying amount									
As at 31 st March 2022	30,947.04	3,289.20	2,151.34	14.32	33,276.74	132.16	20.44	112.16	69,943.40
As at 31st March 2023	30,395.21	4,111.73	2,278.09	12.19	53,051.14	931.89	26.40	87.19	90,893.84

(a) Includes certain assets held in joint ownership ₹ 188.09 lacs (31st March 2022: ₹ 188.09 lacs).

(b) Includes depreciation ₹ 6.24 lacs (31st March 2022: ₹ 5.99 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

(c) Refer to notes 19 for information on Property, plant and equipment pledged as security by the Company.

(d) Refer to note 47 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(e) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 & 4 to the financial statements, are held in the name of the Company, except for the following:

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

Title deeds of immovable property not held in the name of the Company

Asset category	As at 31 st March, 2023					
	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Free hold land	243.33	Hukum Chand Jute and Industries Limited	No	2008	Order from Tehsildar for registration of property awaited
Property, plant and equipment	Lease hold land	2.17	Hukum Chand Jute and Industries Limited	No	2008	Order from Tehsildar for registration of property awaited
Investment Property	Land and building	432.94	The Embassy of Union of Soviet Socialist Republics	No	1989	The process for transfer of property in the name of the Company is in progress

Title deeds of immovable property not held in the name of the Company

Asset category	As at 31 st March, 2022					
	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Free hold land	243.33	Hukum Chand Jute and Industries Limited	No	2008	Order from Tehsildar for registration of property awaited
Property, plant and equipment	Lease hold land	2.17	Hukum Chand Jute and Industries Limited	No	2008	Order from Tehsildar for registration of property awaited
Investment Property	Land and building	432.94	The Embassy of Union of Soviet Socialist Republics	No	1989	The process for transfer of property in the name of the Company is in progress

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

3B. LEASED ASSETS

(I) The Company as a lessee

(a) Following are the changes in carrying value of right of use assets

	Leasehold land (refer note i)	Plant and equipment	Computer Equipment	Non- factory Building	Total Right-of- use assets
Cost					
Balance as at 1 st April 2021	58,447.15	800.00	59.10	101.77	59,408.02
Additions during the year	-	-	-	121.37	121.37
Assets disposed / transferred to Property, Plant and Equipment	-	-	59.10	-	59.10
As at 31st March, 2022	58,447.15	800.00	-	223.14	59,470.29
Assets disposed	60.74	-	-	-	60.74
As at 31st March, 2023	58,386.41	800.00	-	223.14	59,409.55
Accumulated depreciation					
Balance as at 1 st April 2021	624.08	265.94	56.15	84.06	1,030.23
Charge for the year	137.78	50.67	-	37.95	226.40
Assets disposed / transferred to Property, Plant and Equipment	-	-	56.15	-	56.15
As at 31st March, 2022	761.86	316.61	-	122.01	1,200.48
Charge for the year	137.78	50.67	-	40.38	228.83
Assets disposed	3.38	-	-	-	3.38
As at 31st March, 2023	896.26	367.28	-	162.39	1,425.93
Carrying amount					
As at 31st March, 2022	57,685.29	483.39	-	101.13	58,269.81
As at 31st March, 2023	57,490.15	432.72	-	60.75	57,983.62

(i) The Company has lease contracts for leasehold land, plant and equipment and also non factory building. Leasehold land is perpetual in nature except for few parcels of land which are depreciated over the lease tenure.

Lease of plant and equipment have lease terms of 9 years & 9 months and may be extended for such duration and on such terms as the parties may mutually agreed.

Non factory building have lease term of 3 years and may be extended for such duration and on such terms as the parties may mutually agree.

Extension and termination options are included in leases contracts of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable by both the Company and lessor.

(ii) Leasehold land includes depreciation ₹ 137.78 lacs (31st March, 2022: ₹ 137.78 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

(iii) Refer to notes 19 for information on Property, plant and equipment pledged as security by the Company.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

(b) Following are the changes in carrying value of lease liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Opening Balance	609.40	609.70
Addition during the year	-	121.37
Finance costs during the year	85.94	97.42
Lease payments during the year	(207.41)	(219.09)
Closing balance	487.93	609.40
Current lease liabilities	143.13	118.26
Non-current lease liabilities	344.80	491.15

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Less than one year	207.41	207.41
One to five years	269.33	476.74
More than five years	-	-
Total	476.74	684.15

(c) Following are the amounts recognised in Statement of profit and loss

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Depreciation expense on right-of-use assets	228.83	226.40
Interest expense on lease liabilities	85.94	97.42
Expense relating to variable lease payments not included in lease liabilities (included in other expenses) [#]	70.33	66.61
Total amount recognised in Statement of profit and loss	385.10	390.43

[#] The Variable lease payment relates to a lease arrangement wherein the lease payment amounts to the payment made in respect of solar power. Since the lease payment varies substantially, it has been classified as variable lease payment.

(d) The Company had a total cash outflows of ₹ 207.41 lacs for leases for the year ended 31st March, 2023 (31st March, 2022: ₹ 219.09 lacs).

(II) The Company as a lessor

Operating lease

The Company has leased out certain buildings on operating leases. The lease term is for 1-3 years and thereafter renewable. There is escalation clause in the lease agreements. The rent is not based on any contingencies.

There are no restrictions imposed by lease arrangements. The leases are cancellable. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4 sets out information about the operating leases of investment property.

3C. CAPITAL WORK-IN PROGRESS

	Opening Balance	Addition during the year	Capitalised	Closing Balance
2022-23	18,083.19	13,803.85	24,772.01	7,115.03
2021-22	5,386.71	13,388.73	692.25	18,083.19

Notes to Financial Statements

as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

i) Aging of CWIP

	As at 31 st March, 2023				
	Amount in Capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	3,721.02	752.14	213.70	2,428.17	7,115.03
(ii) Projects temporarily suspended	-	-	-	-	-
Total	3,721.02	752.14	213.70	2,428.17	7,115.03

	As at 31 st March, 2022				
	Amount in Capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	14,283.70	775.13	2,279.64	744.72	18,083.19
(ii) Projects temporarily suspended	-	-	-	-	-
Total	14,283.70	775.13	2,279.64	744.72	18,083.19

(ii) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

CWIP	As at 31 st March, 2023				
	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Recovery Boiler, Upgradation of pulp mill, Soda recovery & Causticizing equipments	5,298.34	-	-	-	5,298.34
Vacuum De-Chlorination System	5.95	-	-	-	5.95
Sodium Hypo System	8.00	-	-	-	8.00
Projects temporarily suspended	-	-	-	-	-
Total	5,312.29	-	-	-	5,312.29

CWIP	As at 31 st March, 2022				
	Amount in Capital work-in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Recovery Boiler & Upgradation of pulp mill	17,803.89	-	-	-	17,803.89
Projects temporarily suspended	-	-	-	-	-
Total	17,803.89	-	-	-	17,803.89

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 4: INVESTMENT PROPERTIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Gross carrying amount		
Opening gross carrying amount	642.24	642.24
Closing gross carrying amount	642.24	642.24
Accumulated depreciation		
Opening accumulated depreciation	26.25	21.88
Depreciation charge	4.37	4.37
Closing accumulated depreciation	30.62	26.25
Net carrying amount	611.62	615.99

(a) The Company along with other co-owners, has developed a plot of land and constructed a building thereon at 25, Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of land of value ₹ 432.94 lacs (31st March, 2022: ₹ 432.94 lacs) in the name of the Company is still pending.

(b) Investment properties held in joint ownership ₹ 611.62 lacs (31st March, 2022: ₹ 615.99 lacs).

(c) **Fair value of investment properties:**

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Fair value of investment properties	8,587.40	8,498.50
Net block	8,587.40	8,498.50

Measurement of fair values

i. Fair value hierarchy and Valuation technique

The fair value of investment property was determined by an accredited external independent property valuer. The said property valuer is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. The valuation is based on market approach / income approach as considered appropriate for relevant properties. Market approach valuation is based on inputs such as government rates, market research, market trend and comparable values as considered appropriate. The main inputs used for income approach are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

(d) **Amounts recognised in profit or loss for investment properties:**

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Rental income	184.60	220.53
Depreciation expense	(4.37)	(4.37)
Profit from investment properties (net)	180.23	216.16

NOTE 5: INTANGIBLE ASSETS

Particulars	Computer software
Gross carrying amount	
As at 1 st April 2021	382.63
Additions	18.00
As at 31st March, 2022	400.63
Additions	-
As at 31st March, 2023	400.63

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 5: INTANGIBLE ASSETS (CONTD.)

Particulars	Computer software
Accumulated amortisation	
As at 1 st April 2021	366.20
Charge for the year	14.60
As at 31st March, 2022	380.80
Charge for the year	6.02
As at 31st March, 2023	386.82
Net carrying amount	
As at 31 st March, 2022	19.83
As at 31st March, 2023	13.82

NOTE 6: INVESTMENTS - NON-CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Investments in equity instruments at FVOCI (fully paid-up)		
Quoted		
9.72 lacs (31 st March, 2022: 9.72 lacs) equity shares of ₹ 10 each in Century Textiles & Industries Limited	6,159.46	8,302.64
1.37 lacs (31 st March, 2022: 1.37 lacs) equity shares of ₹ 10 each in Ultra Tech Cement Limited	10,447.30	9,049.44
9.06 lacs (31 st March, 2022: 9.06 lacs) equity shares of ₹ 10 each in HIL Limited	21,766.69	36,019.65
Unquoted		
0.30 lac (31 st March, 2022: 0.30 lac) equity shares of ₹ 10 each in Birla Buildings Limited	127.80	68.40
0.06 lac (31 st March, 2022: 0.06 lac) equity shares of ₹ 10 each in GMMCO Limited	464.89	402.11
0.25 lac (31 st March, 2022: 0.25 lac) equity shares of ₹ 10 each in Tungabhadra Industries Limited	-	-
200 (31 st March, 2022: 200) equity shares of ₹ 10 each in Orissa Textiles Mills Limited	-	-
173.99 lacs (31 st March, 2022: 173.99 lacs) equity shares of K.Sh 20 each in Panafrican Paper Mills (E.A) Limited	-	-
	38,966.14	53,842.24
Investments in government securities at amortised cost		
Unquoted		
6 Years National Savings Certificates (a)	0.17	0.17
	38,966.31	53,842.41
Aggregate book value of quoted investments	38,373.45	53,371.73
Aggregate market value of quoted investments	38,373.45	53,371.73
Aggregate amount of unquoted investments	592.86	470.68

- (a) Lodged with government department as security deposits.
- (b) Refer note 38 for information about fair value measurements and note 40 for credit risk and market risk on investments.
- (c) Investment in Tungabhadra Industries Limited, Orissa Textiles Mills Limited and Panafrican Paper Mills (E.A) Limited is net of provisions.
- (d) Certain investments are pledged against the borrowings obtained by the Company as referred in note 19.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 7: OTHER FINANCIAL ASSETS - NON-CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good		
Bank Deposits [@]	30.64	30.64
Trade and other deposits	725.64	403.61
	756.28	434.25

@ Lodged with government departments/ banks as security.

