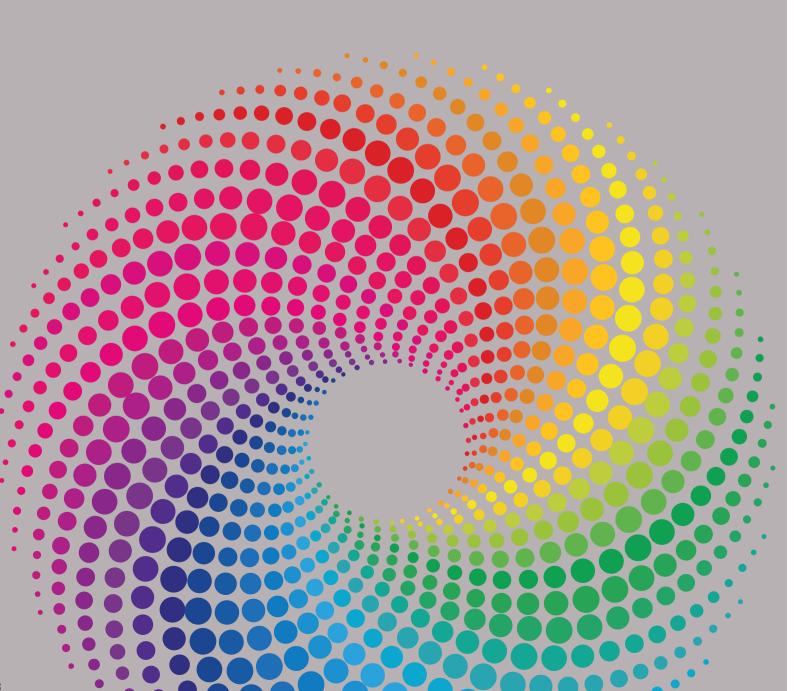
Emerging stronger

Orient Paper and Industries Limited **Annual Report 2009-10**





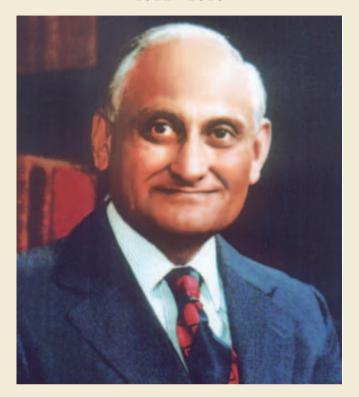
Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Orient Paper and Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Orient Paper and Industries Limited annual report 2009-10.

Inside the report

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Our homage to late Shri G.P. Birla 1922 - 2010



We pay our respectful homage to our founding father, late Shri G.P. Birla (Padma Bhushan), a pioneering industrialist, dedicated philanthropist and great visionary.

We had the privilege of having Shri G.P. Birla as our chairman from 1957 to 1997 and owe him a deep sense of gratitude for his immense contribution and guidance.

Through his industrial, philanthropic, educational and scientific pursuits, he touched the lives and hearts of many.

He will be fondly remembered for his foresight,

compassion and humility.

वैष्णाव जन तो तेने कहिये, जे पीड़ पराई जाणे रे। पर ढ़ु:खे उपकार करे तोये, मन अभिमान न आणे रे॥

(This favourite bhajan of Mahatma Gandhi reflects the Late Shri G.P. Birla's philosophy in life)





The road is never flat or straight; it is inevitably full of twists and undulations. However, opportunities lie precisely within these challenges.

This is a familiar journey for Orient, which has a history of negotiating challenging business environments with prudence

and perseverance.

The year under review was marked by fairly volatile markets. Yet, we achieved best-in-class results from our cement and electricals divisions. Concrete steps were also taken to ensure a better performance from our paper division.

Following our expanded cement capacity, new tissue paper-manufacturing assets and growing focus on electrical products, there is a unifying message that we wish to send out to our investors. That we have emerged stronger than ever in our quest for accelerated growth.

Sincerely,

C.K. Birla

Chairman

Orient Paper and Industries Limited

About us

Products

Cement

- 'Birla A1' premium blended cement
- 'Orient Gold' 53 grade cement

Paper

- Tissue papers
- Writing and printing papers
- 'Orient' photocopying papers
- '1st Choice' notebooks

Electricals

- 'Orient PSPO' ceiling, table, pedestal, wall and exhaust fans
- 'OLO' CFLs and lighting products

Presence

Headquartered in Kolkata with a pan-India manufacturing and marketing presence

Intellectual strength

3,877 people

Listing

Orient Paper's equity shares are listed on the Bombay and National stock exchanges.

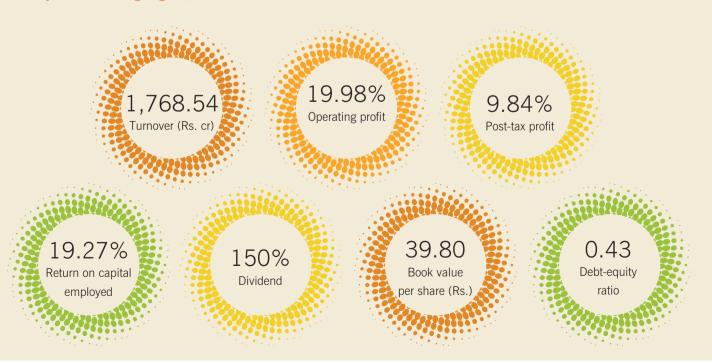
Equity

Our paid-up equity capital comprises 19.28 cr shares of Re. 1 each.

The market price as on 31st March 2010 was Rs. 50.45 per share.



Key financial highlights, 2009-10



Diversified portfolio

Orient's businesses – cement, paper and electricals – are core to economic growth and capture every upturn of a dynamic India.

Competitive edge

Orient is one of India's lowest cost manufacturers in the businesses it is engaged in. The Company's integrated manufacturing facilities and extensive marketing network provide it with an adequate buffer to ride any industry downturns.

Established brand equity

Orient has nurtured and grown popular brands.

- 'Orient PSPO' is a trusted national fan brand with a growing international presence.
- 'Birla A1' and 'Orient Gold' are preferred cement brands.
- Orient's 'Diamond Touch'
 writing and printing paper is the
 industry benchmark for note books
 and its '1st Choice' notebooks
 have created a distinct recall in a
 short time



Enhanced capacities

Added to the above enduring strengths are substantial new capacities and facilities added across all our businesses during the year under review.

Strong financials

Orient has funded its expansions mostly through internally generated resources and continues to maintain a healthy debt-equity ratio and debt service coverage ratio (DSCR).

Sound corporate governance practices

Orient believes in and follows responsible and sound corporate governance practices as detailed in the corporate governance report.

Key performance indicators



Corporate review by our Managing Director

Dear Share holders,

THE YEAR UNDER REVIEW SAW INDIA RECOMMENCE ITS JOURNEY TOWARDS A HIGHER GROWTH TRAJECTORY. WHILE THIS WILL OPEN UP EXCITING OPPORTUNITIES GOING FORWARD, IT ALSO PRESENTED SIGNIFICANT CHALLENGES IN THE SHORT-TERM.

Cement demand and prices in our core markets of Andhra Pradesh and Maharashtra were significantly impacted by a series of events in Andhra Pradesh coupled with increased availability from substantial new capacities that had been commissioned.

Also, weak monsoons last year created unprecedented water shortage in the areas of our operation, compelling us to shut our paper plant for long periods.

While our results for the year were impacted because of the above circumstances beyond our control, we believe that we made significant progress in our quest for growth and excellence by single-mindedly following 'Our ten commandments to sustain growth even in difficult times' as enunciated in our annual report last year.

Let me take this opportunity to share with you some of our actions and achievements under each of those ten commandments.

