

## Report on Review of Interim Financial Information

The Board of Directors

**Orient Paper & Industries Limited**

### Introduction

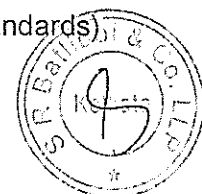
1. We have reviewed the accompanying condensed balance sheet of Orient Paper & Industries Limited as of September 30, 2016 and the related condensed statements of profit & loss and cash flows for the six month period then ended, together referred to as "Condensed Interim Financial Statements". Management is responsible for the preparation and presentation of this Condensed Interim Financial Statements in accordance with the recognition and measurement principles of accounting generally accepted in India including those specified under the Accounting Standards specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. Our responsibility is to express a conclusion on this Condensed Interim Financial Statements based on our review.

### Scope of Review

2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements is not prepared, in all material respects, in accordance with the recognition and measurement principles of accounting generally accepted in India including those specified under the Accounting Standards specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.



**Matter of Emphasis**

4. Without qualifying our conclusion, we draw attention to Note 34 to the accompanying Condensed Interim Financial Statements regarding remuneration paid to Managing Director during the years ended March 31, 2015 and March 31, 2016 in excess of the limit prescribed under Section 197 read with Schedule V to the Companies Act, 2013, by Rs.178.19 lacs and Rs.177.70 lacs respectively. As informed to us, waiver application has been filed by the Company with the Central Government for the above excess remuneration and pending receipt of the approval, no adjustments to financial statements have been made.

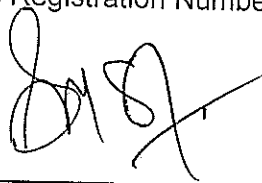
**Other matters**

5. This report on the Condensed Interim Financial Statements is issued solely for the use of management of the Company for the purpose of inclusion in the Letter of Offer pursuant to the proposed rights issue of equity shares by the Company, and should not be used or referred to for any other purpose, or distributed to any other person, without our prior written consent.
6. We report that the comparative figures in the condensed statement of profit and loss and condensed cash flow statement for the six months period ended September 30, 2015 were not subjected to any audit/ review by us.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration Number: 301003E / E300005



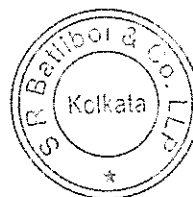
per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: New Delhi

Date: October 17, 2016



Orient Paper & Industries Ltd.  
Condensed Balance Sheet as at 30th September, 2016

	Notes	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,048.79	2,048.79
Reserves and surplus	4	38,788.02	39,372.25
		40,836.81	41,421.04
<b>Non-current liabilities</b>			
Long-term borrowings	5	13,584.20	15,486.36
Deferred tax liabilities (Net)	14	-	32.51
Other long-term liabilities	6	3,389.85	3,346.95
Long-term provisions	7	1,866.84	1,676.34
		18,840.89	20,542.16
<b>Current liabilities</b>			
Short-term borrowings	8	19,348.17	25,818.26
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		2,182.30	1,250.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		18,346.16	26,019.48
Other current liabilities	9	11,471.06	11,661.66
Short-term provisions	7	2,572.13	3,227.57
		53,919.82	67,977.22
<b>TOTAL</b>		<b>113,597.52</b>	<b>129,940.42</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	47,651.18	49,403.49
Intangible assets	11	855.31	950.39
Capital work-in-progress		4,402.03	1,661.32
Expenditure on Expansion/New projects (pending allocation)	12	535.89	210.77
Non-current investments	13	845.79	853.65
Deferred tax assets (Net)	14	67.52	-
Long-term loans and advances	15	2,865.30	3,811.33
Other non-current assets	16.2	294.98	324.05
		57,518.00	57,215.00
<b>Current assets</b>			
Inventories	17	21,757.98	22,295.58
Trade receivables	16.1	22,843.09	38,346.57
Cash and bank balances	18	5,234.27	5,914.62
Short-term loans and advances	15	5,347.70	4,971.94
Other current assets	16.2	896.48	1,196.71
		56,079.52	72,725.42
<b>TOTAL</b>		<b>113,597.52</b>	<b>129,940.42</b>

Basis of preparation of Condensed Interim Financial Statements 2

The accompanying notes are an integral part of the condensed interim financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

per Sanjay Kumar Agarwal

Partner

Membership no.: 060352

Place: New Delhi

Date: 17th October, 2016



For and on behalf of the board of directors

Managing Director

President Finance & CFO

Company Secretary

**Orient Paper & Industries Ltd.**

**Condensed Statement of Profit and Loss for the six months period ended 30th September, 2016**

	Notes	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
<b>Income</b>			
Revenue from operations (gross)	19	87,267.82	85,673.03
Less: excise duty		6,676.05	6,224.11
<b>Revenue from operations (net)</b>		<b>80,591.77</b>	<b>79,448.92</b>
Other income	20	628.29	756.89
<b>Total Revenue</b>		<b>81,220.06</b>	<b>80,205.81</b>
<b>Expenses</b>			
Cost of raw material & components consumed	21	32,459.75	34,303.07
Purchase of traded goods	22 (a)	12,828.96	12,136.58
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	22	285.41	(326.99)
Employee benefits expense	23	10,097.94	9,043.94
Other expenses	24	21,301.22	23,533.77
Depreciation and amortization expense	25	2,191.07	2,232.17
Finance costs	26	2,222.65	2,497.72
<b>Total Expenses</b>		<b>81,387.00</b>	<b>83,420.26</b>
<b>Profit / (Loss) before tax</b>		<b>(166.94)</b>	<b>(3,214.45)</b>
<b>Tax expenses</b>			
Deferred tax Charge / (Credit)		(100.03)	-
<b>Total tax expense / (Credit)</b>		<b>(100.03)</b>	<b>-</b>
<b>Profit / (Loss) for the period</b>		<b>(66.91)</b>	<b>(3,214.45)</b>
 Basic & Diluted Earnings per equity share [nominal value of share ₹1 (31 March 2016: ₹1) (₹)]	27	(0.03)	(1.57)

Basis of preparation of Condensed Interim Financial Statements 2

The accompanying notes are an integral part of the condensed interim financial statements.