NOTE 8: INCOME TAX ASSETS (NET)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance tax [Net of provision for tax ₹ Nil (31 st March, 2022: ₹ 270.00 lacs)]	-	450.82
	-	450.82

NOTE 9: OTHER NON-CURRENT ASSETS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good		
Capital advances	1,601.08	1,090.94
Advances recoverable	558.22	311.80
Deposits against demand under dispute	654.61	617.51
Prepaid expenses	16.93	11.32
Claims and refunds receivable	326.98	326.98
	3,157.82	2,358.55

NOTE 10: INVENTORIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Valued at lower of cost and net realisable value		
Raw materials and components	7,933.32	2,966.50
Work-in-progress	888.97	583.21
Finished goods	461.63	759.50
Stores and spare parts	4,115.04	2,215.89
At estimated net realisable value		
By-products	1.48	3.75
Scrap	32.24	60.05
	13,432.68	6,588.90
The above includes stock in transit:		
Finished goods	38.25	-
Stores and spare parts	81.22	51.61
	119.47	51.61

(a) Write downs of inventories to net realisable value amounted to ₹ 68.62 lacs (31st March, 2022: ₹ 59.53 lacs) which were recognised as an expense and included in consumption of stores and spare parts in note 35.

(b) Inventories are hypothecated against the borrowings obtained by the Company as referred in note 19.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 11: TRADE RECEIVABLES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade receivables	1,853.44	2,365.47
Less: Loss allowance	(57.03)	(57.03)
Total receivables	1,796.41	2,308.44

Break-up of Trade Receivables

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade receivables considered good – Secured	538.76	438.29
Trade receivables considered good – Unsecured	1,257.65	1,870.15
Trade receivables – credit impaired	57.03	57.03
Total	1,853.44	2,365.47
Loss allowance	(57.03)	(57.03)
Total trade receivables	1,796.41	2,308.44

Aging of Trade Receivables

Particulars	As at 31 st March, 2023							Total
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	1,370.41	274.00	52.95	80.51	1.20	17.34	1,796.41
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	8.42	48.61	57.03
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-
Total	-	1,370.41	274.00	52.95	80.51	9.62	65.95	1,853.44

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 11: TRADE RECEIVABLES (CONTD.)

Aging of Trade Receivables

Particulars	As at 31 st March, 2022							Total
	Unbilled	Not due	Outstanding for following periods from due date of payment				More than 3 years	
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
(i) Undisputed Trade receivables- considered good	-	2,113.03	53.96	60.85	49.93	25.81	4.86	2,308.44
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	8.42	0.07	48.54	57.03
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-
Total	-	2,113.03	53.96	60.85	58.35	25.88	53.40	2,365.47

(a) Trade receivables are generally on credit term of up to 10 days.

(b) Refer note 40 for credit risk and market risk on trade receivables.

(c) Trade receivables are pledged against the borrowings obtained by the Company as referred in note 19.

NOTE 12: CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balances with banks:		
– On current accounts	281.20	387.67
Cheques on hand	0.60	-
Cash on hand	2.15	2.52
	283.95	390.19

NOTE 13: OTHER BANK BALANCES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
On unpaid dividend accounts*	46.33	46.12
Deposits with original maturity of more than 3 months**	106.33	107.29
	152.66	153.41

* Earmarked for payment of unclaimed dividend

** Lodged with government departments/banks as security.

NOTE 14: LOANS - CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good		
Loans to employees (interest free)	7.95	8.43
	7.95	8.43

The Company has not granted loans to its promoters, directors, KMPs and the other related parties (as defined under Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment or any other loans or advance in the nature of loans.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 15: OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good		
Interest accrued on loans, deposits, etc.	21.80	18.45
Trade and other deposits	2.25	8.94
Credit impaired		
Trade and other deposits	10.00	10.00
Less: Loss allowance	(10.00)	(10.00)
	24.05	27.39

NOTE 16: OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good		
Deposits against demand under dispute	-	47.62
Balances with government authorities	12.36	94.82
Prepaid expenses	869.87	562.99
Export incentives receivable	208.91	318.17
Claims and refunds receivable	87.80	100.83
Advances to suppliers	3,868.20	2,534.32
	5,047.14	3,658.75

NOTE 17: EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Authorised shares		
75,00,00,000 (31 st March, 2022: 75,00,00,000) Equity Shares of ₹ 1/- each	7,500.00	7,500.00
25,00,00,000 (31 st March, 2022: 25,00,00,000) Preference Shares of ₹ 100/- each	2,500.00	2,500.00
	10,000.00	10,000.00

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Issued shares		
21,22,04,712 (31 st March, 2022: 21,22,04,712) Equity Shares of ₹ 1/- each	2,122.05	2,122.05
Total issued capital	2,122.05	2,122.05

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Subscribed and paid-up shares		
21,21,85,502 (31 st March, 2022: 21,21,85,502) Equity Shares of ₹ 1/- each	2,121.86	2,121.86
Forfeited shares (amount originally paid-up)	0.10	0.10
Total subscribed and paid-up share capital	2,121.96	2,121.96

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 17: EQUITY SHARE CAPITAL (CONTD.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No. in lacs	Amount	No. in lacs	Amount
At the beginning of the year	2,121.86	2,121.86	2,121.86	2,121.86
At the end of the year	2,121.86	2,121.86	2,121.86	2,121.86

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 st March, 2023			As at 31 st March, 2022		
	No. shares in lacs	% holding in the class	% change	No. in lacs	% holding in the class	% change
Equity shares of ₹ 1 each fully paid						
Central India Industries Limited	525.60	24.77%	-	525.60	24.77%	-
Shekhavati Investments and Traders Limited	132.21	6.23%	-	132.21	6.23%	-

(d) Details of shareholding of promoters:

Name of the promoter	As at 31 st March, 2023			As at 31 st March, 2022		
	Number of shares	Percentage of total number of shares	Percentage of change during the year	Number of shares	Percentage of total number of shares	Percentage of change during the year
Equity shares of ₹ 1 each fully paid						
Amita Birla	328,000	0.15%	0.00%	328,000	0.15%	0.00%
Chandra Kant Birla	3,405,893	1.61%	0.00%	3,405,893	1.61%	0.00%
Nirmala Birla	3,606,410	1.70%	0.00%	3,606,410	1.70%	0.00%
Avani Birla	130,000	0.06%	0.00%	130,000	0.06%	0.00%
Avanti Birla	134,642	0.06%	0.00%	134,642	0.06%	0.00%
Amer Investments (Delhi) Limited	1,422,000	0.67%	0.00%	1,422,000	0.67%	0.00%
Hindusthan Discounting Company Limited	2,310,678	1.09%	0.00%	2,310,678	1.09%	0.00%
India Silica Magnesite Works Limited	200,000	0.09%	0.00%	200,000	0.09%	0.00%
Jaipur Finance And Dairy Products Pvt. Ltd.	208,000	0.10%	0.00%	208,000	0.10%	0.00%
National Engineering Industries Limited	537,400	0.25%	0.00%	537,400	0.25%	0.00%
Universal Trading Company Limited	912,280	0.43%	0.00%	912,280	0.43%	0.00%
Bengal Rubber Company Limited	195,000	0.09%	0.00%	195,000	0.09%	0.00%
Central India Industries Limited	52,559,648	24.77%	0.00%	52,559,648	24.77%	0.00%
Gwalior Finance Corporation Limited	1,649,375	0.78%	0.00%	1,649,375	0.78%	0.00%
Rajasthan Industries Ltd	690,035	0.33%	0.00%	690,035	0.33%	0.00%
Ashok Investment Corporation Ltd	683,038	0.32%	0.00%	683,038	0.32%	0.00%
Shekhavati Investments And Traders Ltd.	13,220,895	6.23%	0.00%	13,220,895	6.23%	0.00%
	82,193,294	38.74%		82,193,294	38.74%	

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 18: OTHER EQUITY

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Reserves and surplus		
Investment subsidy	15.00	15.00
Securities premium account	4,697.49	4,697.49
General reserve	11,006.84	11,006.84
Retained earnings	92,908.38	83,490.30
Equity instruments through other comprehensive income	40,798.24	53,953.97
	149,425.96	153,163.60

After the reporting dates the dividend on equity shares of ₹ 1 per share was proposed by the board of directors subject to the approval at the Annual General Meeting. The dividends have not been recognised as liabilities. Total cash outflow on account of the aforesaid proposed dividend would be ₹ 2,121.86 lacs.

Nature and purpose of each reserve

Investment subsidy

This relates to amount received in earlier years towards one time investment subsidy.

Securities premium account

Securities premium is used to record premium received on issue of shares. The reserve may be utilised in accordance with the provisions of the Companies Act, 2013 of India (the "Act").

General reserve

General reserve represents free reserves of the Company created through transfer of profits from retained earnings.

Retained earnings

Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/loss of defined benefit plans.

Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. The changes are accumulated within the 'equity instruments through other comprehensive income'. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTE 19: BORROWINGS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Non-current borrowings		
Term loans (secured)		
From banks	14,677.00	6,750.00
	14,677.00	6,750.00
Current Borrowings		
Cash credit / working capital demand loans from banks (secured)	4,057.41	3,246.31
Term loans (secured)		
From banks (refer note b)	-	3,704.34
From others	4,957.85	4,957.85
Current maturities of long term borrowings	3,228.13	1,737.50
	12,243.39	13,646.00

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 19: BORROWINGS (CONTD.)