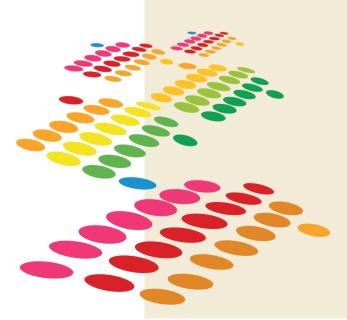
1. Achieve growth and efficiency with integrity

Cement division

- Expanded our cement capacity to 5 million tons per annum
- Commissioned a 50-MW power plant
- Achieved 11% growth in our volumes of cement and clinker sold despite depressed demand growth
- Achieved an EBIDTA of over 32% despite lower cement prices

Electricals division

 Expanded our capacity for fans from 35 lac to 50 lac units annually



- Achieved a volume growth of 36% in fans and 74% in lighting products
- Recorded a 41% increase in sales value
- Registered our best-ever profitability

Paper division

- Identified and implemented a longterm solution for water scarcity
- Completed our pulp mill upgradation
- Finalised our power plant expansion

2. Focus on optimum asset utilisation

- Achieved over 90% utilisation of the expanded cement capacity within a few weeks of commissioning
- Achieved 100% utilisation of our enhanced fan capacities
- Achieved a full utilisation of our new CFL line capacity

3. Enrich product mix

- Maintained an 87% proportion of PPC as against an average of 70% in the Indian cement industry
- Increased volumes of table and pedestal fans by over 60%
- Increased the proportion of higher value tissue paper from 9.6% of our product mix in 2008-09 to 15.3% 2009-10

4. Drive cost reduction

- Reinforced our position as one of India's lowest cost producers of cement and fans
- Reduced cement cost by setting up a power plant in Devapur
- Achieved significant reduction in the cost of fans through value engineering

 Initiated pulp mill upgradation to reduce pulp cost in the paper division

5. Maintain quality excellence

- Obtained NABL accreditation for our quality control laboratories at Devapur and Amlai
- Birla A1 cement commanded premium realisations owing to superior quality
- Enjoyed worldwide quality acceptance in fans; export of fans increased 22% even in a depressed global scenario
- Received appreciation for the quality of our tissue paper from developed countries, resulting in a substantial increase in exports

6. Evolve innovative strategies

- Comprehensively mapped all core markets for cement
- Sold 93% of cement in core markets, reducing logistic costs
- Promoted brands innovatively in relevant markets for better mileage and effectiveness

7. Invest wisely and prudently

- Achieved cement capacity expansion at a relatively low cost; addition of 2.6 million tonnes at an investment of only Rs. 535 cr; translated to only USD 46 per tonne
- All investment decisions based solely upon the potential for good returns

8. Manage working capital optimally

 Our net working capital represents only 41 days of net sales

9. Build human capabilities

- Recruited 61 management trainees and graduate engineering trainees
- Organised extensive training of manpower at all level
- Introduced balanced score cards for all L1 employees, gradually cascading down

10. Create value for all stake holders

- Ensured handsome returns to our shareholders (dividend 150% and capital appreciation 107%)
- Contributed Rs. 408 cr to the exchequer
- Undertook extensive CSR activities for the benefit of society at large (please see section on CSR)

Thus, we reinforced our the competitive position in each of our businesses by remaining true to our declared 10 commandments: scaling capacities, strengthening controls and tightening fiscal management.

As we move ahead, I have every reason to believe that we have built a strong springboard in each of our businesses and have emerged stronger than ever with the objective to achieve not only sustainable returns but accelerated growth hereafter.

I thank you all for your support and encouragement.

Sincerely,

ML Pachisia

Managing Director

Corporate social responsibility

Orient firmly believes that the role of industry is not only to create wealth but also ensure the development and upliftment of society at large. In pursuit of this philosophy, we have been continuously making our humble contribution in the areas of education, healthcare and community welfare. Here are some of the glimpses of our efforts during 2009-10.

Education



Educational institutions

Educational institutions set up by us at Amlai and Devapur provide highly subsidised / free education to children of neighbouring communities.

Extra-curricular activities

The schools aim at all-round student development by engaging them in sports, art and craft, among others.

Orient's cash contribution

Orient provided a cash subsidy of Rs. 1.08 cr to these schools during 2009-10. This was in addition to making available free infrastructure, residential accommodation and power, among others.



Rangoli competition at Amlai school



Acrobatic display by students of Devapur school

Location	Number of students in 2009-10
Amlai (M.P.)	1,273
Devapur (A.P)	1,426
Total	2,699



Family planning camp in progress



Free medical check-up and medicine distribution at Amlai

Type of camps	Number of events	Number of beneficiaries
General health check-ups	6	2,322
Blood donation	2	176 pints of blood donated
Family planning	2	337 operations
Eye check up	1	200

Health care for the community



Outpatient consultants and check ups

Our hospital and dispensaries at Amlai and Devapur regularly provide free outpatient consultancy to a large number of non-employee patients.

Number of non-employee patients attended to during 2009-10 48,817 persons

Medical camps

We also organize medical camps and events regularly at different locations to spread awareness and relief.

Orient's cash contribution to healthcare initiatives

Orient spent a sum of Rs. 64.5 lacs on health care assistance provided to the communities around us.

Community welfare



Disaster relief

We have always stood by humanity at large and extended our helping hand to alleviate people's suffering. To help in the rehabilitation and relief of masses affected by the flood disaster in Andhra Pradesh in 2009, we made a humble donation of Rs. 20 lacs to the Chief Minister's Relief Fund.

Assistance to the needy and elderly

Communities living around us are dear to us. It has been our continuous endeavour to assist them in different ways. Some typical activities undertaken in 2009-10 are indicated alongside:



Mr A.K. Kejriwal handing over our contribution to the Hon. Chief Minister of Andhra Pradesh



Senior officers donating blood

Free water supply to neighbouring villages	3,248 tankers
Free note books to poor students	3,950 students
Free GI boxes at community weddings	251 couples
Blankets and clothes to poor/senior citizens	562 pieces

Water body created at Devapur through water harvesting



Greentech award for Orient cement



Model clonal plantation at Amlai

Concern for environment



Environment policy

At Orient, all our plants have a declared and well publicised environment policy to ensure awareness and adherence to our corporate charter.

Water conservation

In the paper plant, we have been able to reduce our water consumption by almost 25 percent and are currently building additional water reservoirs with a capacity of 250 million gallons. In the cement plant, we have created a huge water reservoir through water harvesting.

Extensive plantations

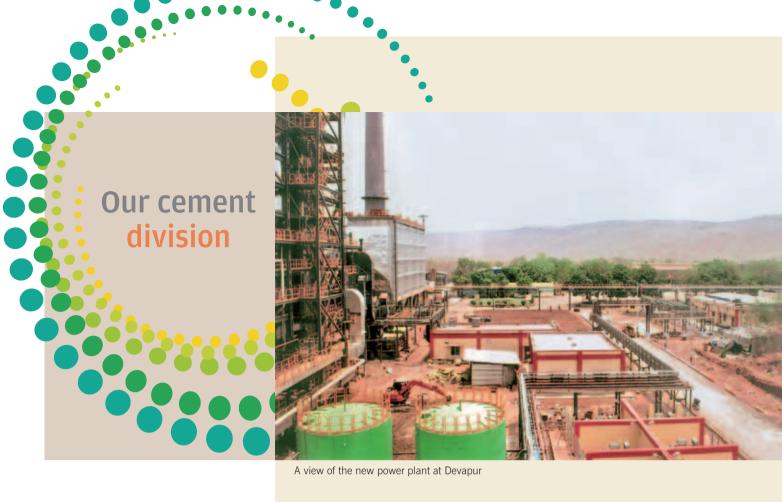
We are helping greening the environment through extensive plantation initiatives (see details under paper division).

CDM project

Our efforts towards reduction in carbon emissions have been recognized by UNFCC through approval of our CDM project, under which we have already received 301369 CERs.