As per our report of even date

**For S.B. Batliboi & Co. LLP**

Firm registration number: 301003E / E300005

Chartered Accountants

per Sanjay Kumar Agarwal  
Partner


Membership no.: 060352

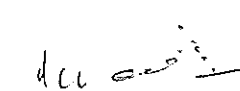
Place: New Delhi

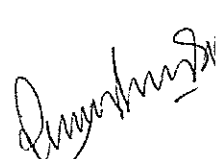
Date: 17th October, 2016



For and on behalf of the board of directors

  
Managing Director

  
President Finance & CFO

  
Company Secretary

Orient Paper & Industries Ltd.

Condensed Cash Flow Statement for the six months period ended 30 September, 2016

	30-Sep-16	30-Sep-15
	₹ In lacs	₹ In lacs
Cash flows from operating activities	12,286.35	6,219.10
Cash (used in) investing activities	(2,281.10)	(1,070.69)
Cash (used in) financing activities	(10,690.83)	(2,826.42)
Net increase/ (decrease) in cash & cash equivalents	(685.58)	2,321.99
Cash & cash equivalents - opening balance	5,829.94	2,688.55
Cash & cash equivalents - closing balance	5,144.36	5,010.54

Basis of preparation of Condensed Interim Financial Statements

2

As per our report of even date.

For S.R.Batliboi & Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

per Sanjay Kumar Agarwal  
Partner

Membership no.: 060352

Place: New Delhi

Date: 17th October, 2016



For and on behalf of the board of directors

  
Managing Director

  
President Finance & CFO

  
Company Secretary

**1. Corporate information**

Orient Paper & Industries Ltd. ("the Company") is a public company domiciled in India. Its shares are listed on National and Bombay Stock Exchanges in India. The Company is primarily engaged in manufacture and sale of Paper, Electrical Consumer Durables, Chemicals, Industrial Blowers and Air Pollution Control Equipments. The Company presently has manufacturing facilities at Amlai, Brajrajnagar, Faridabad, Noida and Kolkata.

**2. Basis of preparation of Condensed Interim Financial Statements**

These condensed interim financial statements of the Company have been prepared in accordance with the recognition and measurement principles of accounting generally accepted in India including those specified under the Accounting Standards specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies followed in the preparation of these condensed interim financial statements are consistent with those followed in the most recent annual financial statements of the Company i.e for the year ended March 31 2016.



3. Share capital

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
<b>Authorised shares (No. in lacs)</b>		
7,500 (31 March 2016: 7,500) Equity Shares of ₹1/- each	7,500.00	7,500.00
25 (31 March 2016: 25) Preference Shares of ₹100/- each	2,500.00	2,500.00
<b>Issued Shares (No. in lacs)</b>		
2,048.88 (31 March 2016 : 2,048.88) Equity Shares of ₹1/- each	2,048.88	2,048.88
<b>Total issued capital</b>	<b>2,048.88</b>	<b>2,048.88</b>
<b>Subscribed and paid-up shares (No. in lacs)</b>		
2,048.69 (31 March 2016: 2,048.69) Equity Shares of ₹1/- each	2,048.69	2,048.69
Add: Forfeited shares (Amount Originally Paid-Up)	0.10	0.10
<b>Total subscribed and paid-up share capital</b>	<b>2,048.79</b>	<b>2,048.79</b>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period

Equity shares

	30-Sep-16		31-Mar-16	
	No. in lacs	₹ In lacs	No. in lacs	₹ In lacs
At the beginning of the period / year	2,048.69	2,048.69	2,048.69	2,048.69
Issued during the period / year	-	-	-	-
Outstanding at the end of the period / year	2,048.69	2,048.69	2,048.69	2,048.69

(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. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended 30th September, 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil per share (31 March 2016: ₹ 0.25 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	30-Sep-16		31-Mar-16	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Equity shares of ₹1 each fully paid				
Central India Industries Limited	506.44	24.72%	506.44	24.72%
Reliance Capital Trustee Co. Ltd A/c Reliance Growth Fund	147.91	7.22%	136.23	6.65%
Shekhavati Investments & Traders Ltd.	123.21	6.01%	123.21	6.01%

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.

4. Reserves and surplus

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
<b>Investment Subsidy</b>	<b>15.00</b>	<b>15.00</b>
<b>Revaluation reserve</b>		
Balance as per the last financial statements	599.95	599.95
Less: adjusted against fixed assets *	517.32	-
	82.63	599.95
Less: Transferred to surplus in the Statement of Profit & Loss	82.63	-
	-	599.95
<b>General reserve</b>		
Balance as per the last financial statements	27,654.52	27,654.52
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	11,102.78	9,617.14
Add: Transferred from Revaluation reserve	82.63	-
Profit / (Loss) for the period / year	(66.91)	2,102.08
Less: Appropriations		
Proposed equity dividend (amount per share ₹ Nil (31 March 2016: ₹ 0.25))	-	512.17
Tax on proposed equity dividend	-	104.27
Total appropriations	-	616.44
<b>Net surplus in the statement of profit and loss</b>	<b>11,118.50</b>	<b>11,102.78</b>
<b>Total reserves and surplus</b>	<b>38,788.02</b>	<b>39,372.25</b>

\* Pursuant to Companies (Accounting Standards) Amendment Rules, 2016



## 5. Long-term borrowings

	Non-current portion		Current maturities	
	30-Sep-16	31-Mar-16	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs	₹ In lacs	₹ In lacs
Term loans (Secured)				
(a) From a Financial Institution	1,500.00	2,000.00	1,000.00	1,000.00
(b) From Banks	8,088.24	8,970.59	1,764.71	1,764.71
(c) From Others	3,250.00	3,750.00	750.00	250.00
Other loans (Secured)				
Finance Lease Obligation	745.96	765.77	32.81	29.74
	13,584.20	15,486.36	3,547.52	3,044.45
Less amount disclosed under the head "other current liabilities" (note 9)	-	-	(3,547.52)	(3,044.45)
Net amount	13,584.20	15,486.36	-	-

## Notes:

(a) Term loan from a Financial Institution is secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai & Brajrajnagar and carries interest @ 12.05% p.a. (31 March 2016: 12.05 % p.a.) and is repayable in 10 equal quarterly instalments upto 28 March, 2019.