- (a) Term loan of ₹ 6750.00 lacs (31st March, 2022: ₹ 7500 lacs) from a bank is secured by way of first pari-passu charge on entire fixed assets of Company at Amlai & Brajrajnagar and carries interest @ 8.80% p.a. (31st March, 2022: @ 6.55%) and is repayable in 20 equal quarterly instalments starting from 31st December 2022 up to 14th September 2027.
- (b) Term loan of ₹ 3750.00 lacs (31st March, 2022: ₹ 4750.00 lacs) from a bank is secured by way of first pari-passu charge on all movable and immovable fixed assets (including land and building) of the Company (present and future) located at Amlai, Madhya Pradesh and Brajrajnagar, Odisha and carries interest @ 9.33% p.a. (31st March, 2022: @ 7.25%) and is repayable in 20 equal quarterly instalments starting from 26th February 2022 up to 26th November 2026.

During the previous year, the Company could not comply with debt covenants regarding maintainability of minimum Interest Coverage ratio of 2 (Interest Coverage is defined as EBIDTA/Interest Cost). Since the Company is having a negative EBIDTA for the year ended 31 March, 2022, the said covenant has not been complied with. Hence, in accordance with the paragraph 74 of Ind AS 1 'Presentation of Financial Statements', same has been classified under current borrowing as on 31 March, 2022."

- (c) Term loan of ₹ 7500.00 lacs from a bank is secured by way of first pari-passu charge over the immovable fixed assets and movable fixed assets of the Company situated at Amlai, Madhya Pradesh (manufacturing unit) and at Brajrajnagar, Odisha and carries interest from @ 8.05% p.a. to 8.40% p.a. and is repayable in 20 equal quarterly instalments starting from 19th October 2023 up to 19th July 2028.
- (d) Cash credit / working capital demand loans from banks includes security against hypothecation of stock-in-trade, work-in-progress, raw materials, stores and spares, book debts and other current assets of the Company and second charge on fixed assets of the Company and are repayable on demand / at the end of the term of WCDL. The above loans carry interest @ 7.80 % p.a. to 10.05 % p.a. (31st March, 2022: 5.00% p.a. to 8.70% p.a.).
- (e) Short term loan of ₹ 5,000.00 lacs from others is secured by way of pledge of certain investments held by the Company, carries interest @ 9.50 % p.a. (31st March, 2022: 7.75% p.a.) and is repayable on 26th March, 2024.
- (f) Refer note 40 for information about liquidity risk and market risk on borrowings.
- (g) The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

NOTE 20: PROVISIONS - NON-CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Provision for gratuity (refer note 45)	542.07	632.69
	542.07	632.69

NOTE 21: DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Deferred tax liabilities		
Property, plant and equipment / intangible assets	29,923.65	29,414.68
On fair valuation of investments	1,313.41	3,033.80
Gross deferred tax liabilities	31,237.06	32,448.48

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 21: DEFERRED TAX LIABILITIES (NET) (CONTD.)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Deferred tax assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	1,053.05	1,015.11
Unabsorbed depreciation and carried forward business loss	-	3,353.93
Allowance for impairment	23.42	23.42
Minimum alternate tax (MAT) credit entitlement	4,048.47	2,491.49
Gross deferred tax assets	5,124.94	6,883.95
Deferred tax liabilities (net)	26,112.12	25,564.53

Refer note 37 for movement in deferred tax (assets / liabilities) balances.

NOTE 22: TRADE PAYABLES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade payables		
- total outstanding dues of micro and small enterprises (refer note 49)	320.46	392.39
- total outstanding dues of creditors other than micro and small enterprises	7,277.40	8,557.67
	7,597.86	8,950.06

Aging of Trade Payables

Particulars	As at 31 st March, 2023						
	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	190.70	124.84	3.46	-	1.46	320.46
(ii) Others	-	3,621.58	2,992.42	249.02	98.01	316.37	7,277.40
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	-	3,812.28	3,117.26	252.48	98.01	317.83	7,597.86

Aging of Trade Payables

Particulars	As at 31 st March, 2022						
	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	294.77	97.62	-	-	-	392.39
(ii) Others	-	3,818.77	4,411.50	15.66	47.78	263.96	8,557.67
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	-	4,113.54	4,509.12	15.66	47.78	263.96	8,950.06

Trade payables are non-interest bearing and does not involve significant terms of financing. Refer note 40 for information about liquidity risk and market risk on trade payables.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 23: OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Interest accrued but not due on borrowings	71.65	54.20
Payable against selling expenses	203.95	-
Payables against purchase of Property, plant and equipment	2,137.45	2,170.58
Unpaid dividend	46.33	46.12
Trade and other deposits	1,300.83	909.34
	3,760.20	3,180.24

NOTE 24: OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance from customers and others	679.57	491.81
Statutory dues payable	1,944.77	1,458.03
Other payables	8.99	5.03
	2,633.33	1,954.87

NOTE 25: PROVISIONS - CURRENT

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Provision for gratuity (refer note 45)	59.07	45.43
Provision for leave benefits (refer note 45)	598.59	633.33
	657.66	678.76

NOTE 26: INCOME TAX LIABILITIES - CURRENT (NET)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Provision for taxation [Net of advance tax of ₹ 2,425.70 lacs (31 st March, 2022: ₹ Nil lacs)]	160.77	-
	160.77	-

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 27: REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Revenue from contracts with customers		
Sale of products	93,199.47	58,093.21
Other operating revenue		
Scrap sales	533.78	201.03
Export incentives	199.02	137.91
Sale of clonal plants	292.74	101.42
Other receipts	70.66	31.55
	94,295.67	58,565.12

Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, GST etc.

Disaggregation based on products sold:

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Pulp, Paper & Board	76,828.56	46,395.83
C.S.Lye	9,432.96	5,970.09
C.S.Flakes	6,140.93	4,153.85
Liquid Chlorine	99.90	300.23
Hydrochloric Acid	39.77	183.11
Stable Bleaching Powder	657.35	1,090.10
Others including scrap sales and sale of clonal plants	897.18	334.00
	94,096.65	58,427.21

Disaggregation based on geography:

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
India	83,260.00	50,484.15
Outside India	10,836.65	7,943.06
	94,096.65	58,427.21

Geographic location is based on the location of customers excluding export incentive.

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended 31st March, 2023 and 31st March, 2022.

Reconciliation of revenue recognised with contract price:

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Contract price	95,441.83	58,656.09
Adjustments for:		
Reduction towards variable consideration components	(1,345.18)	(228.88)
Revenue from operations	94,096.65	58,427.21

The reduction towards variable consideration comprises of cash discounts, volume discounts, etc.

Contract balances	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Trade receivables	1,796.41	2,308.44
Advance from customers	679.57	491.81
	1,116.84	1,816.63

Performance obligation from contracts with customers:

Revenue from sale of goods is recognised when the Company transfers the control of the goods to customer and the Company has present right to collect sale proceeds for those goods both of which coincides with delivery / despatch.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 28: OTHER INCOME

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Interest income		
On financial instruments measured at amortised cost	119.09	41.24
On income tax refund	34.77	-
Dividend income		
On financial instruments measured at FVOCI *	687.24	478.73
Others		
Rental income from investment properties	184.60	220.53
Insurance and other claims	81.04	12.67
Rent and hire charges	197.04	53.76
Unspent liabilities, provisions no longer required and unclaimed balances written back	52.47	27.64
Gain on disposal of Property, plant and equipment (net)	1,432.28	-
Miscellaneous income	125.38	82.10
	2,913.91	916.67

* All dividend from equity investments designated at FVOCI relate to investments held at the end of the reporting period except Rs nil (31st March, 2022: Rs 4.32 lacs) on equity investments sold during the year.

NOTE 29: COST OF MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022*
Inventory at the beginning of the year	2,966.50	2,378.90
Add: Purchases	34,286.40	24,122.12
	37,252.90	26,501.02
Less: Inventory at the end of the year	7,933.32	2,966.50
Cost of materials consumed	29,319.58	23,534.52

* Refer note 53 for reclassification

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Inventories at the end of the year		
Work-in-progress	888.97	583.21
Finished goods	461.63	759.49
By-products	1.48	3.75
Scrap	32.24	60.04
	1,384.32	1,406.49
Inventories at the beginning of the year		
Work-in-progress	583.21	497.14
Finished goods	759.49	1,406.17
By-products	3.75	13.34
Scrap	60.04	38.90
	1,406.49	1,955.55
Changes in inventories	22.17	549.06

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 31: POWER & FUEL

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Power & Fuel	27,225.24	17,388.74
	27,225.24	17,388.74

NOTE 32: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Salaries, wages and bonus	6,923.27	6,947.07
Contribution to provident and other funds (refer note 45)	549.52	560.63
Gratuity expense (refer note 45)	184.57	212.59
Staff welfare expenses	360.56	413.62
	8,017.92	8,133.91

NOTE 33: FINANCE COSTS

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Interest expense on financial liabilities measured at amortised cost #	952.97	400.48
Interest on leased liabilities #	85.94	97.42
Interest expense on income tax	0.55	0.05
	1,039.46	497.95

Arising on financial liabilities not at fair value through profit or loss.

Borrowing costs capitalized Rs 1377.30 lacs (31st March, 2022 - ₹ 707.56 lacs).

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Depreciation on Property, plant and equipment (refer note 3a)	3,065.27	2,874.80
Depreciation on Right - of - use assets (refer note 3b)	228.83	226.40
Depreciation on investment properties (refer note 4)	4.37	4.37
Amortisation on intangible assets (refer note 5)	6.02	14.60
	3,304.49	3,120.17

NOTE 35: OTHER EXPENSES

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022*
Consumption of stores and spare parts	1,776.10	1,226.23
Handling and other charges to contractors	2,706.92	2,074.89
Packing, freight and forwarding charges	2,630.86	2,697.31
Rent & maintenance	248.00	210.03
Rates and taxes	456.54	323.70
Insurance	392.34	316.47
Repairs		
Plant and machinery	2,700.57	2,018.03
Buildings	334.96	260.17
Expenditure on corporate social responsibility (refer note 35a)	-	41.76
Advertising and sales promotion	96.67	4.17

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 35: OTHER EXPENSES (CONTD.)