Position

One of India's lowest cost cement producers

Plants

Assets strategically located at Devapur, Andhra Pradesh (capacity of 3 mtpa), Jalgaon, Maharashtra (capacity of 2 mtpa)

Products

- Portland Pozzolana Cement (PPC)
- Ordinary Portland Cement (OPC)

Brand

- Birla A1 premium cement (PPC)
- Orient Gold cement (OPC)

Potential

Robust demand growth expected arising out of growing demand from the infrastructure and housing sectors

Numerical performance

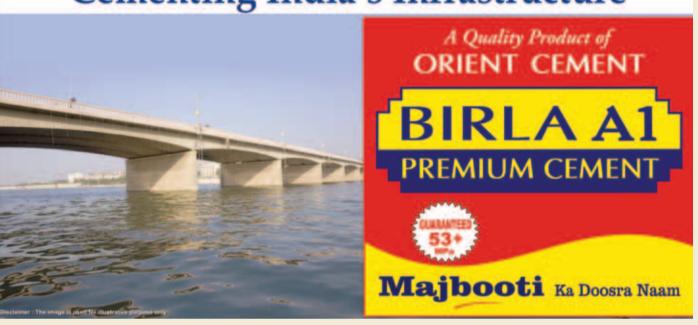
Clinker production (lac tons)



Cement production (lac tons)



Cementing India's Infrastructure



Sales (including clinker) (lac tons)



Quarter-wise growth in sales (including clinker) in 2009-10 (lac tons)



Net sales value

(Rs. cr)



Key segment developments, 2009-2010

A. Operational

- Completed the expansion of our cement capacity from 2.4 million tonnes per annum in 2007-08 to 5 million tonnes per annum, for a total cost of Rs. 535 cr only
- Achieved fast ramp-up in the utilisation of increased capacities with March 2010 sales of cement and clinker going up to 3.93 lac tons.
- Commissioned 50 MW power plant, ensuring costeffective power generation to meet 100% requirement
- Increased fly ash procurement to 8.16 lac tons with the fourth quarter procurement going up to 2.49 lac tons
- Created sufficient clinker inventory to ensure uninterrupted cement production
- Optimised limestone crusher capacity without a major investment to meet the requirement of all three kilns through the use of innovative methods, saving capital cost and reducing power consumption
- Increased despatch capabilities and logistic arrangements to ensure a seamless movement of increased production
- Provided a major thrust on training and development of human resources
- Obtained a coal linkage approval for the additional requirement of coal for the increased cement capacity
- Received the NABL (National Accreditation Board for Laboratories) accreditation for our laboratory for mechanical and chemical testing, enhancing customer confidence

B. Marketing

- Carried out comprehensive market mapping exercise throughout our core markets covering all villages with a population of over 5,000
- Sold 93% of cement in our core markets even with increased sales volumes
- Achieved an 87% PPC in product mix despite national average proportion of PPC coming down to 70%
- Carried out extensive brand building campaigns to position Birla A1 as a premium cement; synonymous with quality, value for money and service in our core markets of Andhra Pradesh and Maharashtra
- Organised Birla A1 Utsavs for architects, dealers, masons and customers to share knowledge on best practices in cement usage and highlighting special features of Birla A1 cement
- Sponsored a show at Nagpur with Raju Srivastava that was branded as Birla A1 Laughter Express, attended by over 30,000 people
- Appointed 274 additional stockists, increasing the total to 2,160
- Partnered with National Council for Cement and Building Materials to provide specialised training
- Strengthened technical service cell through induction of more civil engineers for better customer service and satisfaction

Logistics

- Increased the transportation of cement by road from 65% of our total sales in 2008-09 to 75% to counter the rake shortage and increase our market share in core markets
- Added new transporters, strengthening our last-mile connectivity
- Opened 10 new depots near potential markets, reducing secondary freight and increasing market reach
- Installed a VSAT to link the factory to our marketing offices, strengthening real-time production and despatch updates

C. Financials

- Reported a net sales increase from Rs. 871.75 cr in 2008-09 to Rs. 894.76 cr
- Recorded a decline in net sales realisation due to demand de-growth in Andhra Pradesh following political uncertainties and other disturbances
- Sustained a PBIDT of 32%, which ranked among the best in the industry during the year under review

D. Awards and recognitions received

- Awarded international Achievers Award 2009 for industrial development and expansion by Indian Economic Development & Research Association (IEDRA)
- Received Greentech Safety Award 2009, in the silver category for outstanding achievement in safety management
- Presented with Gem Granite Environment Award by the Federation of Indian Mineral Industries (FIMI)
- The Devapur limestone mines were given several awards
- Hazard identification and risk management 1st prize
- Innovation, publicity and propaganda 1st prize
- Mine working 2nd prize
- Overall performance 2nd prize



Control room for the new power plant



Brief interaction with Mr. B. Pande – President and Mr A.K. Kejriwal – Executive Vice President, Cement division

"Expanded capacities and improving efficiencies will accelerate our growth in the cement business."

On the top

seven

trends in cement markets.

- 1 Cement demand is growing with a multiplier of 1.5-times-GDP growth against the conventional expectation of 1.1-times-GDP growth. This should result in a demand growth of over 10-12% annually
- 2 Substantial part of this demand growth is being driven by the rural areas
- 3 The realty sector, which was depressed for some time, is reviving
- 4 Increased infrastructure spending USD 500 billion announced for the Eleventh Five-Year Plan is an indicator of the expected growth of cement demand
- 5 Increased budgetary allocation for roads under the National Highways Development Project (NHDP) is expected to result in 20-km of road construction a day
- **6** The government re-imposed counter vailing duty on imported cement in January 2010 to provide a level playing field to the domestic industry
- 7 Andhra Pradesh, affected by a number of negative events during 2009-10, is gradually returning to normal growth.

eight

initiatives planned for 2010-11 and beyond.

- 1 Increase capacity utilisation to 100%
- 2 Enhance brand visibility and equity
- 3 Increase market penetration and market share in our core markets
- 4 Fully stabilise the power plant and obtain open access for wheeling surplus power generation
- **5** Reduce costs through increased volumes, captive power generation and a reduction in power and coal consumption
- 6 Install a filtration system in the sewerage treatment plant to strengthen water recycling and reduce water consumption
- Strengthen water reservoir capacities to 16 lac cubic metres by 2013 to ensure uninterrupted water availability
- **8** Explore all possible options for a further growth in our cement capacity

Shining colors of Rising India



Lighting up smiles... and homes



Blessings of Shri Ganesh... prosperity for ever



Eid Mubarak









One of India's largest producers of tissue paper and considered the industry benchmark for note book paper

Plants

Fully integrated paper manufacturing facility at Amlai (Madhya Pradesh); non-operational assets located in Brajrajnagar (Orissa)

Products

- Tissue paper
- Writing and printing paper
- Photocopying paper
- Branded note books

Brand

- 'Diamond touch' (writing and printing papers)
- 'Orient' (photocopying paper)
- '1st Choice' (note books and stationeries)

Potential

Tissue paper is the paper industry's fastest growing segment (15-20% per annum growth)



A view of our new pulp washing street

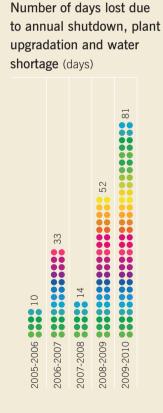




Numerical performance

Total paper production (tons) 2006-2007 2007-2008 2008-2009 2009-2010







Key segment developments, 2009-2010

A. Operational

- Commissioned a new tissue paper plant (15,000 MT capacity)
- Redesigned the proposed 43-MW power plant to be able to generate up to 55 MW power with no major change in project configuration. Contract on EPC basis signed on May 3, 2010. This project, expected to be completed in 22 months, will result in a substantial cost reduction.
- Enhanced pulp quality leading to higher paper brightness, superior bulk and surface properties
- Introduced alkaline-sizing, improving customer satisfaction and lowering energy and water consumption
- Achieved world-class tissue paper quality endorsed by significant export orders from developed and developing countries
- Focused on human resource development; filled skill gaps
- Upgraded recovery boiler for higher efficiency and output.
- Improved the spray cooling system, resulting in enhanced and stable power generation
- Witnessed a decline in paper production from 65,132 MT in 2008-09 to 53,589 MT following a 81-day plant shutdown due to unprecedented water scarcity
- Increased the proportion of value-added tissue paper from 9.6% of the product mix in 2008-09 to 15.2%

B. Products and market development initiatives

- Received NABL (National Accreditation Board for Testing and Calibrating Laboratories) accreditation, paving the way towards fostering superior R&D practices and increased customer confidence
- Expanded the market reach for our tissue paper in international markets like Africa, the Middle East, Sri Lanka, Indonesia, New Zealand, China and the US. Exported 558 tons of tissue paper during last quarter of 2009-10
- Enhanced the availability of Orient '1st Choice' note books in northeastern states and central India
- Exported 662 MT of tissue paper products during the year

C. Securitising raw material resourcesl

- Increased clonal plantations to 1.3 million against 0.75 million in 2008-09
- Introduced the Brazilian Hedge cloning technology, expected to reduce plant growth cycle by 20% and increase plantation yield
- Formulated a plan to create 10 Brazilian Hedge gardens to increase the availability of genetic stock to 8 million by 2013.