(b) Term loan from Banks are secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the paper plants at Amlai & Brajrajnagar. Term loan of ₹ 4852.95 lacs carries interest @ 11.10 % p.a. (31 March 2016: 11.10% p.a.) and ₹ 5000 lacs carries interest @ 10.55% p.a. (31 March 2016: 10.55% p.a.). The above loans are repayable in 11 equal quarterly instalments and 20 unequal quarterly instalments upto 28 May, 2019 and 8 February, 2023 respectively.

(c) Term loan from others is secured by pari-passu first charge on the fixed assets (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and carries interest @ 11.00% p.a. (31 March 2016: 11.00% p.a.) and is repayable in 16 equal quarterly instalments upto 21 December, 2020.

(d) Finance lease obligation is secured against the plant & machinery taken on lease. The gross investments in lease, i.e. lease obligation plus interest, is payable in 117 monthly instalments of ₹ 13.50 lacs each.

## 6. Other long-term liabilities

	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs
Trade & Other Deposits	3,389.85	3,346.95
	3,389.85	3,346.95

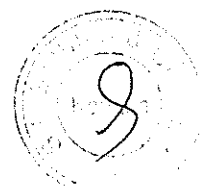
## 7. Provisions

	Long-term		Short-term	
	30-Sep-16	31-Mar-16	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs	₹ In lacs	₹ In lacs
Provision for employee benefits				
Provision for gratuity	750.59	653.04	738.89	642.89
Provision for leave benefits	788.41	726.08	213.76	196.85
	1,539.00	1,379.12	952.65	839.74
Other provisions				
Provision for warranties	327.84	297.22	1,329.44	1,481.35
Provision for Taxation (Net of advance tax ₹ 258.62 lacs (31 March 2016: ₹ 258.62 lacs))	-	-	290.04	290.04
Proposed equity dividend	-	-	-	512.17
Provision for tax on proposed equity dividend	-	-	-	104.27
	327.84	297.22	1,619.48	2,387.83
	1,866.84	1,676.34	2,572.13	3,227.57

## Provision for warranties

A provision is recognized for expected warranty claims on products based on management estimate of present obligation in this regard during the warranty period, computed on the basis of past experience of levels of repairs and returns. It is expected that the entire provision will be utilized within two years of the Balance Sheet date, since the warranty period is generally for one or two years. The table below gives information about movement in warranties provisions.

	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs
At the beginning of the period / year	1,778.57	1,201.90
Arising during the period / year	187.75	1,717.82
Utilized during the period / year	(309.04)	(1,141.15)
At the end of the period / year	1,657.28	1,778.57
Current portion	1,329.44	1,481.35
Non-current portion	327.84	297.22





8. Short-term borrowings

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
Cash credit ( including Working Capital Demand Loans) from banks (secured)	14,191.71	13,191.54
Other Loans :-		
Secured :		
Term Loan from Others	-	3,000.00
Unsecured :		
Term Loans		
From a Bank	5,000.00	4,000.00
From Others	-	5,000.00
Buyers Credit	156.46	626.72
	<b>19,348.17</b>	<b>25,818.26</b>

Notes:

1. Cash credit (including Working Capital Demand Loans) from banks are secured against hypothecation of stock in trade, stock in progress, raw materials, stores and chemicals, book debts and other current assets of the Company and second charge on fixed assets pertaining to the Paper plants at Amlai & Brajrajnagar of the Company and are repayable on demand. The above loans carry interest @ 9.25% p.a. to 10.80% p.a. (31 March 2016 :@ 9.75% p.a. to 10.80% p.a.)
2. Loan from Others was secured against pledge of shares held as investments in Century Textiles & Industries Limited by the Company and carried interest @ 10.50% p.a.(31 March 2016: 10.50% p.a ) and was repayable on 16 August, 2016.
3. Unsecured Term Loans from a Bank / Others carry interest @ 9.25% to 9.50% p.a.(31 March 2016 : @ 9.80% to 10.90% p.a) and are repayable in 45 days to 90 days .
4. Buyers Credit carries interest @ 1.18 % to 1.23% (31 March 2016 @ 0.86 % to 1.18% ) p.a and is repayable in 90 days .

9. Other current liabilities

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
Trade payables (including acceptances of ₹ Nil (31 March 2016: ₹ 7.85 lacs)) (refer note 35 for details of dues to micro and small enterprises)		
- total outstanding dues of micro enterprises and small enterprises	2,182.30	1,250.25
- total outstanding dues of creditors other than micro enterprises and small enterprises	18,346.16	26,019.48
	<b>20,528.46</b>	<b>27,269.73</b>
Other liabilities		
Payables against purchase of Fixed Assets	984.97	1,776.51
Current maturities of long-term borrowings (note 5)	3,514.71	3,014.71
Current portion of finance lease obligations (note 5)	32.81	29.74
Advance against Sale of goods/ fixed Assets	2,669.61	1,526.97
Interest accrued but not due on borrowings	95.94	123.36
Preference Share Redemption Amount	5.18	5.18
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	66.77	79.56
Others		
Trade & Other Deposits	343.05	390.92
Current portion of Deferred Payment Liabilities (Voluntary Retirement Scheme)	0.10	0.24
Statutory dues payable	3,734.71	4,680.55
Other Miscellaneous	23.21	33.92
	<b>11,471.06</b>	<b>11,661.66</b>
	<b>31,999.52</b>	<b>38,931.39</b>