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022*
Directors' commission	35.00	-
Directors' sitting fees	38.50	66.00
Commission on sales	130.91	65.65
Payment to auditor		
As auditor:		
Audit fee	18.00	12.00
Limited review	9.00	9.00
Tax audit fee	-	2.00
For certificates and other services	2.00	2.00
Reimbursement of expenses	3.01	2.10
Payment for Tax audit fee	2.00	-
Payment to cost auditor	0.75	0.60
Travelling & conveyance	250.86	86.22
Net loss on foreign currency transactions and translations	30.56	28.86
Professional and consultancy charges	730.36	556.14
Donation	12.00	1.00
Impairment loss on financial assets	-	8.49
Loss on disposal of property, plant & equipment (net)	-	11.35
Miscellaneous expenses	909.08	624.74
	13,514.99	10,648.91

* Refer note 53 for reclassification

NOTE 35A: CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Amount approved by the Board and the amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities	-	41.76
Amount of expenditure incurred	92.73	94.30
Amount of excess for the year	(92.73)	(52.54)
Amount of cumulative excess till date	(159.50)	(66.77)

Disclosures in relation to corporate social responsibility expenditure

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
1. Maintenance of Hospital	70.10	61.76
2. Contribution towards maintenance of School	15.86	17.94
3. Contribution to State Government and contribution to Red Cross Society	5.26	8.67
4. Others	1.51	5.03
TOTAL	92.73	94.30
Amount required to be spent as per Section 135 of the Act	-	41.76
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	92.73	94.30
Total	92.73	94.30

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 36: INCOME TAX EXPENSE

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
(a) Income tax expense recognised in Statement of Profit and Loss		
Current tax		
Current tax on profits for the year	2,586.11	-
Adjustment for current tax of earlier years	-	(76.34)
Total current tax expense	2,586.11	(76.34)
Deferred tax		
Origination / (reversal) of temporary differences	2,255.05	(1,427.48)
Total deferred tax expense/(benefit)	2,255.05	(1,427.48)
Total income tax expense recognised in profit or loss	4,841.16	(1,503.82)
Income tax expense is attributable to:		
Profit from continuing operations	4,841.16	(1,503.82)
(b) Income tax expense recognised in other comprehensive income		
Remeasurements of post employment benefit obligations	12.93	111.92
Fair value changes on equity investments through OCI	(1,720.39)	1,743.90
Total deferred tax expense recognised in other comprehensive income	(1,707.46)	1,855.82

(c) Numerical reconciliation of income tax expense:

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Profit before income tax expense	14,765.73	(4,391.47)
	14,765.73	(4,391.47)
Computed income tax at the rate of 34.944% (31st March, 2022 – 34.944%)	5,159.74	(1,534.56)
Adjustments:		
Expenses not allowed in tax	-	17.08
Standard deduction on income from house property	(32.05)	(27.99)
Long term capital gain on sale of land & building	(120.65)	-
Miscellaneous items	(165.88)	117.99
Adjustment for current tax of earlier years	-	(76.34)
Total income tax expense	4,841.16	(1,503.82)

The applicable Indian statutory income tax rate for the year ended 31st March, 2023 was 34.944% and for the year ended 31st March, 2022 was 34.944%.

Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019 amends the Income Tax Act, 1961 to provide domestic companies an option for lower tax rates. The Company has not opted for the lower tax rate and continues to follow old tax rate which were existing prior to the above said amendment in making provision of its tax liability for the financial year.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 37: DEFERRED TAX ASSETS/LIABILITIES

Particulars	Property, plant and equipment / intangible assets	Fair valuation of investments	MAT Credit entitlement	Unabsorbed depreciation and carried forward business loss	Items allowable on payment basis	Others	Total
At 1st April 2021	29,482.32	1,289.90	(2,491.49)	(1,930.85)	(1,193.23)	(20.46)	25,136.19
Charged/(credited):							
- to profit or loss	(67.64)	-	-	(1,423.08)	66.20	(2.96)	(1,427.48)
- to other comprehensive income	-	1,743.90	-	-	111.92	-	1,855.82
At 31st March, 2022	29,414.68	3,033.80	(2,491.49)	(3,353.93)	(1,015.11)	(23.42)	25,564.53
Charged/(credited):							
- to profit or loss	508.97	-	(1,556.98)	3,353.93	(50.87)	-	2,255.05
- to other comprehensive income	-	(1,720.39)	-	-	12.93	-	(1,707.46)
As at 31st March, 2023	29,923.65	1,313.41	(4,048.47)	-	(1,053.05)	(23.42)	26,112.12

NOTE 38: FAIR VALUE MEASUREMENTS

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at the year end:

Particulars	Note	As at 31 st March, 2023		As at 31 st March, 2022	
		FVOCI	Amortised cost *	FVOCI	Amortised cost *
Financial assets					
Investments in equity instruments	6	38,966.14	-	53,842.24	-
Investments in government securities	6	-	0.17	-	0.17
Trade receivables	11	-	1,796.41	-	2,308.44
Cash and cash equivalents	12	-	283.95	-	390.19
Other bank balances	13	-	152.66	-	153.41
Loans to employees	14	-	7.95	-	8.43
Other financial assets	7 & 15	-	780.33	-	461.64
Total financial assets		38,966.14	3,021.47	53,842.24	3,322.28
Financial liabilities					
Borrowings (including current maturities)	19	-	26,920.39	-	20,396.00
Lease Liabilities	3b	-	487.93	-	609.41
Trade payables	22	-	7,597.86	-	8,950.06
Other financial liabilities	23	-	3,760.20	-	3,180.24
Total financial liabilities		-	38,766.38	-	33,135.71

* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value.

The following table shows the levels in fair values hierarchy of financial assets and financial liabilities as at the year end:

Particulars	As at 31 st March, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in equity instruments	38,373.45	-	592.86	38,966.31
Financial liabilities:				
Borrowings (including current maturities)	-	26,920.39	-	26,920.39

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 38: FAIR VALUE MEASUREMENTS (CONTD.)

Particulars	As at 31 st March, 2022			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Investments in equity instruments	53,371.73	-	470.68	53,842.41
Financial liabilities:				
Borrowings (including current maturities)	-	20,396.00	-	20,396.00

There were no transfers between levels of fair value hierarchy during the year ended 31st March, 2023 and 31st March, 2022.

B. RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
As at 1 April	470.51	276.52
Add: Change in value of unquoted equity investments measured at FVOCI	122.18	193.99
As at 31 March	592.69	470.51

The fair value of unquoted equity securities designated as fair value through other comprehensive income is determined using Level 3 inputs like earnings, earning multiples etc. Significant unobservable inputs comprise long term growth rates, market conditions of the specific industry etc. However, the changes in the fair values due to changes in unobservable inputs will not be material to the financial statements.

NOTE 39: CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to any externally imposed capital requirements. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

(a) The following table summarises the capital of the Company:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Total borrowings	26,920.39	20,396.00
Lease Liabilities	487.93	609.41
Less: Cash and cash equivalents	(283.95)	(390.19)
Net debt	27,124.37	20,615.22
Equity	151,547.92	155,285.56
Total capital (equity+ net debt)	178,672.29	175,900.78
Net debt to total capital ratio	15.18%	11.72%

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

Loan covenants:

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants. The Company has complied with the debt covenants, as applicable, throughout the reporting period. Also, refer note 19(b).

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 39: CAPITAL MANAGEMENT (CONTD.)

(b) Dividends paid and proposed

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
(i) Final dividend paid:		
For the year ended 31 st March, 2021 of ₹ 0.25 per equity share	-	530.46
For the year ended 31 st March, 2022 of ₹ 0.25 per equity share	530.46	-
(ii) Proposed Dividends not recognised at the end of the reporting period		
Proposed dividend on equity shares for the year ended 31 March, 2023 is ₹ 1 per equity share (31 March, 2022: ₹ 0.25 per equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,121.86	530.46

NOTE 40: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities. The Board of Directors also review these risks and related risk management policy.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base, monitoring credit limits and obtaining security deposit
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (Rupees)	Cash flow forecasting Sensitivity analysis	Regular monitoring of currency movements
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	"Diversified debt portfolio Regular monitoring of borrowings"
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Regular monitoring of security prices
Market risk – commodity prices	Variable commodity prices	Movement in commodity prices	Regular monitoring of commodity prices and fixed price contracts

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 40: FINANCIAL RISK MANAGEMENT (CONTD.)

(A) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 38. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

(i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying up to 10 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

The Company's exposure to credit risk for trade receivables is as follows. Export receivables as at the year end is not significant.

Particulars	Total Exposure
Trade receivables as at 31 st March, 2023 (gross)	1,853.44
Less: Provision for impairment loss	(57.03)
Trade receivables as at 31st March, 2023 (net)	1,796.41

Particulars	Total
Trade receivables as at 31 st March, 2022 (gross)	2,365.47
Less: Provision for impairment loss	(57.03)
Trade receivables as on 31st March, 2022 (net)	2,308.44

(ii) Other financial assets and deposits

Credit risk from balances with banks, deposits, loan to employees, other financial assets etc is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy. None of the Company's cash equivalents with banks, deposits, investments and other receivables were past due or impaired as at 31st March, 2023 and 31st March, 2022 (except for deposits of ₹ 10.00 lacs).

(iii) Reconciliation of impairment provision

Particulars	Trade receivables	Deposits
Opening balance as at 31 st March, 2022	57.03	10.00
Provision made during the year	-	-
Closing balance as at 31st March, 2023	57.03	10.00

Particulars	Trade receivables	Deposits
Opening balance as at 31 st March, 2021	48.54	10.00
Provision made during the year	8.49	-
Closing balance as at 31st March, 2022	57.03	10.00

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. The Company uses judgement in making these assumptions based on the Company's past history, existing market condition as well as forward looking estimates at the end of each reporting period. The impairment provision as disclosed above are based on assumptions about risk of default and expected loss rates. Loss allowances and impairment is recognised, where considered appropriate by responsible management. Expected credit loss measured on loan to employees and other financial assets is not significant.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 40: FINANCIAL RISK MANAGEMENT (CONTD.)