Our roadmap

	Up to 2008-09	During 2009-10	2010-11 (E)	2011-12 (E)	2012-13 (E)	Total	Capacity enhancement for genetic stock
Mist chambers	9	_	2	1	_	12	30 lacs to 50 lacs
Hardening chamber	4	_	1	1	_	6	30 lacs to 50 lacs
Brazilian Hedge garden	-	1	3	3	3	10	8 to 80 lacs

D. Stringent environmental compliance

- Commissioned the oxygen delignification system at a cost of Rs. 40 cr in August 2009 to reduce chlorine consumption and absorbable oxihalides (AOX) in effluents, strengthening our Corporate Responsibility for Environmental (CREP) compliance
- Installed a hot stock screening plant to improve pulp and paper cleanliness
- The OHSAS 18001 certification is expected in 2010-11.

F. Financial

- Net sales declined from Rs. 290 cr in 2008-09 to Rs. 239.38 cr owing to lower production volumes (due to a prolonged shutdown) and lower realisations.
- Cost of pulp wood and coal increased significantly
- As a result of these setbacks beyond our control, the Amlai paper division (for the first time in its history) reported a negative PBIDT.

E. Energy conservation measures

- Installed variable frequency drives, solar water heating systems and solar power pack at various points
- Reinforced thermal insulation to reduce radiation losses
- Replaced incandescent lamps with CFL lamps and 500 W halogen lamps with 150 W metal halide lamps.

G. Water conservation initiatives

- Reduced water consumption by 25%
- Commenced the construction of 250 MG water reservoirs to increase storage capacity and meet contingencies.
- Initiated the proposal to recycle grade-II water for the removal of dissolved solids through primary treatment, ultra filtration and reverse osmosis.

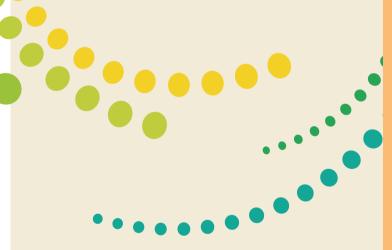


Brazilian hedge garden & mist chambers at our clonal propagation centre



Brief interaction with Mr. Vimal Kishore, CEO, Paper division

"Strengthening efficiencies and productivity will restore our profitability."



On the top

SIX

trends in the paper market.

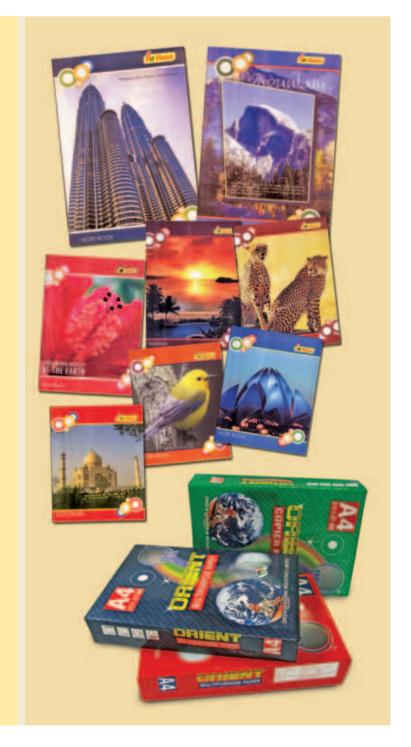
- 1 Paper prices dropped 6–10% in 2009-10. However, domestic and international prices started to improve since March 2010
- 2 The domestic demand for paper is expected to receive a boost from the census and UID initiatives
- 3 The Right to Education initiative and opening up of the higher education sector could unleash a huge demand growth for paper from the education sector
- 4 A capacity of nearly 9-10 lac tonnes per annum was added in India is writing and printing and tissue paper segments in two years. Further capacity addition of nearly 4 lac tons is expected during 2010-11. Therefore, supply side pressures could increase periodically.
- **5** Pulpwood costs could continue to rise unless the government implements some policy initiatives to facilitate large plantations
- **6** The increasing cost of coal is a major industry concern

On the top

SIX

initiatives planned

- 1 Restore normal production and efficiencies immediately after the recommencement of production
- 2 Ensure full capacity utilisation of the new pulp washing street and the tissue plant
- 3 Achieve timely completion and commissioning of the new power plant
- 4 Upgrade the pulp bleaching plant to increase capacity and efficiencies
- 5 Increase clonal plantations from 1.5 million in 2010-11 to 4.5 million in 2011-12
- 6 Identify and nurture young high-potential executives to grow into the leaders of tomorrow



Our electricals division





- Among the largest manufacturers of electrical fans in India
- India's largest exporter of fans

Plants

Located at Faridabad (Haryana) and Kolkata (West Bengal)

Products

- Electrical fans
- Compact fluorescent lighting (CFL)
- Fluorescent tube lamp (FTL)
- Luminaries

Brand

- Orient PSPO (Fans)
- Orient OLO (CFL/FTL)

Potential

 Tremendous potential to leverage its established brand equity and distribution chain for a propable diversification into other electrical products



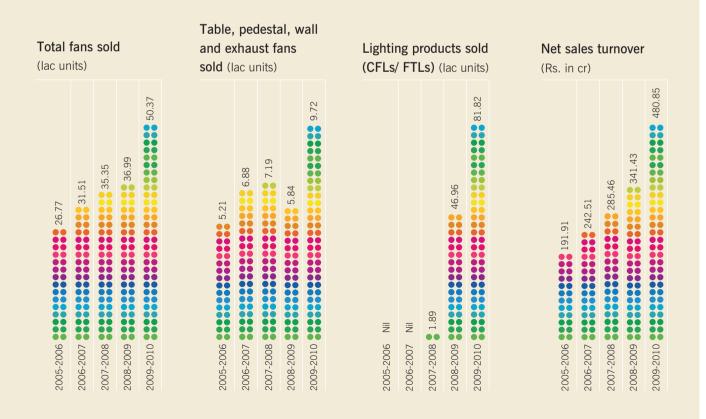
Our range of fans



Our new CFL production line



Numerical performance



Key segment developments, 2009-2010

A. Operational

- Expanded our annual fans capacity from 35 lac units to 50 lac units and achieved peak capacity utilisation
- Introduced Energy Star and Summer Crown fan brands with a Bureau of Energy Efficiency five-star rating (energy saver fans)
- Added the remote-controlled premium fans range and air circulators (large pedestal fans)
- Widened our CFL product range with six new popular models
- Carried out an extensive re-layout of fan production lines, leading to enhanced manpower productivity and capacity utilisation
- Launched high power factor CFLs in October 2009 with superior light output to help conserve energy and reduce carbon emissions
- Strengthened Six-Sigma practices with lower defects and improved production
- Carried out innovative value-engineering to reduce costs

C. Quality focus

Awarded international quality certifications (UL approval for the US, CE approval for Europe, SIRIM approval for Malaysia, SABS approval for South Africa, SASO approval for Saudi Arabia, NIS approval for Nigeria, SLS approval for Sri Lanka and PAI approval for Kuwait) for specific models

B. Marketing focus

- Achieved a growth in sales volume of 36% in fans and 74% in lighting products
- Undertook a dealer expansion programme for deeper market penetration; products now available across a larger number of counters
- Enhanced the recall of the ORIENT PSPO brand. Retained Mahendra Singh Dhoni as the brand ambassador
- Orient's growth in fans was higher than the average growth in the Indian fan industry owing to better brand recall, market penetration and new product launches
- Export of fans increased by 21.75% in spite of a depressed global economy. The Company retained its position of being India's highest fan exporter by far
- Improved sales realisations of fans in a competitive market through a better product mix
- Increased the sales of premium fans across all categories
- Establised its position as a reputed CFL maker with a significant market share within 18 months of entry

D. Financial

- Achieved highest-ever revenues and profitability
- Net sales grew 40.84 percent from Rs. 341.43 cr in 2008-09 to Rs. 480.85 cr
- PBIDT grew 74.98 percent from Rs. 37.37 cr in 2008-09 to Rs. 65.39 cr
- PBIDT margin enhanced from 10.95 percent in 2008-09 to 13.60 percent







Brief interaction with Mr. S. B. Bhaiya, President, Electricals division

"Our innovative approach towards manufacturing and marketing helped us achieve record results. The future seems to be even more exciting."