## 10. Tangible assets

	Freehold Land	Leasehold Land	Factory Buildings	Non-Factory Buildings (b)	Railway Sidings	Plant and equipment (e)	Furniture and fixtures	Office equipment	Vehicles	Total
										₹ In lacs
Cost or valuation At 1 April 2015	223.03	202.45	6,029.33	3,356.76	96.89	80,611.03	1,452.58	841.27	483.78	93,297.12
Additions	-	-	285.62	-	-	2,634.23	100.32	191.83	19.76	3,231.76
Disposals / Deductions	0.04	-	-	8.33	-	546.32	1.30	5.97	96.51	658.47
At 31 March 2016	222.99	202.45	6,314.95	3,348.43	96.89	82,698.94	1,551.60	1,027.13	407.03	95,870.41
										(a)
Additions						887.08	23.44	22.25		932.77
Disposals / Deductions				1.86		134.26	18.57		13.71	171.10
Adjusted against withdrawal of Revaluation Reserve	179.05	166.75	957.52	696.93	34.32	3,035.68	-	-	-	5,070.25
At 30 September 2016	43.94	35.70	5,354.73	2,649.64	62.57	80,416.08	1,556.47	1,049.38	393.32	91,561.83
										(a)
Depreciation At 1 April 2015	-	114.19	2,089.70	1,086.77	68.52	37,767.85	745.09	542.06	282.18	42,696.36
Charge for the year	-	4.41	232.17	82.02	1.94	3,628.27	164.11	114.21	34.66	4,261.79
Disposals / Deductions	-	-	-	6.29	-	432.06	1.17	4.74	46.97	491.23
At 31 March 2016	-	118.60	2,321.87	1,162.50	70.46	40,964.06	908.03	651.53	269.87	46,466.92
Charge for the period	-	1.92	101.40	30.40	0.97	1,794.91	64.01	71.00	14.35	2,078.96
Adjusted against withdrawal of Revaluation Reserve	-	104.19	764.69	614.06	34.32	3,035.68	-	-	-	4,552.94
Disposals / Deductions	-	-	-	1.47	-	70.25	0.41	-	10.16	82.29
At 30 September 2016	-	16.33	1,658.58	577.37	37.11	39,663.04	971.63	722.53	274.06	43,910.65
Net Block										
At 31 March 2016	222.99	83.85	3,993.08	2,185.93	26.43	41,734.88	643.57	375.60	137.16	49,403.49
At 30 September 2016	43.94	19.37	3,696.15	2,072.27	26.46	40,763.04	594.84	326.85	119.26	47,651.18

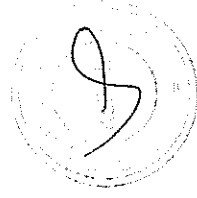
a. Includes assets held in Joint Ownership ₹1,344.72 lacs (31 March 2016, ₹1,344.72 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.

b. Includes ₹ 79.87 lacs (31 March 2016, ₹ 79.87 lacs) in respect of flats whose registration in the Company's name is pending.

c. Includes depreciation ₹ 5.30 lacs (31 March 2016, ₹ 188.64 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

d. Land, Buildings and Plant & Equipments of the Paper units at Amlai & Brajrajnagar, Air Conditioning unit at Kolkata and land at Faridabad unit of the Company were revalued in earlier years and the resultant surplus thereon was transferred to Revaluation Reserve.

e. Includes plant and equipment taken on finance lease :- gross block of ₹ 800 lacs (31 March 2016: ₹ 800 lacs) and Net block ₹ 762.00 lacs (31 March 2016: ₹ 787.33 lacs)



11. Intangible assets

	₹ In lacs	
	Computer software	Technical Know How
Gross block		
At 1 April 2015	686.03	760.97
Additions	240.82	-
At 31 March 2016	926.85	760.97
Additions	9.17	9.17
At 30 September 2016	936.02	760.97
Amortization		
At 1 April 2015	559.72	14.20
Charge for the year	78.41	75.10
At 31 March 2016	638.13	89.30
Charge for the period	66.59	37.66
At 30 September 2016	704.72	126.96
Net block		
At 31 March 2016	288.72	661.67
At 30 September 2016	231.30	624.01

12. Details of Expenditure on Expansion/New Projects: (Pending Allocation)

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
a) Pre-Operative & Trial		
Run Expenses:		
Salary & Wages	112.29	87.32
Interest	187.62	51.89
Insurance	11.88	-
Miscellaneous Expenses	13.33	71.56
	325.12	210.77
b) Add: Balance brought forward from previous year	210.77	-
d) Balance carried to Balance Sheet	535.89	210.77



13. Non-current investments		
	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs
<b>Investment property (at cost less accumulated depreciation)</b>		
Cost of land and building given on operating lease (a)	809.61	809.61
Less: Accumulated depreciation	155.22	147.36
Net block	654.39	662.25
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>Investment in joint venture</b>		
173.99 lacs (31 March 2016: 173.99 lacs ) Equity shares of K.Sh 20 each fully paid-up in Panafrikan Paper Mills (E.A) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) (At cost less provision for other than temporary diminution in value ₹ 413.92 lacs (31 March 2016 ₹ 413.92 lacs)	-	-
<b>Government securities (unquoted)</b>		
6 Years National Savings Certificates (b)	0.90	0.90
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (quoted)</b>		
0.25 lac (31 March 2016: 0.25 lac) equity shares of ₹10 each fully paid-up in Tungabhadra Industries Ltd. (At Cost less provision for diminution ₹ 0.77 lac (31 March 2016: ₹ 0.77 lac)	-	-
200 (31 March 2016: 200) equity shares of ₹10 each fully paid-up in Crissa Textiles Mills Ltd. (At Cost less provision for diminution ₹ 0.02 lac ( 31 March 2016: ₹ 0.02 lac)	-	-
9.06 lacs (31 March 2016: 9.06 lacs) equity shares of ₹10 each fully paid-up in Hyderabad Industries Ltd.	127.12	127.12
15.45 lacs (31 March 2016: 15.45 lacs) equity shares of ₹10 each fully paid-up in Century Textiles & Industries Ltd.	6.73	6.73
<b>Investment in equity instruments (unquoted)</b>		
0.30 lac (31 March 2016: 0.30 lac) equity shares of ₹10 each fully paid-up in Birla Buildings Ltd.	3.01	3.01
0.06 lac (31 March 2016: 0.06 lac) equity shares of ₹10 each fully paid-up in GMMCO Ltd.	53.64	53.64
<b>Total</b>	<b>191.40</b>	<b>191.40</b>
<b>Aggregate amount of quoted investments (Market value: ₹20140.57 lacs (31 March 2016: ₹12,855.99 lacs))</b>	<b>133.85</b>	<b>133.85</b>
<b>Aggregate amount of unquoted investments</b>	<b>57.55</b>	<b>57.55</b>
<b>Carrying value of investment property</b>	<b>654.39</b>	<b>662.25</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>414.71</b>	<b>414.71</b>

