

12th August, 2023

The Secretary
BSE Ltd.
Corporate Relationship Department, 1st Floor
New Trading Ring, Rotunda Building, P.J.Tower
Dalal Street, Fort,
Mumbai -400001
BSE Scrip Code: 502420

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G, 5th Floor,
Bandra-Kurla Complex
Bandra (E), Mumbai -400051
NSE Scrip Code: ORIENTPPR

Dear Sirs,

Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 (as amended) read with Para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and relevant circulars issued from time to time, we hereby submit brief details of pending litigations as **Annexure A**.

Thanking you,

Yours faithfully,
For ORIENT PAPER & INDUSTRIES LIMITED

(R.P. Dutta)
Company Secretary
ACS 14337

Encl: as above

(1)

(a) Brief Description of the dispute/litigation including name(s) of the opposing party, Court/Tribunal/agency where litigation is filed

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.

(b) Expected Financial implications due to compensation, penalty etc.

The Company has been legally advised that it has a fit case for quashing the present demand.

Quantum of Claims

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

2.

(a) Brief Description o the dispute/litigation including name(s) of the opposing party, Court/Tribunal/agency where litigation is filed

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 mis construed 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.

(b) Expected Financial implications due to compensation, penalty etc.

Considering the Order of the MPERC, it appears that the Company has a fair chance to get relief in the matter.

(c) Quantum of Claims

MPPKVVCL had issued charged 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.

3.

(a) Brief Description o the dispute/litigation including name(s) of the opposing party, Court/Tribunal/agency where litigation is filed

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 Rs. 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.

(b) Expected Financial implications due to compensation, penalty etc.

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(c) Quantum of Claims

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