On the top

four

trends in the electrical business

- 1 Rural demand for fans reported robust growth due to positive impact of the Sixth Pay Commission and National Rural Employment Guarantee Act
- 2 Improvement in the realty sector is expected to stimulate demand growth
- 3 Branded products from the country's organised sector is increasing market share vis-à-vis the unorganised sector
- 4 Prices of all major inputs like copper, steel and aluminum are increasing and could depress margins

On the top

eight

initiatives planned for 2010-11 and beyond.

- 1 Expand our capacity of fans from 50 lacs to 60 lac units per year
- 2 Establish a second CFL assembly line in our Faridabad unit, doubling capacity to ten million units
- **3** Work with prominent consultants with the objective of strengthening our brand equity and appeal
- 4 Penetrate the market through an expanded dealer network especially in Tier-III towns
- **5** Widen the product basket with the introduction of new varieties of premium fans and higher wattage CFLs
- **6** Export to new international destinations following focused product and market approach
- Diversify the product portfolio, leveraging the Orient brand and distribution network
- **8** Engage in continuous value-engineering to achieve a further cost reduction



Particulars	Age	Date of Joining	Other Directorship
Shri Chandra Kant Birla 8/9, Alipore Road, Kolkata - 700 027. Chairman Industrialist, Indian	55	29-09-1978	 Hindustan Motors Ltd National Engineering Industries Ltd AVTEC Ltd Hyderabad Industries Ltd Birla Brothers Pvt. Ltd Birlasoft (India) Ltd The Indian Smelting & Refining Co. Ltd Birla Associates Pvt. Ltd. (Singapore) Nigeria Engg. Works Ltd. (Nigeria) Rivers Vegetable Oils Companay Limited (Nigeria) Birlasoft Inc. USA Birlasoft (U.K.) Ltd. London
Shri Basant Kumar Jhawar 51/F, Gariahat Road, Kolkata - 700 019. Director Industrialist, Indian	75	21-07-1983	 Usha Martin Ltd Usha Martin Agro Ltd Reliance Chemotex Inds. Ltd Usha Communication Technology Ltd BVI Usha Siam Steel Industries Public Co. Ltd (Thailand)
Shri Prabhat Kumar Sen 7, Rowdon Street, Kolkata - 700 017. Director Bar at Law, Indian	88	03-07-1984	None

Particulars	Age	Date of Joining	Other Directorship
Shri Amitabha Ghosh Flat No. 32, Mehernaz, 91, Cuffe Parade, Mumbai - 400 005 Director Consultant, Indian	79	23-10-2001	 Centenary Leasing Co. Pvt. Ltd Kesoram Industries Ltd Peninsula Land Ltd Palit Consultancy Pvt. Ltd Sahara India Life Insurance Co. Ltd Shreyas Shipping & Logistics Ltd Xpro India Ltd Zenith Fibres Ltd Heidelberg Cement India Ltd Shreyas Relay System Ltd Shree Cement Ltd Sahara Prime City Ltd Joonktolle Tea & Industries Ltd Sahara Hospitality Ltd Sahara Infrastructure & Housing Ltd
Shri Michael Bastian Cecilia, 1186, 22nd Cross, 14th Main, H.S.R. Layout, Sector - III, Bangalore - 560 034 Director Consultant, Indian	65	27-10-2009	 Hindustan Copper Ltd Elder Pharmaceuticals Ltd Artson Engineering Ltd Indian Oil Corporation Ltd
Shri Manohar Lal Pachisia 8/12, Alipore Road, Kolkata - 700 027, Managing Director, Service, Indian	65	23-09-1987	 GMMCO Ltd National Engg. Industries Ltd Birla Buildings Ltd Soorya Vanijya & Investment Ltd Gwalior Finance Corp. Ltd Birlasoft (India) Ltd National Bearing Co. (Jaipur) Ltd Birlasoft Enterprises Ltd Nigeria Engineering Works Ltd (Nigeria) Rivers Vegetable Oil Co. Ltd (Nigeria)



Dear There holders,

We are pleased to present the annual report along with audited accounts of your company for the year ended 31st March 2010, during which your company has been able to further strengthen all its businesses to emerge stronger than ever before.

Homage to Late Shri G.P. Birla

At the outset, we wish to place on record our profound sorrow and grief on the sad demise of late Shri G.P. Birla on 5th March 2010.

As Chairman of the Company between 13th March 1957 to 25th November 1997. Shri G.P. Birla, a pioneering industrialist and a dedicated humanist, had guided the affairs of the Company from strength to strength. It was under his dynamic leadership that the company set up the paper mill at Amlai and diversified into cement & electrical businesses. Even after his voluntary retirement from our Board, he continued

to provide guidance and assistance whenever needed by us.

Late Shri G.P. Birla was a great visionary. He was not only a doyen in the industrial world but also a noble soul and a great philanthropist. While he established a large number of industries in India and abroad in various fields like automobile, paper, cement, electrical, building products and precision engineering products etc, he also set up several large foundations, hospitals and institutions for charitable and educational purposes. Birla Institute of Technology, Modern High School, Rani Rukmini Girls High School. The Calcutta Medical Research Institute, B.M. Birla Heart Research Centre, Birla Institute of Scientific Research, B.M. Birla Science Centre etc. are but only a few examples of his selfless service to the society.

He was awarded "Padma Bhushan" in the year 2006 by the Government of India for his outstanding services to the nation. In his death, the country has lost a great industrialist and a philanthropist.

Commissioning of on-going expansion projects

We take pleasure in reporting that your company has, during the year under review, commissioned all its on-going major expansion projects as follows:-

- Expansion of our cement capacity from 3.4 million tons to 5 million tons per year.
- 50 MW power project at its cement plant at Devapur.
- Expansion of our Tissue paper capacity from 10000 tons to 25000 tons per year.
- Expansion of our capacity for fans from3.5 million to 5 million units per year.

We are already well on our way to achieving full utilisation of these expanded capacities and are well poised to take the next big leap in our growth trajectory.



Financial results (Rs. in crores)

	2009-10	2008-09
Gross sales	1768.54	1690.63
Total income (net of excise)	1636.04	1525.99
Profit before interest, depreciation and taxation	323.65	365.52
Interest	34.53	20.68
Profit before depreciation & taxation	289.12	344.84
Depreciation	55.01	34.71
Net profit before taxation	234.11	310.13
Taxation	74.80	110.04
Net profit	159.31	200.09
Debenture Redemption Reserve written back	25.00	12.50
Profit brought forward from last year	214.41	143.02
Profit available for appropriations	398.72	355.61
Appropriations		
Capital Redemption Reserve	_	7.00
Transfer to Debenture Redemption Reserve	18.75	50.00
Transfer to General Reserve	176.70	50.00
Dividend on preference shares	0.06	0.30
Dividend on ordinary shares	28.93	28.93
Corporate dividend tax	4.82	4.97
Balance carried to Balance Sheet	169.46	214.41
Total	398.72	355.61
EPS	8.26	10.36

Dividend

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of dividend of Rs.1.50 per equity share of Re. 1 each (150%) for the year ended 31st March 2010. The cash outflow on account of dividend on equity capital and dividend

tax works out to Rs. 3373.81 lacs.

Your Directors also recommend payment of dividend on 100000 6% Redeemable Non-cumulative preference shares of Rs. 100/- each. Total Dividend pay out on the preference share capital and dividend tax works out to Rs. 7.00 lacs.

Management discussion and analysis for business segments

We achieved an increase of 11% in our cement & clinker sales volumes. However, cement realisations in our markets were adversely affected during the 2nd & 3rd quarter of the year under



review largely because of disturbed situation in Andhra Pradesh. While prices started gradually improving during the last quarter, they were still to fully recover to the previous year's levels. It is for this reason that our margins for the year under review have been lower than the previous year. Substantially higher volumes now available from our expanded capacity should enable us to achieve better results during the current year.