**Notes:**

- 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 (31 March 2016: ₹ 432.94 lacs) in the name of the Company is still pending.
- b) Government Securities of Face Value ₹ 0.90 lac (31 March 2016: ₹ 0.90 lac) are lodged with Government Departments as Security Deposits.

**14. Deferred tax Assets / (Liability) (net)**

	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	7,832.48	7,859.23
<b>Gross deferred tax liability</b>	<b>7,832.48</b>	<b>7,859.23</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current period/year but allowed for tax purposes on payment basis	1,366.07	1,352.14
Provision for doubtful debts and advances	295.21	240.31
Provision for warranties	573.55	615.53
Unabsorbed depreciation and carried forward business loss	5,665.17	5,628.74
<b>Gross deferred tax asset</b>	<b>7,900.00</b>	<b>7,836.72</b>
<b>Net deferred tax Assets / (Liability)</b>	<b>67.52</b>	<b>(32.51)</b>

15. Loans and advances

	Non-current		Current	
	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
(Unsecured)				
Capital advances				
Considered good	871.11	1,808.46	-	-
Trade & Other Deposits				
Considered good	802.05	819.21	17.03	24.13
Considered doubtful	-	-	10.00	10.00
	802.05	819.21	27.03	34.13
Less: Provision for doubtful Trade & Other Deposits	-	-	10.00	10.00
(B)	802.05	819.21	17.03	24.13
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good	112.31	111.47	2,207.65	2,490.47
Considered doubtful	-	-	12.87	12.86
	112.31	111.47	2,220.52	2,503.33
Less: Provision for doubtful advances	-	-	12.87	12.86
(C)	112.31	111.47	2,207.65	2,490.47
Other loans and advances (Considered Good)				
Loan to employees	2.00	-	-	2.83
Deposits against demand under dispute	515.58	512.11	97.56	97.56
Prepaid Expenses	13.59	11.42	234.31	290.70
Advance payment of Income tax, tax deducted at source & refunds receivable etc. (Net of provision for tax ₹ 26.50 lacs (31 March 2016: ₹ 26.50 lacs))	-	-	1,377.58	737.48
MAT Credit Entitlement	548.66	548.66	-	-
Balances with Excise, Customs, Port Trusts and Other Government Authorities	-	-	1,413.57	1,328.77
(D)	1,079.83	1,072.19	3,123.02	2,457.34
Total (A+B+C+D)	2,855.30	3,811.33	5,347.70	4,971.94

Advances due by director/ officer of the Company.

	Non-current		Current	
	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
Advances due by director of the Company	-	-	127.42	62.43

16. Trade receivables and other assets

16.1. Trade receivables

	Current	
	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	55.03	25.79
Unsecured, considered good	496.28	409.97
Considered doubtful	742.72	584.74
	1,294.03	1,020.50
Less: Provision for doubtful trade receivables	742.72	584.74
(A)	551.31	435.76
Other receivables		
Secured, considered good	2,072.91	2,649.33
Unsecured, considered good	20,218.87	35,261.48
Considered doubtful	100.29	99.64
	22,392.07	38,010.45
Less: Provision for doubtful trade receivables	100.29	99.64
(B)	22,291.78	37,910.81
(A)+(B)	22,843.09	38,346.57



## 16.2. Other Assets

	Non-current		Current	
	30-Sep-16	31-Mar-16	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs	₹ In lacs	₹ In lacs
Unsecured, considered good				
Interest accrued on Loans, Debts, Deposits etc	-	-	4.50	20.16
Export Benefit Receivable	-	-	460.93	680.12
Claims & Refunds Receivable	149.48	149.48	372.91	409.71
Unamortised ancillary cost of borrowings	145.50	174.57	58.14	86.72
	294.98	324.05	896.48	1,196.71

## 17. Inventories

		30-Sep-16	31-Mar-16
	Note	₹ In lacs	₹ In lacs
Valued at Lower of Cost and Net Realisable Value			
Raw materials & components	21	6,684.44	7,054.87
Work-in-progress	22	1,092.37	1,007.12
Finished goods	22	7,389.07	8,093.89
Traded goods	22	3,725.58	3,452.15
Stores, Chemicals and spare parts etc.		2,784.04	2,597.82
At Estimated Realisable Value			
By-Products		0.69	1.95
Scrap		81.79	87.78
		21,757.98	22,295.58
The above includes stock in transit:			
Finished Goods		249.10	234.58
Traded goods		8.60	34.47
Stores, Chemicals and spare Parts etc.		163.01	20.72
		420.71	289.77

## 18. Cash and bank balances

	30-Sep-16	31-Mar-16
	₹ In lacs	₹ In lacs
Cash and cash equivalents		
Balances with banks:		
- On current accounts (including ₹ 5.18 lacs (31 March 2016, ₹ 5.18 lacs) in earmarked accounts)	5,059.79	5,728.39
- Deposits with original maturity of less than three months	0.09	0.09
- On unpaid dividend account	66.77	79.56
Cheques on hand	-	0.93
Unpaid matured deposits	3.60	3.60
Cash on hand	14.11	17.37
	5,144.36	5,829.94
Other bank balances *		
Deposits with original maturity for more than 12 months	0.86	0.86
Deposits with original maturity for more than 3 months but less than 12 months	89.05	83.82
	89.91	84.68
	5,234.27	5,914.62

\* Receipts/Pass Books for ₹ 77.26 lacs (31 March 2016: ₹ 77.26 lacs) are lodged with Government Departments/Banks as security.