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Contractual maturities of financial liabilities 31 st March, 2023	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Borrowings *	12,243.39	7,956.25	5,973.09	747.66	26,920.39
Trade payables	7,597.86	-	-	-	7,597.86
Other financial liabilities	3,760.20	-	-	-	3,760.20
Total financial liabilities	23,744.58	8,301.05	5,973.09	747.66	38,766.38

Contractual maturities of financial liabilities 31 st March, 2022	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Borrowings *	9,941.66	7,462.50	2,991.84	-	20,396.00
Trade payables	8,950.06	-	-	-	8,950.06
Other financial liabilities	3,180.24	-	-	-	3,180.24
Total financial liabilities	22,190.22	7,803.61	3,141.88	-	33,135.71

*gross of debt origination cost

The maturity analysis of the Company's lease liabilities based on contractually agreed undiscounted cash flows is given in Note 3b.

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk and other price risk, such as commodity price risk and securities price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, etc.

(i) Foreign currency risk

The Company deals with foreign trade payables, trade receivables etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are not hedged by the Company. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees lacs, are as follows:-

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 40: FINANCIAL RISK MANAGEMENT (CONTD.)

As at 31st March, 2023

Particulars	USD	EUR
Financial assets		
Trade receivables	51.28	-
Financial liabilities		
Trade payables	53.41	8.62
Net exposure to foreign currency risk	(2.13)	(8.62)

As at 31st March, 2022

Particulars	USD	EUR
Financial assets		
Trade receivables	76.47	295.52
Financial liabilities		
Trade payables	116.02	-
Net exposure to foreign currency risk	(39.55)	295.52

Sensitivity

The sensitivity of profit or loss to reasonable possible changes in the exchange rates arises mainly from foreign currency denominated financial instruments, with all other variables held constant.

Particulars	Impact on profit before tax	
	As at 31 st March, 2023	As at 31 st March, 2022
USD sensitivity		
Rupees appreciates by 5% (31 st March, 2022 - 5%)	0.11	1.98
Rupees depreciates by 5% (31 st March, 2022 - 5%)	(0.11)	(1.98)
EUR sensitivity		
Rupees appreciates by 5% (31 st March, 2022 - 5%)	0.43	(14.78)
Rupees depreciates by 5% (31 st March, 2022 - 5%)	(0.43)	14.78

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2023 and 31st March, 2022, the Company's borrowings at variable rate were mainly denominated in Rupees.

The Company's fixed rate borrowings and deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

On financial liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Variable rate borrowings	21,962.54	20,396.00
Total borrowings	21,962.54	20,396.00

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 40: FINANCIAL RISK MANAGEMENT (CONTD.)

Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates on variable rate borrowings as below:

Particulars	Impact on profit before tax	
	As at 31 st March, 2023	As at 31 st March, 2022
Interest expense rates – increase by 50 basis points (50 bps)	(109.81)	(101.98)
Interest expense rates – decrease by 50 basis points (50 bps)	109.81	101.98

(iii) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. The Company's exposure to securities price risk arises from investments in equity instruments held by the Company and classified in the balance sheet at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company does regular monitoring of security prices.

Sensitivity

The table below summarises the impact of increase/decrease of the share prices on the Company's investment in quoted equity, with all other variables held constant.

Particulars	Impact on other components of equity (before tax)	
	As at 31 st March, 2023	As at 31 st March, 2022
Share price - Increase by 5%	1,918.67	2,668.59
Share price - Decrease by 5%	(1,918.67)	(2,668.59)

(iv) Commodities price risk

The Company has in place policies to manage the Company's exposure to fluctuation in the prices of the key materials and commodities used in the operations. Nevertheless, it believes that it has competitive advantage in terms of quality products and by continually upgrading its expertise and range of products to meet the needs of its customers. Commodities price risk exposure is evaluated and managed through operating procedures and sourcing policies. The management does not consider the Company's exposure to commodities price risk significant as on 31st March, 2023.

NOTE 41: RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES

Particulars	Liabilities from financing activities		
	Lease obligations	Borrowings including interest	Total
Net Debt as at 1 st April 2021	609.70	8,219.95	8,829.65
Cash flows	(121.67)	12,185.25	12,063.58
Increase due to additions to Right of Use assets	121.37	-	121.37
Interest expense (refer note 33)	97.42	400.48	497.90
Interest expense capitalized (refer note 33)	-	707.56	707.56
Interest paid	(97.42)	(1,063.04)	(1,160.46)
Net Debt as at 31st March, 2022	609.40	20,450.20	21,059.60
Cash flows	(121.47)	6,524.38	6,402.91
Interest expense (refer note 33)	85.94	952.97	1,038.91
Interest expense capitalized (refer note 33)	-	1,377.30	1,377.30
Interest paid	(85.94)	(2,312.81)	(2,398.75)
Debt as at 31st March, 2023	487.93	26,992.04	27,479.97

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 42: BIOLOGICAL ASSETS OTHER THAN BEARER PLANT

A. Reconciliation of carrying amount

Eucalyptus plantations - non-current assets

Particulars	As at	
	31 st March, 2023	31 st March, 2022
As at opening date	40.83	41.91
Increase/(Decrease) due to purchases / physical changes	7.32	(1.08)
As at closing date	48.15	40.83

Particulars	As at	
	31 st March, 2023	31 st March, 2022
Plantation area (in acres)	471	502

Clonal plants - current assets

Particulars	As at	
	31 st March, 2023	31 st March, 2022
As at opening date	57.53	125.98
Increase due to purchases / physical changes	216.89	39.49
Decrease due to sale	(166.10)	(107.94)
As at closing date	108.32	57.53

Particulars	As at	
	31 st March, 2023	31 st March, 2022
Sale of clonal plants during the year (qty in numbers)	5,079,733	2,238,578

Closing stock of biological assets	As at	
	31 st March, 2023	31 st March, 2022
Quantity (in numbers)	3,227,464	1,759,336

B. Measurement of fair values

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed:

Particulars	As at 31 st March, 2023			As at 31 st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Biological assets other than bearer plants	-	156.47	-	-	98.36	-
	-	156.47	-	-	98.36	-

There were no transfers between any levels during the year.

NOTE 43: SEGMENT INFORMATION

Management has been continuously monitoring performance of paper & tissue business along with chemicals & allied products. As a result of significant increase in sales realization of chemicals due to external market conditions, the chemicals production, performance and decision about allocation of resources is being evaluated separately. Accordingly, based on guiding principles given in Ind AS 108 on "operating segment" the Company has identified (i) paper & tissue and (ii) chemicals as two reportable operating segments.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 43: SEGMENT INFORMATION (CONTD.)

As at and for the year ended 31st March, 2023

Particulars	Paper & Tissue	Chemicals	Total
Revenue			
External	77,897.76	20,012.36	97,910.12
Inter segment			(3,614.45)
Total	77,897.76	20,012.36	94,295.67
Results			
Segment results	10,929.67	4,841.05	15,770.72
Unallocated income / (expenses) (net of unallocable income / expenditure)			34.47
Operating profit			15,805.19
Finance costs			1,039.46
Profit before tax			14,765.73
Income tax expense			4,841.16
Net profit			9,924.57
Depreciation and amortisation expense			
Unallocated depreciation	2,782.11	315.21	3,097.32
Total depreciation			3,304.49
Segment assets			
Unallocated assets	115,846.12	7,311.98	123,158.10
Total assets			220,420.25
Segment liabilities			
Unallocated liabilities	12,513.48	1,441.22	13,954.70
Total liabilities			68,872.33
Additions to non-current assets (other than financial instruments)			
Unallocated	24,844.25	734.71	25,578.96
			8.77
			25,587.73

There are no material non-cash expenditure other than depreciation and amortisation incurred by the Company.

As at and for the year ended 31st March, 2022

Particulars	Paper & Tissue	Chemicals	Total
Revenue			
External	46,809.23	13,667.05	60,476.28
Inter segment			(1,911.16)
Total	46,809.23	13,667.05	58,565.12
Results			
Segment results	(4,525.00)	2,225.09	(2,299.91)
Unallocated income / (expenses) (net of unallocable income / expenditure)			(1,593.61)
Operating profit			(3,893.52)
Finance costs			497.95
Profit before tax			(4,391.47)
Income tax expense			(1,503.82)
Net profit			(2,887.65)
Depreciation and amortisation expense			
Other unallocated depreciation	2,611.42	298.25	2,909.67
Total depreciation			3,120.17

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 43: SEGMENT INFORMATION (CONTD.)

Segment assets	97,532.03	6,424.55	103,956.58
Unallocated assets			113,295.54
Total assets			217,252.12
Segment liabilities	13,217.63	1,230.10	14,447.73
Unallocated liabilities			47,518.83
Total liabilities			61,966.56
Additions to non-current assets (other than financial instruments)	13,550.67	242.61	13,793.28
Unallocated			4.80
			13,798.08

There are no material non-cash expenditure other than depreciation and amortisation incurred by the Company.

Entity wise disclosures

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:

Year ended 31 st March, 2023	India	UAE	Rest of the world	Total
Revenue				
Revenue from external customers	83,459.02	6,725.95	4,110.70	94,295.67
Year ended 31st March, 2022	India	UAE	Rest of the world	Total
Revenue from external customers	50,622.06	3,281.60	4,661.46	58,565.12

All non-current assets of the Company (excluding financial assets) are located in India.

NOTE 44: RELATED PARTY DISCLOSURES**Names of related parties and related party relationship****Related parties with whom transactions have taken place during the year**

Investing Company *	Central India Industries Limited
Members of the Board of Directors / Key Management Personnel (KMP)	Mr. C.K.Birla (Non-executive Chairman) Ms. Gauri Rasgotra (Non-executive Director) Mr. S. Vishwanathan (Non-executive Director) Mr. A. Bishnoi (Non-executive Director) Mr. R K Agarwal (Non-executive Director) Mr. M.L. Pachisia (Managing director) (Upto 31-03-2022) Mr. Ashwin. J. Laddha (CEO w.e.f. 14-01-2022 and Managing Director w.e.f 01-04-2022) Mr. P. K. Sonthalia (President Finance & CFO) Mr. CS Kashikar (COO-Amlai Paper Mills) (w.e.f. 15-08-2021) Mr. R.P.Dutta (Company Secretary)
Public Limited Company in which a director or manager is a director and holds along with his relatives, more than 2% percent of its paid up share capital.	Orient Cement Limited Orient Electric Limited

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 44: RELATED PARTY DISCLOSURES (CONTD.)