Our Electrical division achieved an impressive growth of 38% and its best ever profitability. We achieved full utilisation of our expanded capacity of 5 million fans during the year and are working on expanding this capacity further to 6 million units. Our 1st CFL production line, commissioned late last year, also achieved full capacity. In view of good market response, 2nd line for CFL has been ordered and should become operational during 2010-11.

However, our paper division did not perform to its potential as we lost production for 76 days during the year, due to pulp mill upgradation project as well as water scarcity. Regrettably, the production at the paper plant has been once again disrupted this year because of unprecedented water scarcity in spite of our having reduced our water consumption per ton of paper by 25%. As a long term measure to overcome this problem, we are now constructing large water reservoirs to store approx. 250 million gallons, which should be adequate to sustain around 2 months' production. The upgraded fibre line which should result in significant cost savings and efficiency improvements will

also become fully operational as soon as the plant restarts.

A detailed business analysis, review and operational performance of each of our business segments is covered in the Management discussion and analysis chapter, which forms a part of this report.

Corporate Governance

Your Company is in full compliance with the Corporate Governance requirements in terms of Clause 49 of the Listing Agreement(s). A report on Corporate Governance and a certificate from our auditors confirming compliance with the Corporate Governance requirements are attached and form part of this report.

Sustainable development and environment

Sustainable development and environment protection have always been integral parts of our management culture and philosophy. Significant work continues to be done in these areas on a consistent and sustainable basis and our efforts have been recognised by several National and International bodies.

Merger of wholly owned subsidiary

As approved earlier, our wholly owned subsidiary, Air conditioning corporation Limited, has been merged with your company w.e.f.1.04.09 pursuant to an approval from BIFR.

Carbon credits for cement division

Our claim for the year 2008-09 for carbon credits under our approved project is presently with UNFCCC. No

income from carbon credits for 2008-09 has been accounted for during the year under review. This will be taken into account on receipt of approved CERs.

Cash flow analysis

In conformity with the provisions of Clause 32 of the Listing Agreement(s), the cash flow statement for the year ended 31st March 2010 is included in the annual accounts.

Statutory matters

Debentures

The funds raised by issue of debentures from time to time were utilised for the purposes as sanctioned.

Directors

Shri D.N. Patodia ceased to be a Director w.e.f. 3rd September, 2009. The Board places on record its appreciation of the valuable contribution made by Shri D.N. Patodia during his long tenure as a member of our Board.

During the year IDBI withdrew its nominee Mr. Michael Bastian from the Board of Directors of the Company w.e.f. 22nd September, 2009.

The Company co-opted Mr. Michael Bastian as an Additional Director of the company w.e.f. 27th October, 2009. Mr. Bastian will hold office till ensuing Annual General Meeting of the Company. A notice has been received from a Shareholder for appointing Mr. Michael Bastian as a Director of the Company at the said Annual General Meeting.

Sarvashree B.K. Jhawar and C.K. Birla, Directors of the Company retire by rotation and are eligible for re-election.



Auditors

M/s. S. R. Batliboi & Co., Chartered Accountants and Auditors of the Company, retire and offer themselves for reappointment.

Cost auditors

As required under the provisions of Section 233B of the Companies Act, 1956, qualified cost auditors were appointed to conduct cost audits.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Details regarding conservation of energy, Research and Development, foreign exchange earnings and outgo are furnished in Annexure "A" to the Report pursuant to the provisions of the Companies Act, 1956 read with the Companies (disclosure of particulars to the Report of Board of Directors) Rules, 1988.

Consolidated financial statement

As stipulated by Clause 32 of the Listing Agreement(s), consolidated financial statement in accordance with Accounting Standard AS-21 are annexed to this Annual Report. However, since financials of Panpaper were not accessible to us in view of withdrawal of our management team and appointment of receivers, it was not possible to include Panpaper in the consolidated figures.

Directors' responsibility statement

Directors' responsibility statement pursuant to section 217(2AA) of the Companies Act, 1956 are given in Annexure "B" to the Annual Report.

Particulars of employees

Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 are given in Annexure "C" to the Annual Report.

Acknowledgements

We place on record our sincere gratitude to our employees, shareholders, bankers, financial institutions, government agencies, customers and suppliers for their valuable contribution, co-operation and support, which played a significant role in making our achievements possible.

By Order of the Board

New Delhi, 4th May 2010 C.K. Birla Chairman

DISCLOSURES

Disclosure of persons constituting "Group" pursuant to regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

Amer Investments (Delhi) Ltd., Ashok Investment Corporation Ltd., Balsam Investment & Trading Co. Pvt. Ltd., Basant Properties Ltd., Bengal Rubber Co. Ltd., Birla Brothers Pvt. Ltd., Central India Industries Ltd., Chhotanagpur General Trading Co. Ltd., Gwalior Finance Corporation Ltd., Hindusthan Discounting Co. Ltd., Hitaishi Investments Ltd., India Silica

Magnesite Works Ltd., Jaipur Development Co. Ltd., Jaipur Finance & Dairy Products Pvt. Ltd. Mr. Michael Bastian, Ms Avanti Birla, Ms. Avani Birla, National Bearing Company (Jaipur) Ltd., National Engineering Industries Ltd., Palit Consultancy Pvt. Ltd., Rajasthan Industries Ltd., Ranchi Enterprises & Properties Ltd., Shekhavati Investment and Traders

Ltd., Shri Amitabha Ghosh, Shri Basant Kumar Jhawar, Shri Chandra Kant Birla, Shri Deoki Nandan Patodia, Shri Ganga Prasad Birla, Shri Manohar Lal Pachisia, Shri Prabhat Kumar Sen, Shri S.S. Jajodia & Shri R.N. Jhunjhunwala, Smt Uma Devi Jhawar, Smt. Amita Birla, Smt. Nirmala Birla, Soorya Vanijya & Investment Ltd., Universal Trading Company Ltd.



Annexure - "A"

(A) Conservation of energy

- (i) In the paper mill at Amlai, installed 8
 Nos. of Variable frequency drives,
 Spray mist cooling system,
 replacement of 1320 absolute Air pre
 heaters tubes, installation of Thermal
 Insulations in various section to
 reduce radiation losses, replacing
 400 incandescent lamps with CFL
 lamps, 10 Nos Halogen lamps with
 Metal Halide lamps and replacement
 of 75 Nos Conventional Tube light
 ballast with Electronic ballast.
- (ii) In the Chemical unit at Amlai installed a recuperator to increase preheat, replaced absolute Coal fired boiler and changed 2 Nos Electrolyzer Membrane, Anodic Mesh & cathodic Mesh Electrolyzers.
- (iii) In the Cement Plant, retrofit of 1st Grate of cooler in Kiln I, installation of SPRS for PH Fan I, installation of ESP controller for Kiln 2,modification with Roller Press in Cement Mill I operation in combine mode grinding and upgradation of Kiln I Calciner.
- (iv) In Fan Plant installation of high Efficiency Generators at Faridabad, installation of High efficiency Powder coating Plant and installation of 55 Nos wind ventilators at shop floor to reduce the energy consumption and increase productivity.
- (v) In CFL Plant modified bending

- machine to reduce LPG/Oxygen consumption & used compressed air instead of Blower to reduce electricity consumption.
- (vi) In Industrial Blower & Pollution Control Equipment division running of Equipment & Machinery balanced and synchronized to conserve energy.

(B) Additional Investment and proposal, if any

- (i) At the paper mills at Amlai, high pressure centri-cleaner system in paper machine, installation of Ultra filtration unit for DM plant for boilers, energy efficient motors, compressed air system, solar Street Light, Solar water heater system and replacement of pre-heater tubes are proposed. The total investment for these projects is estimated to be Rs. 522 lacs.
- (ii) At the Chemical unit at Amlai installation of 3 Nos Solar light, replacement of 3 Nos Electrolyzers membrane., anodic & Cathodic Mesh and replacement of 4 Nos Mercury Cell Anodic Mesh. The total investment for these projects is estimated to be Rs. 195 Lacs.
- (iii) At the Cement Plant at Devapur, Upgradation of Kiln II drives, ariable frequency Drive for bag filter fans and Balancing of equipments in Kiln III for energy consumption. The total

- investment for these projects is estimated to be Rs. 250 lacs
- (iv) In fan division installation of new energy efficient Powder Coating Plant for Blade.