**Orient Paper & Industries Ltd.**

**Notes to condensed financial statements for the six months period 30 September 2016**

**19. Revenue from operations**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Revenue from operations		
Sale of products		
Finished goods	70,885.20	70,177.65
Traded goods	16,759.79	16,267.24
	87,644.99	86,444.89
Less: Cash Discount, Rebates etc.	2,015.64	2,600.77
	85,629.35	83,844.12
Other operating revenue		
Scrap sales	975.14	1,049.91
Export Incentives	458.54	553.10
Other Receipts	204.79	225.90
Revenue from operations (gross)	87,267.82	85,673.03
Less: Excise duty	6,676.05	6,224.11
Revenue from operations (net)	80,591.77	79,448.92

**20. Other income**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Interest income on		
Debts, deposits, advances etc.	33.82	26.64
Dividend income on		
Long-term investments	177.12	178.10
Rental income on investment property	113.88	149.69
Insurance & Other Claims	18.35	111.50
Rent & Hire Charges	121.60	115.22
Unspent Liabilities, Provisions no longer required and Unclaimed Balances written back	61.45	104.40
Gain on Exchange Rate Fluctuations (net)	14.15	-
Profit on sale of fixed assets (net)	-	1.19
Miscellaneous Income	87.92	70.15
	628.29	756.89

**21. Cost of raw materials & components consumed**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Inventory at the beginning of the period	7,054.87	7,054.42
Add: Purchases & procurement expenses / job charges	32,207.40	33,518.68
	39,262.27	40,573.10
Less: Sales	118.08	128.45
Less: inventory at the end of the period	6,684.44	6,141.58
Cost of raw materials & components consumed	32,459.75	34,303.07

**Details of raw materials & components consumed**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Bamboo	1,629.29	3,269.48
Wood	4,406.44	4,480.27
Salt	696.29	763.71
Copper Wire Road & Strips	2,763.55	3,122.60
CRCA, Silicon Sheets & Plates	3,034.91	2,791.84
Blades for Ceiling Fans	3,523.61	2,907.80
Miscellaneous Items #	16,405.66	16,967.37
	32,459.75	34,303.07

# It is not practicable to furnish item wise details in view of large number of items which differ in size and nature, each being less than 10% in value of the total.



**Orient Paper & Industries Ltd.**

**Notes to condensed financial statements for the six months period 30 September 2016**

**22. (Increase)/decrease in inventories**

	30-Sep-16	30-Sep-15
	₹ In lacs	₹ In lacs
Inventories at the end of the period		
Traded goods	3,725.58	3,096.09
Work-in-progress	1,092.37	1,004.26
Finished goods	7,389.07	9,377.40
By Products	0.69	2.70
Scrap	81.79	80.99
	<b>12,289.50</b>	<b>13,561.44</b>
Inventories at the beginning of the period		
Traded goods	3,445.82	3,361.60
Work-in-progress	1,007.12	924.46
Finished goods	8,100.22	8,772.78
By Products	1.95	4.03
Scrap	87.79	171.51
	<b>12,642.90</b>	<b>13,234.38</b>
	<b>353.40</b>	<b>(327.06)</b>
(Increase)/decrease of excise duty on inventory	<b>(67.99)</b>	<b>0.07</b>
	<b>285.41</b>	<b>(326.99)</b>

**22 (a) Details of purchase of traded goods**

	30-Sep-16	30-Sep-15
	₹ In lacs	₹ In lacs
Electrical Fans	6,241.43	6,445.66
Lights & Luminaries	2,510.79	3,414.10
Appliances	4,053.84	2,216.24
Switchgears	22.90	60.58
	<b>12,828.96</b>	<b>12,136.58</b>

**23. Employee benefits expense**

	30-Sep-16	30-Sep-15
	₹ In lacs	₹ In lacs
Salaries, wages and bonus	8,784.97	7,706.62
Contribution to provident and other funds	506.05	479.77
Gratuity expense	180.83	299.63
Staff welfare expenses	626.09	557.92
	<b>10,097.94</b>	<b>9,043.94</b>





**Orient Paper & Industries Ltd.**

**Notes to condensed financial statements for the six months period 30 September 2016**

**24. Other expenses**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Consumption of stores	3,061.44	3,546.53
Handling & Other charges to contractors	724.18	720.69
Power and fuel	4,955.86	5,520.66
Packing, Freight and forwarding charges	4,173.06	4,561.85
Rent & Hire Charges	810.77	763.97
Rates and taxes	180.83	161.49
Insurance	120.47	130.18
Repairs and maintenance		
Plant and machinery	966.41	1,079.27
Buildings	183.37	199.89
CSR Expenditure	39.01	38.89
Advertising and sales promotion	1,865.46	2,548.80
Directors' Sitting Fees	21.50	11.50
Commission on sales	318.21	307.86
Payment to auditor		
As auditor:		
Audit fee	16.25	16.25
Limited review	13.00	8.40
In other capacity:		
Tax audit fee	4.00	4.00
For certificates & other services	1.46	3.06
Reimbursement of expenses	1.46	0.82
Warranty Claims (net)	657.82	801.44
Exchange Rate Fluctuations (net)	-	111.29
Professional & Consultancy Charges	605.55	641.40
Bad debts / advances written off (net of reversals)	29.60	56.71
Sales Tax, Surcharge & Turnover Tax etc.	67.68	75.32
Provision for doubtful debts and advances	158.63	55.84
Loss on sale of fixed assets (net)	8.63	28.01
Miscellaneous expenses	2,316.57	2,139.65
	<b>21,301.22</b>	<b>23,533.77</b>