Relatives of member of board of directors /KMP#	Ms. Nirmala Birla Ms. Amita Birla Ms. Avani Birla Ms. Avanti Birla
Post-employment employee benefit plans	Birla Industries Provident Fund Orient Paper & Industries Limited Employees Gratuity Fund Orient Paper & Industries Limited Superannuation Fund
Name of the Companies / firms in which investing company and individuals with significant influence over the company have a significant influence	Amer Investments (Delhi) Limited Ashok Investment Corporation Limited Birla Brothers Private Limited Birla Buildings Limited Bengal Rubber Company Limited C K Birla Corporate Services Limited GMMCO Limited Gwalior Finance Corporation Limited HIL Limited Hindustan Motors Limited Hindusthan Discounting Company Limited India Silica Magnesite Works Limited Jaipur Finance & Dairy Products Private Limited Khaitan & Co. LLP. National Engineering Industries Limited Rajasthan Industries Limited Shekhavati Investment & Traders Limited Soorya Vanijya & Investment Limited Universal Trading Company Limited

* shareholding in the reporting entity is more than 20% as investor.

holding more than 2% of paid up share capital in the Company alongwith Mr. C. K. Birla.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Investing Company

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Dividend paid	131.40	131.40

b. Transactions with key managerial personnel/directors

(i) Key management personnel/directors compensation**

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Short-term employee benefits (including sitting fees and commission)	646.93	826.44
Contribution to defined contribution plans	59.58	82.24
	706.51	908.68

**No separate valuation is done for key managerial personnel in respect of post-employment benefits and other long-term benefits. The same is included in the note 45-Employee benefits.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 44: RELATED PARTY DISCLOSURES (CONTD.)

(ii) Remuneration to key managerial personnel/directors

Particulars	Year ended	Transaction during the year
Short term employee benefits / contribution to defined benefit plans		
Mr. M.L. Pachisia	31-Mar-23	-
	31-Mar-22	419.75
Mr. A. J. Laddha	31-Mar-23	204.72
	31-Mar-22	53.84
Mr. P. K. Sonthalia	31-Mar-23	314.02
	31-Mar-22	294.65
Mr. C. S. Kashikar	31-Mar-23	79.92
	31-Mar-22	42.99
Mr. R. P. Dutta	31-Mar-23	34.35
	31-Mar-22	31.45
Directors sitting fees		
Mr. C.K.Birla	31-Mar-23	5.00
	31-Mar-22	7.00
Ms. Gauri Rasgotra	31-Mar-23	5.50
	31-Mar-22	8.00
Mr. Srinivasan Vishvanathan	31-Mar-23	11.50
	31-Mar-22	17.50
Mr. A. Bishnoi	31-Mar-23	5.50
	31-Mar-22	16.50
Mr. R. K. Agarwal	31-Mar-23	11.00
	31-Mar-22	17.00
Directors commission		
Mr. C.K.Birla	31-Mar-23	7.00
	31-Mar-22	-
Ms. Gauri Rasgotra	31-Mar-23	7.00
	31-Mar-22	-
Mr. Srinivasan Vishvanathan	31-Mar-23	7.00
	31-Mar-22	-
Mr. A. Bishnoi	31-Mar-23	7.00
	31-Mar-22	-
Mr. R. K. Agarwal	31-Mar-23	7.00
	31-Mar-22	-
Total	31-Mar-23	706.51
	31-Mar-22	908.68

Note:

- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
- The total managerial remuneration paid/payable to Managing Director of the Company, has exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013. The Company has obtained necessary shareholder approvals through a special resolution as required under the relevant provisions of the Companies Act, 2013.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 44: RELATED PARTY DISCLOSURES (CONTD.)

(iii) Dividend paid

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Mr. C.K.Birla	8.51	8.51
Mr. Ashwin J Laddha	0.09	-
Mr. M.L. Pachisia	-	0.09
Mr. P.K.Sonthalia	0.04	0.04
	8.64	8.64

(iv) Outstanding balances - key managerial personnel

Particulars	As at	Amount owed by related parties	Amount owed to related parties
Commission / Remuneration payable			
Mr. C.K.Birla	31-Mar-23	-	6.30
	31-Mar-22	-	-
Ms. Gauri Rasgotra	31-Mar-23	-	6.30
	31-Mar-22	-	-
Mr. Srinivasan Vishvanathan	31-Mar-23	-	6.30
	31-Mar-22	-	-
Mr. A. Bishnoi	31-Mar-23	-	6.30
	31-Mar-22	-	-
Mr. R. K. Agarwal	31-Mar-23	-	6.30
	31-Mar-23	-	-
Mr. C. S. Kashikar	31-Mar-23	-	2.78
	31-Mar-22	-	-
Mr. M.L. Pachisia	31-Mar-23	-	-
	31-Mar-22	47.36	-
Total	31-Mar-23	-	34.28
	31-Mar-22	47.36	-

c. Public Limited Company in which a director or manager is a director and holds along with his relatives, more than 2% percent of its paid up share capital

Transactions during the year

Particulars	Year ended	Purchases	Rent receipts
Orient Cement Limited	31-Mar-23	-	28.31
	31-Mar-22	-	12.00
Orient Electric Limited	31-Mar-23	50.92	28.31
	31-Mar-22	8.59	12.00
Total	31-Mar-23	50.92	56.62
	31-Mar-22	8.59	24.00

Outstanding balances - Payable

Particulars	Year ended	Amount owed to related parties
Orient Electric Limited (Trade Payable)	31-Mar-23	8.54
	31-Mar-22	-

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 44: RELATED PARTY DISCLOSURES (CONTD.)

d. Relatives of member of board of directors /KMP

Dividend paid

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Ms. Nirmala Birla	9.02	9.02
Ms. Amita Birla	0.82	0.82
Ms. Avani Birla	0.33	0.33
Ms. Avanti Birla	0.34	0.34
	10.51	10.51

e. Post-employment employee benefit plans

Contribution to employees' benefit plans

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Birla Industries Provident Fund	266.09	265.59
Orient Paper & Industries Limited Employees Gratuity Fund	231.70	334.05
Orient Paper & Industries Limited Superannuation Fund	23.48	60.54
	521.27	660.18

Outstanding balances - Payables

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Birla Industries Provident Fund	115.69	113.27

f. Name of the Companies / firms in which investing company and individuals with significant influence over the company have a significant influence

Transactions during the year

Particulars	Year ended	Dividend Received	Purchases	Professional and consultancy charges	Lease rent, Rates & Taxes, Maintenance & service charges	Rent & Miscellaneous receipts	Dividend payment
Amer Investments (Delhi) Limited	31-Mar-23	-	-	-	-	-	3.56
	31-Mar-22	-	-	-	-	-	3.56
Ashok Investment Corporation Limited	31-Mar-23	-	-	-	-	-	1.71
	31-Mar-22	-	-	-	-	-	1.71
Birla Brothers Private Limited	31-Mar-23	-	-	-	0.07	-	-
	31-Mar-22	-	-	-	0.07	-	-
Birla Buildings Limited	31-Mar-23	2.25	-	-	202.67	0.13	-
	31-Mar-22	1.50	-	-	148.63	0.13	-
Bengal Rubber Company Limited	31-Mar-23	-	-	-	-	-	0.49
	31-Mar-22	-	-	-	-	-	0.49
C K Birla Corporate Services Limited	31-Mar-23	-	-	302.49	-	-	-
	31-Mar-22	-	-	146.05	-	-	-
GMMCO Limited	31-Mar-23	4.91	2.57	-	-	-	-
	31-Mar-22	4.62	1.15	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 44: RELATED PARTY DISCLOSURES (CONTD.)

Particulars	Year ended	Dividend Received	Purchases	Professional and consultancy charges	Lease rent, Rates & Taxes, Maintenance & service charges	Rent & Miscellaneous receipts	Dividend payment
Gwalior Finance Corporation Limited	31-Mar-23	-	-	-	-	-	4.12
	31-Mar-22	-	-	-	-	-	4.12
HIL Limited	31-Mar-23	589.13	10.85	-	55.97	-	-
	31-Mar-22	407.86	2.51	-	55.97	-	-
Hindustan Motors Limited	31-Mar-23	-	-	-	-	1.20	-
	31-Mar-22	-	-	-	-	1.20	-
Hindusthan Discounting Company Limited	31-Mar-23	-	-	-	-	-	5.78
	31-Mar-22	-	-	-	-	-	5.78
India Silica Magnesite Works Limited	31-Mar-23	-	-	-	-	-	0.50
	31-Mar-22	-	-	-	-	-	0.50
Jaipur Finance & Dairy Products Private Limited	31-Mar-23	-	-	-	-	-	0.52
	31-Mar-22	-	-	-	-	-	0.52
Khaitan & Co. LLP.	31-Mar-23	-	-	19.70	-	-	-
	31-Mar-22	-	-	24.03	-	-	-
National Engineering Industries Limited	31-Mar-23	-	-	-	33.83	-	1.34
	31-Mar-22	-	-	-	24.14	-	1.34
Rajasthan Industries Limited	31-Mar-23	-	-	-	-	-	1.73
	31-Mar-22	-	-	-	-	-	1.73
Shekhavati Investment & traders Limited	31-Mar-23	-	-	-	-	-	33.05
	31-Mar-22	-	-	-	-	-	33.05
Soorya Vanijya & investment Limited	31-Mar-23	-	-	-	-	-	0.01
	31-Mar-22	-	-	-	-	-	0.01
Universal Trading Company Limited	31-Mar-23	-	-	-	-	-	2.28
	31-Mar-22	-	-	-	-	-	2.28
Total	31-Mar-23	596.29	13.42	322.19	292.54	1.33	55.09
	31-Mar-22	413.98	3.66	170.08	228.81	1.33	55.09

Outstanding balances

Particulars	As at	Amount owed to related parties
Birla Buildings Limited (Trade Payable)	31-Mar-23	29.92
	31-Mar-22	29.83
C K Birla Corporate Services Limited (Trade Payable)	31-Mar-23	29.80
	31-Mar-22	-

g. Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The transactions with related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 45: EMPLOYEE BENEFITS

(i) Compensated absences

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employees render the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was ₹ 598.59 lacs (31st March, 2022: ₹ 633.33 lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post-employment defined benefit plan

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The gratuity plan is administered and managed by the Trustees who are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deeds and rules in the best interests of the plan participants.