(C) Impact of above measures on consumption of energy

The above measures will reduce energy consumption and consequent impact on the cost of production.

(D) Technology absorption

Form - B attached.

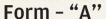
(E) Foreign exchange earning and outgo

- (i) The Company exported fans for an aggregate value of Rs. 4,814.04 lacs during the year under review, as against Rs. 4,364.77 lacs during the previous year. The Company also exported paper and board and caustic lye for an aggregate amount of Rs. 418.49 lacs (excluding Rs. 224.10 lacs deemed export) during the year under review, as against Rs. 253.89 lacs (excluding Rs. 5.22 lacs to Nepal) during the previous year.
- (ii) Foreign exchange used and earned

Used: Rs. 180.68 Lacs (2008-09 Rs. 104.66 lacs)

Earned: Rs. 5364.20 Lacs

(2008-09 Rs. 5,386.58 lacs)



A. Power & fuel consumption (excluding consumption in Colony)

A. I OWEI & Idel coll.	Ceme		Pap		Fan		CF	L	Chemicals	
	2009-10	2008-09	2009-10		2009-10				2009-10	2008-09 1.10.08 to 31.03.09
1. Electricity										
(a) Purchased										
Unit (KWH lacs)	1969.16	2156.85	48.72	58.98	32.65	29.60	8.66	-	880.99	459.78
Total amount (Rs. in lacs)	6857.27	6814.02	329.46	336.10	171.42	146.66	40.79	-	3286.49	1723.03
Rate/Unit(Rs.)	3.48	3.16	6.76	5.70	5.25	4.96	4.71	-	3.73	3.76
(b) Own generation										
i) Through diesel										
generator	= .									
Unit (KWH lacs)	111.56	27.73	-	-	7.59	4.54	4.73	-	-	-
Unit/litre of Diesel	0.00	0.00			0.07					
Furnace Oil	3.63	3.60	-	-	2.37	1.41	1.48	-	-	_
Cost/Unit (Rs.)	8.52	10.22	-	-	9.95	10.54	9.80	-	-	-
ii) Through Steam										
Turbine generator										
Unit (KWH lacs)	*504.45	-	1042.55	1116.60	-	-	-	-	-	-
Unit/MT of steam	0.56	-	314.00	322.00	-	-	-	-	-	-
Cost/Unit (Rs.)	2.25	-	2.45	2.40	-	-	-	-	-	-
2. (a) Coal (B C D & E Grade)	4.04	0.50							0.01	0.01
Quantity (MT lacs)	4.34	3.56	***1.65	***1.91	-	-	-	-	0.01	0.01
Total cost (Rs. in lacs)	10704.75	8344.51	2505.02	3038.65	-	-	-	-	12.19	15.76
Average Rate (Rs.)	2464.18	2343.36	1516.92	1589.30	-	-	-	-	2296.97	2827.41
(b) Low grade coal for Power Plant										
Quantity (MT lacs)	*0.90	-	_	_	-	-	-	-	-	-
Total cost (Rs. in lacs)	*942.82	-	_	_	_	-	-	-	_	-
Average Rate (Rs.)	1045.06	-	-	_	-	-	-	-	-	-
3. Furnace Oil										
Quantity (K Litres)	-	-	***494.00	***420.00	-	-	-	-	-	-
Total amount (Rs. in lacs)	-	-	133.69	106.17	_	-	-	-	_	-
Average Rate (Rs.)	-	-	27062.88	25278.59	-	-	-	-	-	-
4. Other/ Internal generation										
Quantity (KWH lacs)	-	-	6.82	8.88	-	-	-	-	_	-
Total cost (Rs. in lacs)	-	-	**1.64	**2.57	-	-	-	-	-	-
Rate/Unit (Rs.)	-	-	0.24	0.29	-	-	-	-	-	-

^{*} Represents electricity duty paid

B. Consumption

21 concernation										
	Per M Produ		Per N Produ			ece of uction		ece of uction		f Production ustic Lye
	Cem	ent	Pa _l	per	Fa	an	Cl	FL	Che	micals
Electricity (KWH)	81.75	77.24	2042	1805	0.96	1.06	0.36	-	2955	2931
Furnace Oil (K. Litres)	-	-	0.009	0.006	-	-	-	-	-	_
Coal (C D E & FMT)	0.13	0.13	3.09	2.93	-	-	-	-	0.02	0.04
Others* (KWH)	_	-	13	14	-	-	-	-	-	_

Note: Form 'A' is not applicable to Industrial Blower & Pollution control Equipment Division

^{*} Excludes generation, consumption & expenses on Power generation of 27.96 lac KWH from Power Plant during trial run period



Form - "B"

Research & Development (R&D)

1. Specific areas in which R&D was carried out by the Company

A. Paper division

- (i) Pulping studies on conventional fibrous raw material i.e. bamboo & wood.
- (ii) Studies to reduce the Mill water consumption by re cycling the water at various Plants also consequently reduced water effluent.
- (iii) Composite silo discharged belt chips evaluation.
- (iv) Seasonal effect of treated effluent on soil characteristics of H.R.T.S.

B. Cement division

- (i) Optimizing the use of various performance improving additives for cement like bed ash of thermal Plant and 100% utilization of fly ash from thermal power plant.
- (ii) Alternative additives optimization for consistent Kiln operation.

C. Fans division

- (i) Introduction of New energy economic models and other models for meeting the requirement of Domestic and Export market.
- (ii) Introduce new models to increase product and development of CLF lamps as per national standards to meet the requirement of High power factor & other compliances

2. Benefits derived because of above R&D

A. Paper division

- Overall reduction in fresh mill water consumption by about 25% of total fresh mill water consumption per day.
- (ii) Unit became first research and environment laboratory in paper industry to get the Certification NABL Environmental lab will be considered high quality testing lab by adopting good professional practices after NABL certification.
- (iii) Chlorine consumption has reduced significantly after commissioning of Oxygen delignification O.D.L. commissioning. AOX kg/ton of paper is expected to be below the prescribed limit.
- (iv) Silo discharge belt composite chips evaluation at regular interval provides guidelines for change in proportionating of raw materials and to get improved pulp quality.

B. Cement division

- Higher use of low grade lime stone for development and conservation of Mines.
- (ii) Reduction in cost & increase in cement volumes.

C. Fan division

(i) Better penetration in the premium Fan segment & energy Saving Fan segment.

- (ii) Value engineering in portable fans
- (iii) Expand domestic & export market base.

3. Future plan of action

A. Paper division

Continue research in the above areas and work to implement other new emerging technologies for benefiting the pulp and paper industry.

B. Cement division

Improve quality of Product.

C. Fan division

- (i) Introduction of 6 new models in new segment
- (ii) Introduction of 4 models in existing segment
- (iii) Introduction of models for Dubai, Nigeria export market and new colour variants
- (iv) Increase in Product range in CFL in Faridabad Factory & installing 2nd DT line

4. Expenditure on R&D

- a. Capital Nil (Previous Year Nil)
- b. Recurring Rs. 143.02 Lacs (Previous Year Rs. 127.78 Lacs)
- c. Total Rs. 143.02 Lacs (Previous Year Rs. 127.78 Lacs)
- d. Total R&D expenditure as percentage of total turnover 0.08% (PY 0.08%)



5. Technology absorption, adoption and innovation

 Efforts made towards technology absorption, adoption and innovation in

A) Paper & Chemical Units at Amlai

- (i) Pulping studies of different varieties and location of hard woods and bamboo
- (ii) Measures taken for indigenization of critical parts are still continuing
- (iii) After commissioning of O.D.L. system at the pulp mill, bleaching chemical consumption and AOX reduction kg/ton of paper has reduced significantly.
- (iv) Reduction in Mill fresh water consumption using treated waste water generation of unit.

(v) At chemical Mill Amlai installing 4 Nos turbo Air Ventilators in the roof of IEM rectifier Room to bring down the Rectifier Room Temperature.

B. Cement Unit at Devapur

(i) Measures for indigenization of critical imported part are continuing.