**25. Depreciation and amortization expense**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Depreciation of tangible assets	2,078.96	2,153.75
Amortization of intangible assets	104.25	70.57
Depreciation of investment property	7.86	7.85
	<b>2,191.07</b>	<b>2,232.17</b>

**26. Finance costs**

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Interest on loans	2,045.45	2,249.64
Other Borrowing Cost	177.20	248.08
	<b>2,222.65</b>	<b>2,497.72</b>

**27. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	30-Sep-16 ₹ In lacs	30-Sep-15 ₹ In lacs
Profit / (Loss) after Tax	(66.91)	(3,214.45)
Net profit for calculation of basic and diluted EPS	<b>(66.91)</b>	<b>(3,214.45)</b>
	<b>No. In Lacs</b>	<b>No. In Lacs</b>
Weighted average number of equity shares in calculating basic & diluted EPS	2,048.69	2,048.69
Basic & Diluted Earnings per equity share (nominal value of share ₹1 (31 March 2016: ₹1) (₹)	(0.03)	(1.57)

**28. Interest in a joint venture**

The Company has 29.34% share of interest valuing ₹ 413.92 lacs in its Joint Venture Company namely Pan African Paper Mills (EA) Limited, Kenya which is engaged in the manufacturing of Paper.

The Company has ceased to have joint control over the above Joint Venture Company subsequent to suspension of operations from 30th January, 2009 and in view of the circumstances arising thereafter. Accordingly, no disclosure for interest in said Joint Venture asset, liabilities, income, expenses etc. have been made in these accounts.



## 29. Segment information

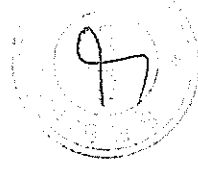
The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Paper" and "Electrical Consumer Durables" as the business segments.

Paper – Consists of manufacture and sale of pulp, paper & board and chemicals.

Electrical Consumer Durables – Consists of manufacture / purchase and sale of Electric Fans – ceiling, portable and airflow, along with Components and Accessories thereof, Lights & Luminaries, Appliances & Switchgears.

Others – Consist of other miscellaneous business/services comprising less than 10% revenues.

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.



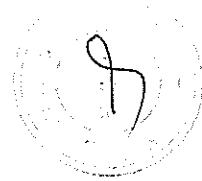
Orient Paper & Industries Ltd.  
Notes to condensed financial statements for the six months period ended 30 September 2016

Business segments  
For the period ended 30th September, 2016

Particulars	₹ in lacs			
	Paper	Electrical Consumer Durables	Others	Total
Revenue *				
External	22,594.03	57,561.85	435.89	80,591.77
Inter segment	-	-	-	-
Total	22,594.03	57,561.85	435.89	80,591.77
Results				
Segment results	(39.88)	2,500.37	71.71	2,532.20
Unallocated Income / (Expenses) (net of unallocable expenses/income)				(476.49)
Operating profit				2,055.71
Finance costs				2,222.65
Profit / (Loss) before tax				(166.94)
Income tax expense / (credit)				(100.03)
Net profit / (Loss)				(66.91)
As at 30th September, 2016				
Segment assets	54,608.39	53,521.96	422.80	108,553.15
Unallocated assets				5,044.37
Total assets				113,597.52
Segment liabilities	13,454.47	18,138.04	200.18	31,792.69
Unallocated liabilities				40,968.02
Total liabilities				72,760.71
Other segment information				
Capital expenditure:- **				
Tangible assets	2660.65	332.33	-	2,992.98
Intangible assets	-	9.17	-	9.17
Depreciation ***	1,130.86	926.68	1.00	2,058.54
Amortization	-	104.25	-	104.25

As at and for the period ended 30th September, 2015

Particulars	Paper	Electrical Consumer Durables	Others	Total
Revenue *				
External	23,833.07	55,312.10	303.75	79,448.92
Inter segment	-	-	-	-
Total	23,833.07	55,312.10	303.75	79,448.92
Results				
Segment results	(757.17)	433.48	11.62	(312.07)
Unallocated Income / (Expenses) (net of unallocable expenses/income)				(404.66)
Operating profit				(716.73)
Finance costs				2,497.72
Profit / (Loss) before tax				(3,214.45)
Income tax expense / (credit)				-
Net profit / (Loss)				(3,214.45)
As at 31st March, 2016				
Segment assets	56,189.78	69,108.02	350.04	125,647.84
Unallocated assets				4,292.58
Total assets				129,940.42
Segment liabilities	12,281.48	26,713.51	145.53	39,140.52
Unallocated liabilities				49,378.86
Total liabilities				88,519.38
Other segment information for the period ended September 30, 2015				
Capital expenditure:- **				
Tangible assets	218.01	656.93	-	874.94
Intangible assets	-	10.33		10.33
Depreciation ***	1,229.05	902.54	1.04	2,132.63
Amortization	-	70.57	-	70.57



**Geographical segments**

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

	₹ in lacs		
Period ended 30th September, 2016	India	Overseas	Total
Revenue *			
Sales to external customers	70,791.21	9,800.56	80,591.77
Other segment information			
Segment assets	106,050.33	2,502.82 #	108,553.15

	₹ in lacs		
Period ended 30th September, 2015	India	Overseas	Total
Revenue *			
Sales to external customers	68,589.55	10,859.37	79,448.92
Other segment information			
Segment assets (as at March 31, 2016)	122,448.07	3,199.77 #	125,647.84

# represents trade receivable

Note: The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets / additions to fixed assets have not been furnished.

\* Net of excise duty.