(iii) (a) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1 st April 2021	4,313.59	(3,217.05)	1,096.54
Current service cost	221.14	-	221.14
Interest expense/(income)	250.63	(196.05)	54.58
Total amount recognised in profit or loss*	471.77	(196.05)	275.72
<i>Remeasurements</i>			
Return on plan assets greater than discount rate	-	(129.43)	(129.43)
Actuarial loss from unexpected experience	(95.33)	-	(95.33)
Actuarial gain from financial assumptions	(95.53)	-	(95.53)
Total amount recognised in other comprehensive income	(190.86)	(129.43)	(320.29)
Employer contributions	-	(334.05)	(334.05)
Benefits paid	(272.99)	233.19	(39.80)
As at 31st March, 2022	** 4,321.51	(3,643.39)	** 678.12

* includes Rs 63.13 lacs relating to contractual employees debited under other expenses.

** includes Rs 60.87 lacs and Rs 617.25 lacs related to Funded plan and Unfunded plan respectively.

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1 st April 2022	4,321.51	(3,643.39)	678.12
Current service cost	214.44	-	214.44
Interest expense/(income)	256.34	(222.29)	34.05
Total amount recognised in profit or loss*	470.78	(222.29)	248.49
<i>Remeasurements</i>			
Return on plan assets lesser than discount rate	-	130.72	130.72
Actuarial loss from unexpected experience	15.65	-	15.65
Actuarial gain from financial assumptions	(183.25)	-	(183.25)
Total amount recognised in other comprehensive income	(167.60)	130.72	(36.88)
Employer contributions	-	(231.69)	(231.69)
Benefits paid	(632.34)	575.44	(56.90)
As at 31st March, 2023	** 3,992.35	(3,391.21)	** 601.14

* includes Rs 63.92 lacs relating to contractual employees debited under other expenses.

** Rs 601.14 lacs related to Unfunded plan

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 45: EMPLOYEE BENEFITS (CONTD.)

(b) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	As at	
	31 st March, 2023	31 st March, 2022
Fair value of plan assets	3,391.21	3,643.39
Present value of defined benefit obligation	3,992.35	4,321.51
Amount recognised in Balance Sheet- Asset / (Liability)	(601.14)	(678.12)
Current portion (refer note 25)	(59.07)	(45.43)
Non-current portion (refer note 20)	(542.07)	(632.69)

(c) Net defined benefit expense (recognised in the Statement of profit and loss for the year)

Particulars	Year ended	
	31 st March, 2023	31 st March, 2022
Current service cost	214.44	221.14
Interest cost (net)	34.05	54.58
Net defined benefit expense debited to statement of profit and loss	248.49	275.72

(d) Remeasurement (gain)/ loss recognised in other comprehensive income

Particulars	Year ended	
	31 st March, 2023	31 st March, 2022
Actuarial changes arising from changes in financial assumptions	(183.25)	(95.53)
Actuarial changes arising from changes in experience adjustments	15.65	(95.33)
Return on Plan assets excluding amounts included in net interest expense	130.72	(129.43)
Recognised in other comprehensive income	(36.88)	(320.29)

(e) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	Year ended	
	31 st March, 2023	31 st March, 2022
Discount rate	7.20%	6.00%
Salary growth rate	6.00% - 7.00%	6.00% - 7.00%
Withdrawal rate	Till age 45 years - 5.00%, Thereafter - 1.00%	Till age 45 years - 5.00%, Thereafter - 1.00%
Mortality rate	Indian Assured Lives Mortality (2006 - 08) Ult.	Indian Assured Lives Mortality (2006 - 08) Ult.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

(f) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 st March, 2023		31 st March, 2022	
	Increase by	Decrease by	Increase by	Decrease by
Discount rate (-/+ 1%)	(206.87)	231.78	(220.00)	247.77
Salary growth rate (-/+ 1%)	230.35	(209.39)	244.29	(221.11)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 45: EMPLOYEE BENEFITS (CONTD.)

applied as when calculating the defined benefit obligation recognised in the Balance Sheet. Also, there is no significant impact of withdrawal rates and hence not considered for sensitivity.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(g) The major categories of plan assets

The defined benefit plans are funded with insurance companies of India.

(h) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans in the next twelve months are Rs 425.00 lacs (31st March, 2022 - ₹ 325.00 lacs).

The weighted average duration of the defined benefit obligation is 5.8 years (31st March, 2022 – 5.5 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
31 st March, 2023	828.39	314.04	1,281.88	4,662.44	7,086.75
31 st March, 2022	1,082.97	394.96	1,130.45	8,783.87	11,392.25

(i) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Discount rate risk:

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Demographic risk:

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iv) Provident fund

- (a)** Provident fund for certain eligible employees is managed by the Company through the "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. Actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and there is no shortfall as at year-end. Return on plan asset and discount rate, as considered by the actuary, were 8.15 % (31st March, 2022: 8.00%) and 7.20 % (31st March, 2022: 6.40%) respectively.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 45: EMPLOYEE BENEFITS (CONTD.)

The Company contributed ₹ 266.09 lacs and ₹ 265.59 lacs during the year ended 31st March, 2023 and 31st March, 2022 respectively to the above Provident Fund.

Net defined benefit asset not recognised in the balance sheet

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Fair value of plan assets	17,300.31	17,404.88
Present value of defined benefit obligation	17,274.61	17,366.55
Amount not recognised in Balance Sheet- Net Asset	25.70	38.33

- (b) Further the Company is also contributing to the provident fund administered by Government of India for some of the employees as per regulations. The Company contributed ₹ 202.43 lacs and ₹ 206.07 lacs during the year ended 31st March, 2023 and 31st March, 2022 respectively towards above defined contribution plan.

(v) Superannuation fund

The Company operates a superannuation fund scheme with Life Insurance Corporation of India (LIC) for eligible employees for some of its employees towards which the Company contributes up to a maximum of 15% of the employees' basic salary, which is charged to the Statement of Profit and Loss.

The Company contributed ₹ 23.48 lacs and ₹ 60.54 lacs during the year ended 31st March, 2023 and 31st March, 2022 respectively towards above defined contribution plan of the Company.

NOTE 46: EARNINGS PER EQUITY SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Earnings per equity share

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Profit after tax available to equity shareholders:		
Profit for the year	9,924.57	(2,887.65)
	No. in Lacs	No. in Lacs
Number of equity shares at the beginning of the year	2,121.86	2,121.86
Weighted average number of equity shares outstanding during the year	2,121.86	2,121.86
Basic and diluted earnings per equity share (Rs)	4.68	(1.36)

NOTE 47: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,894.81 lacs (31st March, 2022: ₹ 2,052.52 lacs).

NOTE 48: CONTINGENT LIABILITIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
a) Demands/claims not acknowledged as debts and contested by the Company: (*)		
Excise duty	1,546.99	1,553.74
Sales tax	586.33	639.35
Water tax (includes ₹ 169,002.08 lacs as mentioned in note (c) below)	213,632.78	177,842.38
Cess on captive power consumption	18,235.80	15,367.77
Krishi Upaj Mandi fees	1,229.51	1,229.51
Others (includes ₹ 2,407.00 lacs as mentioned in note (d) below)	5,478.64	5,298.29
	240,710.05	201,931.04

(*) Based on discussions with the solicitors/ favourable decisions in similar cases/legal opinions taken by the Company, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable,

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 48: CONTINGENT LIABILITIES (CONTD.)

in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. The company does not expect the impact, if any, to be material.

- b) Outstanding claims from employees not acknowledged as debts, including Bonus claims under adjudication and wages for suspension period at Brajrajnagar Unit. Amount unascertainable
- c) In October 1963, the paper division of the Company had applied to the Public Work Department (Irrigation) of the Madhya Pradesh State Government for drawing water without any charge from Sone River up to 1165 Million Cubic Feet (MCF) with the provision for increase up to 2500 MCF on full development of paper mill, the permission for which was granted by the State Government. In August 2000, the Madhya Pradesh State Government issued a notification and decided to levy charges on water consumption from river resources for industrial purposes with retrospective effect from June, 1998, the constitutional validity of which was challenged by the Company by way of a writ petition in the High Court of Madhya Pradesh. During the pendency of the said writ petition, the Water Resource Department (WRD) of the State Government started raising the bill for consumption of water on the basis of assumption of total quantum of water allowed to be drawn by the Company at 2500 MCF whereas, as per the Company, the quantum of water allowed to be drawn was 1165 MCF and the Company had never drawn the water even up to the initial quantity of 1165 MCF since it had not attained full development of the paper mill. One of the major reasons for not being able to achieve full development was frequent and perennial shortage of water. Based on an interim order passed by the Madhya Pradesh High Court in the aforesaid writ petition, the Company started paying water charges based on actual consumption of water (less than 1165 MCF), while the WRD of the State Government continued to raise bills on the basis of assumed consumption of 2500 MCF plus interest and penalty thereon. In January 2009, the High Court of Madhya Pradesh upheld the constitutional validity of August 2000 notification. After the aforesaid judgement, the Company paid Rs 908.47 lacs being the difference amount between the assumed quantity of 1165 MCF and the actual consumption, while the WRD of the State Government continued to raise the bills on the basis of assumed quantity of water consumption of 2500 MCF till April 2009, when the Company entered into a new agreement with the WRD of the State Government for water consumption of only 440 MCF effective from May 2009. The total balance demand for the aforesaid period amounts to Rs 1,69,002.08 lacs (31st March, 2022: Rs 1,42,705.64 lacs) [including interest and penalty of Rs 167,589.16 lacs (31st March, 2022: Rs 1,41,292.71 lacs)] as at 31st March, 2023, for which no provision has been made in the books. The WRD of the State Government issued a notice for recovery of aforesaid demand in February 2015, against which the Company filed a writ petition in the Madhya Pradesh High Court and obtained an interim stay on the recovery. Also, Madhya Pradesh High Court has set aside demand for penal interest in a similar case for another Company.

On 11 July 2020, the WRD has given a letter asking for consent on their offer of one-time settlement at Rs 7,915 lacs and withdrawal of Writ petition from the High Court for which the Company has not given any consent. The Company has been legally advised that it has a fit case for quashing the present demand."