\*\* Excluding ₹ Nil (30 September 2015, ₹ 1.56 lacs) being unallocated corporate/other assets.

\*\*\* Excluding ₹ 28.29 lacs (30 September 2015, ₹ 28.97 lacs) on unallocated corporate/other assets.



**30. Related party disclosures****Names of related parties and related party relationship**

Related parties with whom transactions have taken place during the period	
Associate	Central India & Industries Ltd
Key management personnel	Mr. M.L. Pachisia (Managing director) Mr. P. K. Sonthalia (President Finance & CFO) Mr. Rakesh Khanna Mr. Ajay Gupta Mr. B.S.Gilra Mr. R.P.Dutta (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	Origami Tissues Origami Products Origami Cellulo Pvt Ltd Origami Enterprises

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

a. Sale of goods	₹ in lacs			
	Period ended	Sale of goods	Miscellaneous Receipts	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Origami Tissues	30-Sep-16	-	-	-
	30-Sep-15	19.00	-	-
Origami Products	30-Sep-16	-	-	-
	30-Sep-15	3.64	-	-
Origami Cellulo Pvt Ltd	30-Sep-16	-	-	-
	30-Sep-15	29.03	-	-
Origami Enterprises	30-Sep-16	-	2.14	-
	30-Sep-15	-	3.78	0.16 **
Total	30-Sep-16	-	2.14	-
	30-Sep-15	51.67	3.78	0.16 **

\*\* As at March 31, 2016

Orient Paper & Industries Ltd.  
Notes to condensed financial statements for the six months period ended 30 September 2016

b. Dividend Paid

	Period ended	Dividend Paid	Amount owed by related parties	Amount owed to related parties
Associate				
Central India & Industries Ltd	30-Sep-16	126.61	-	-
	30-Sep-15	50.64	- **	- **
Key management personnel				
Mr. M.L. Pachisia	30-Sep-16	0.09	-	-
	30-Sep-15	0.04	- **	- **
Total	30-Sep-16	126.70	-	-
	30-Sep-15	50.68	- **	- **
** As at March 31, 2016				

c. Remuneration to key managerial personnel

	Transaction during the period	Amount owed by related parties	Amount owed to related parties
Mr. M.L. Pachisia	30-Sep-16	163.37	94.92
	30-Sep-15	162.98	-
Mr. P. K. Sonthalia (President Finance & CFO)	30-Sep-16	84.97	-
	30-Sep-15	76.66	-
Mr. Rakesh Khanna	30-Sep-16	115.21	-
	30-Sep-15	98.90	-
Mr. Ajay Gupta	30-Sep-16	56.92	-
	30-Sep-15	43.92	-
Mr. B.S. Gilra	30-Sep-16	16.83	-
	30-Sep-15	15.88	-
Mr. R.P. Dutta (Company Secretary)	30-Sep-16	10.26	-
	30-Sep-15	8.16	-
Total	30-Sep-16	447.56	94.92
	30-Sep-15	406.50	-
** As at March 31, 2016			
			62.43**

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.

**31. Capital and other commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹1356.50 lacs (31 March 2016: ₹ 890.51 lacs).

**32. Contingent liabilities**

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
a) Outstanding bank guarantees	4,547.21	3,960.65
b) Bills Discounted under channel finance facilities	-	1,839.57
c) Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company: (*)		
Excise Duty	2,010.60	2,124.34
Sales Tax	647.62	638.79
Income Tax	234.50	234.50
Water Tax	9,356.74	8,287.38
Cess on Captive Power consumption	5,713.67	5,415.55
Krishi Upaj Mandi Fees	1,229.56	1,229.56
Others	2,936.20	2,727.10
	<u>22,128.89</u>	<u>20,657.22</u>
Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	845.48	842.00

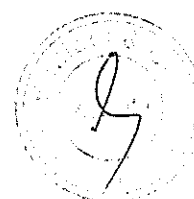
(\*) Based on discussions with the solicitors/ favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary.

d) Outstanding claims from employees not acknowledged as debts, including Bonus claims under adjudication and wages for suspension period at Brajrajnagar Unit.

Amount unascertainable

e). 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 Some River upto 1165 Million Cubic Feet (MCF) with the provision for increase upto 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 upto 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 ₹ 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 ₹ 50,418.30 lacs (including interest and penalty of ₹ 49,005.30 lacs) as at 30 September 2016, 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. The Company has been legally advised that it has a fit case for quashing the present demand.

33. The Board of Directors of the Company has decided to demerge the Consumer electric business of the Company by transferring the same on a going concern basis to a newly formed wholly owned subsidiary namely "Orient Electric Limited" through a scheme of arrangement w.e.f. March 1, 2017, which is subject to approval of honourable High Court & Shareholders .





Orient Paper & Industries Ltd.

Notes to condensed financial statements as at and for the six months period ended 30th September, 2016

34. Due to inadequacy of profit, remuneration paid to Managing Director of the Company during the years ended 31 March 2015 and 31 March 2016 has exceeded the limit prescribed under section 197 read with schedule V of the Companies Act, 2013. The Company has applied to the Central government, for approval of excess remuneration amounting to ₹.178.19 lacs and Rs.177.70 lacs for the year ended 31 March 2015 and 31 March 2016 respectively.

35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	30-Sep-16 ₹ In lacs	31-Mar-16 ₹ In lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year/ period		
Principal amount due to micro and small enterprises	2,182.30	1,250.25
Interest due on above	-	-
	2,182.30	1,250.25
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/ period	-	139.71
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/ period	-	1.05
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	-	-

36. Previous year/ period figures

Previous period's figures have been regrouped and rearranged wherever necessary.

As per our report of even date

For S.R.Batliboi & Co. LLP  
Firm registration number: 301003E / E300005  
Chartered Accountants

per Sanjay Kumar Agarwal  
Partner

Membership no.: 060352

Place: New Delhi  
Date: 17th October, 2016



For and on behalf of the board of directors

Managing Director

President Finance & CFO

Company Secretary