- d) (i) The Company's Paper plant and Caustic Soda plant at Amlai were having individual factory license till 2011. The Company had applied for common factory license for both the plants enabling to supply Power to Caustic Soda plant from Paper plant. Simultaneously, it had filed a petition with Madhya Pradesh Electricity Regulatory Commission (MPERC) for direction on the action if common factory license was granted. On 11th May, 2012 the MPERC has directed Company to keep any one connection and surrender the other one. Accordingly, the Company had surrendered its Paper plant connection keeping the Caustic Soda plant connection. However, the Madhya Pradesh Poorv Khestra Vidyut Vitran Company Limited (MPPKVVCL) has interpreted the order otherwise and had considered the connection which was retained by Company as unauthorized one. They had issued final order dated 16-06-2012 under Section 126 (3) of Electricity Act 2003 levying Rs 1,287 lacs as electricity charges from 17-04-2012 (Date of issuance of Common Factory license) applying penal rate. The Company had filed an application with MPERC for clarification on direction dated 11th May 2012. The MPERC vide its order dated 4-08-2012 held that it has given option to the Company to keep any one of the two connection surrendering the second one. They had written in their Order that the order of the MPERC dated 11-05-2012 has been completely misconstrued by the MPPKVVCL and by a convoluted logic raised claim of unauthorized use of electricity. They had directed respondent to regularize the connection per Company's application and submit compliance within a month. The MPPKVVCL has signed a supplementary HT agreement dated 09-11-2012 effective from 17-04-2012 regularizing the connections as per direction of the Commission. However, the Company has filed an appeal with Appellate Authority District Shahdol for quashing the order dated 16-06-2012 of MPPKVVCL citing (i) Clarification order of MPERC dated 04-08-2012 and (ii) subsequently regularization of connection by MPPKVVCL by signing supplementary HT Agreement.

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 48: CONTINGENT LIABILITIES (CONTD.)

- (ii) Similarly, on 21-12-2011, a vigilance team of MPPKVVCL visited its Paper plant at Amlai for inspection of the usages of Power supplied by them. During their visit, they had observed that Company was erecting a captive Power plant and operating from time to time water pumps for drawing water from river Sone for its factory use. They had considered these uses as unauthorized load of 850 KvA from Power supplied by MPPKVVCL and issued a final order dated 21-08-2012 assessing a demand of Rs 155 lacs. The Company had filed an appeal against this order with the Appellate Authority District Shahdol for quashing the order citing that (i) it is used for production of Paper for which connection was granted, (ii) that the power used for the alleged activity is from its own power generating plant.

However, the Appellate authority has decided both the cases against the Company vide its orders dated 29-11-2019 and the Company has received demand letter No AA/SS/06/HT/1368 dated 09-12-2019 demanding ₹ 2,172 lacs. against order in case No 02/12-13 and Rs 235 lacs against order in case No 03/12-13 for unauthorized use of power making total demand of Rs 2,407 lacs.

The Company has filed an appeal in MP High Court against both the orders vide WP No 28342/ 2019 and WP No 28354 / 2019 and requested for relief against the demand. The Hon'ble MP High Court vide its order dated 21.01.2020 had passed an interim order in favour of the Company thereby restraining the respondents from taking any further coercive action against the Company. Matters are still at the stage of completion of pleadings because the respondents have not yet submitted any replies or affidavits in the case. Further, the Company has been legally advised by its lawyer that these cases are fit cases for quashing the present demand, therefore, has not provided any liability in its books of accounts.

- e) In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of above.

NOTE 49: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	316.47	390.29
Interest due on above	3.99	2.10
	320.46	392.39
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
Principal	670.96	293.01
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	3.99	0.71
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	3.99	1.39

The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act.

Notes to financial statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 50: ANALYTICAL RATIOS

Sl.No.	Particulars	Numerator	Denominator	Numerator		Denominator		Ratios		% Change	Remarks
				As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022		
(a)	Current Ratio	Current assets	Current Liabilities	20,873.76	13,193.04	27,196.34	28,528.19	0.77	0.46	65.97%	Improved due to increased operations and better realisation from customers.
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	27,408.32	21,005.41	151,547.92	155,285.56	0.18	0.14	33.70%	Further in previous year a portion of non-current borrowing was reflecting under current portion (refer note 19)
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	12,836.24	750.31	4,270.78	1,565.21	3.01	0.48	526.99%	Increase is due to availment of borrowings during the year
(d)	Return On Equity	Net Profits after taxes	Average shareholder's equity	9,924.57	(2,887.65)	153,416.74	151,042.78	6.47%	-1.91%	438.37%	Improved due to increased operations and better profitability. Losses till previous year was due to the impact of Covid19
(e)	Inventory Turnover ratio	Total revenue from operations	Average Inventory	94,295.67	58,565.12	10,010.79	6,793.36	9.42	8.62	9.26%	
(f)	Trade Receivables turnover ratio	Total revenue from operations	Average Trade Receivable	94,295.67	58,565.12	2,052.43	2,336.72	45.94	25.06	83.31%	Due better negotiation and bargaining power realisation from customers has improved
(g)	Trade payables turnover ratio	Total Purchases	Average Trade Payable	84,448.66	59,791.97	8,273.96	8,972.75	10.21	6.66	53.17%	Due to better cashflows on account of increased operations, the Company has been able to release payments better
(h)	Net capital turnover ratio	Total revenue from operations	Average Working Capital	94,295.67	58,565.12	(10,828.87)	(10,183.88)	(8.71)	(5.75)	-51.42%	Variance is mainly due to overall increase in turnover
(i)	Net profit ratio	Net Profit after taxes	Total revenue from operations	9,924.57	(2,887.65)	94,295.67	58,565.12	10.52%	-4.93%	313.46%	Improved due to increased operations and better profitability. Losses till previous year was due to the impact of Covid19
(j)	Return on Capital employed	Earnings before Interest and Tax	Capital Employed	15,805.19	(3,893.52)	203,445.11	201,835.67	7.77%	-1.93%	502.72%	Improved due to increased operations and better profitability. Losses till previous year was due to the impact of Covid19
(k)	Return On Investment	Net Gain on Investments	Average Investments	687.24	478.73	46,404.36	48,703.90	1.48%	0.98%	-50.67%	Increase is on account of higher dividend income earned during the year

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

Note :

1. Total Debt = Borrowings + Lease liabilities
2. Shareholder's Equity = Total Equity
3. Earnings available for debt service = Net Profit after taxes + Depreciation + Finance costs + Loss/(gain) on sale/discard of property, plant and equipment (net) + Provision for Impairment loss
4. Debt service = Interest + Lease Payments + Principal Borrowings Repayments
5. Total Purchases = Purchases of Raw Materials + Employee Benefit Expenses + Power & Fuel + Other expenses as relevant
6. Working Capital = Current Assets - Current Liabilities
7. Earnings before Interest and Tax = Net Profit after taxes + Finance costs
8. Capital Employed = Total Equity + Borrowings + Lease liabilities + Deferred Tax Liability - Intangible Assets

NOTE 51: The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts for year ended 31st March, 2023. However, figures pertaining to 31st March, 2022 are as below:

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement *	Amount of unreconciled difference
June 30, 2021	Other Current Assets	3,532.00	3,612.00	80.00
June 30, 2021	Sundry Creditors	9,177.00	8,861.00	(316.00)
June 30, 2021	Other Current Liabilities	7,068.00	6,914.00	(154.00)
September 30, 2021	Other Current Assets	3,535.00	3,601.00	66.00
September 30, 2021	Bank Borrowings for WC	5,370.00	4,632.00	(738.00)
September 30, 2021	Sundry Creditors	9,998.00	7,071.00	(2,927.00)
September 30, 2021	Other Current Liabilities	5,887.00	8,342.00	2,455.00
December 31, 2021	Other Current Assets	3,545.00	3,626.00	81.00
December 31, 2021	Bank Borrowings for WC	7,116.00	5,754.00	(1,362.00)
December 31, 2021	Sundry Creditors	10,183.00	7,481.00	(2,702.00)
December 31, 2021	Other Current Liabilities	6,268.00	7,223.00	955.00
31 st March, 2022	Sundry Creditors	8,950.00	5,869.00	(3,081.00)
31 st March, 2022	Other Current Liabilities	5,816.00	8,896.00	3,080.00

* State Bank of India, HDFC Bank Limited, IndusInd Bank Limited and Standard Chartered Bank are Working Capital Lenders

NOTE 52:

The Company has not made any investments during the year. The Company did not stand guarantee, or provided security to any company / Firm / Limited Liability Partnership/ Other Party. The Company has not granted secured/ unsecured loans/advances in nature of loans to any Company / Firm / Limited Liability Partnership / Other Party during the year other than loan to employees.

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to employee is as per the table given below:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Aggregate amount granted/ provided during the year		
- Others	14.52	17.22
Balance outstanding as a balance sheet date in respect of the above case		
- Others	7.95	7.30

Notes to Financial Statements as at and for the year ended 31st March, 2023

(All amounts in Rupees lacs, unless otherwise stated)

NOTE 53:

The Company has reclassified chemical cost consumed from other expenses to cost of materials consumed. There is no impact of this restatement on total expenses, profit before tax, profit after tax and segment results for any of the below period and consequently on the earning per share (EPS).

The following table summarizes the impact of above restatement on the Statement of Profit and Loss:

Particulars	For the year ended 31 March, 2022		
	As previously reported	Adjustment	Restated
Cost of Materials Consumed	17,191.28	6,343.24	23,534.52
Other Expenses	16,992.15	(6,343.24)	10,648.91
Raw Materials	2,556.49	410.01	2,966.50
Stores & Spares	2,625.91	(410.01)	2,215.90

NOTE 54:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 55:

The financial statements of the previous year were audited by a firm of chartered accountants other than B S R & Co. LLP.

As per our report of even date.
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Orient Paper & Industries Limited
CIN No. L21011OR1936PLC000117

C.K.Birla
Chairman
(DIN 00118473)
Place : New Delhi

Ashwin J. Laddha
Managing Director & CEO
(DIN 09538310)
Place : New Delhi

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
Place: Kolkata
Date: 18 May 2023

P.K.Sonthalia
President Finance & CFO
(PAN ALQPS6822D)
Place : New Delhi
Date: 18 May 2023

R.P.Dutta
Company Secretary
(M.NO. A14337)
Place : New Delhi

Orient Paper & Industries Limited

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