C. Fan & CFL units

- (i) Expansion of air delivery measurement set up for air circulator range.
- (ii) Benchmarking with competitors fans (from India & China) for performance, cost & packing.
- 2. Benefit derived as a result of above efforts

A. Paper Unit

1. Improvement in pulp quality

- Reduction in Fresh Mill water consumption
- 3. Reduction in chlorine consumption
- 4. Reduction in input and overall cost due to wastage control

B. Cement Unit

1. Reduction in input and overall cost

C. Fan & CFL Unit

- Improved and reliable air delivery testing enabling quick assessment of blade design.
- Improved packing with stuffing capacity comparable to international standards
- 3. Optimization in raw material consumption in portable fans.
- Since the Company has not imported technology during last five years, the requisite information is not required to be given.

Annexure - "B" to the Directors' Report

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

(A) That in the preparation of the annual accounts, for the year ended 31st March 2010 all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India were followed.

- (B) That the Directors adopted such accounting policies and have applied them consistently and have made judgements and estimates in a reasonable and prudent manner, so as to give a true and fair view of the state of affairs of the Company as at end of the financial year and of the profit of the company for the year.
- (C) That the Directors took proper and sufficient care for the maintenance of
- adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (D) That the Directors have prepared the annual accounts on a 'going concern' basis.

C.K. Birla

Chairman



Annexure - "C" to the Directors' Report

Particulars of Employees as required U/S 217(2A) of the Companies Act, 1956 and forming a part of the Directors' Report for the year ended 31 March 2010.

Name	Qualification	Designation/	Age	Remuneration	Experience	Date of	Particulars of last
A Employed t	hroughout the fin	Nature of Duties	(years)	(Rs.)	(years)	Joining	employment
S. B. Bhaiya	B.Com(H), FCA	President (General Administration) - Fan Division	54	53,38,603	33	1 April 1996	Nigeria Engineering Works, Nigeria, Managing Director
S. Dayal	B.Tech(Chem), Diploma in Management	Vice President Manufacturing (Lighting) - Fan Division	61	25,67,561	40	12 April 2007	Philips India Ltd., Director- Technical Outsourcing
M. C. Gautam	MBA (Finance), A.M.I.E (Chemical Engg), Diploma (Chem. Engg.)	Chief Operating Officer (General Administration) - Cement division	50	41,96,218	30	22 January 2008	Sanghi Industries Ltd, President (Operation)
N. C. Gupta	B.Com (Hons), FCA, CS (Inter),	Sr. Vice President (Commercial) - Cement division	52	29,60,374	29	6 June 1988	Modi Cement Ltd, Dy. Manager (Accounts)
A. K. Kejriwal	B.Com, P.G.D.M.S.M,	Executive Vice President (Marketing) - Cement division	61	36,32,754	36	16 March 1982	Assam Asbestos Ltd, Sales Manager
H. Mittal	B.Tech.	Vice President Marketing (Lighting) - Fan division	57	33,86,136	33	11 June 2007	Indo Asian Fusegear Ltd, Vice President - Lighting
G. Mullick	B.Sc (Hons), MBA	Sr.Vice President (Paper Marketing)	53	29,00,588	30	7 October 1998	The Andhra Pradesh Paper Mills Ltd. General Manager (Marketing)
M. L. Pachisia	B.Com	Managing Director	65	1,76,22,700	49	01 April 1991	Hindustan Motors Ltd, President (Corporate projects)
B. Pandey	Grad. (Mech. Engg), I.E., F.I.E., M.I.M.A.	President (General Administration) – Cement division	71	39,67,635	51	27 October 1992	Cement Corporation of India Ltd, Chief General Manager
P. K. Sonthalia	B.Com (Hons), FCA, AICWA	President (Finance) and CFO	52	47,92,601	30	15 April 1980	None
N. K. Saha	B.E (Chem), MS (Pulp & Paper) (USA), M.I.E (India)	Sr.Vice President (Projects & Development)	59	27,86,989	37	11 March 1982	The Titagarh Paper Mills Co.Ltd Senior Engineer (Projects)



Name	Qualification	Designation/ Nature of Duties	Age (years)	Remuneration (Rs.)	Experience (years)	Date of Joining	Particulars of last employment
G. A. Shingote	BE (Mech), M.Tech (Mech), MBA (Strategy)	Head-strategy and planning	41	24,59,979	16	2 January 2009	Ramco Systems, Vice President - strategy and consulting.
G. Shankar	B.E, MBA	Executive Vice President (Marketing) – Fan division	53	38,81,200	29	18 May 2001	Royal Enfield (unit of Eicher Motors Ltd), General Manager - Marketing
Vimal Kishore	B.Tech (Chem), D.I.M.	Chief Executive Officer - Paper division	55	29,95,938	33	30 March 2009	The West Coast Paper Mills Ltd, President (Technical)
B. Employed	for part of the fi	nancial year :					
P. Singh	BE (Elect.)	Vice President (Technical) - Cement Division	52	26,92,534	30	17 April 2008	Shree Digvijay Cement Co. Ltd, Asst. Vice President (Engg & Tech Services)
N. K. Thusu	B.Tech (Mech)	Senior President – Paper Division	65	5,32,010	43	5 September 1997	Indo Gulf Fertilizers & Chem. Corp. Ltd, Executive President - Paper & Sugar

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 Shri M. L. Pachisia, Managing Director, is contractual.
- Other terms and conditions: As per rules of the Company
- The Managing Director is not a relative of any Director of the Company

C.K. Birla Chairman



1. Overall review

Indian economy demonstrated its resilience and recovered much faster than other economies, from the set-backs suffered last year, to register an estimated growth of around 7.7% during FY 2010.

The recent finance budget has placed a lot of emphasis on inclusive growth with development of infrastructure, education and health services as its main pillars. This bodes well for our Country's economy, which we believe will return to its growth path of over 8% soon.

However, rising costs and inflation is a matter of concern and we hope that with normal monsoons predicted for this year and other actions being considered by the Government, at least the food inflation should come down. In any case, the industry has to find ways of compensating inflation led cost increases through better efficiencies and increased productivity.

2. Segment-wise business analysis

2.1 Business segment – cement 2.1.1. Industry structure and development

Additional capacities of 33 million tons were commissioned during the year over and above 42 million tons added during the previous 2 years. Thus, the total capacity of the Indian cement industry

stood at 251 million tons as at end of March 2010. Considering the timing of commissioning of these new capacities, it is estimated that an effective capacity of 227 million tons was available for 2009-10.

Domestic demand for cement also registered an impressive growth of 11% from 178 million tons in 2008-09 to 197 million tons in 2009-10. This indicates that the domestic demand is now growing at almost 1.5 times GDP growth as against the normal ratio of 1.1 to 1.2 times. Obviously, apart from higher spending on infrastructure development, there has been a strong revival in the realty sector also.

In spite of this impressive growth in cement consumption, capacity utilisation on all India basis came down to 89% of the effective capacity from 94% last year because of the large capacity additions.

One major dampener in this demand growth scenario was the negative growth registered in Andhra Pradesh, which was recording double digit growth in cement demand for past several years. At the same time, new capacities of 7 million tons were commissioned in Andhra Pradesh, resulting in capacity utilisation of cement plants in Andhra Pradesh coming down to 73% only. As a result, cement prices in Andhra Pradesh and its neighbouring areas dropped significantly during the 2nd & 3rd quarter. We are

however fairly convinced that this was a passing phase, caused by a number of adverse developments in Andhra Pradesh. Markets have already started improving gradually during the 4th quarter and a substantial part of drop in realisation has recovered by now.

On the statutory front, recent budget increased excise duty on cement, which had been reduced earlier as part of the stimulus package. Government of Andhra Pradesh increased VAT on cement from 12.5% to 14.5% w.e.f January 2010.

2.1.2. Opportunities and threats

There is no doubt in our minds about the long term prospects of the cement industry in India as we expect the cement demand to continue to grow by approximately 11%-12% per year for the next few years.

As far as our core markets of Telengana region of Andhra Pradesh and Marathwada, Vidharbha and Khandesh regions of Maharashtra are concerned, cement demand had been growing at substantially higher rate than national average in the previous years. However, for reasons mentioned earlier market sentiments were disturbed in Andhra Pradesh and consequently in other neighbouring markets last year. The situation is already stabilizing and we expect normalcy to return soon.



Going forward, while there could be temporary disturbances due to new capacities coming on stream simultaneously and/or specific events in particular regions, the medium / long term prospects remain quite positive.

In any case, with our expanded capacity and expected reduction in costs due to

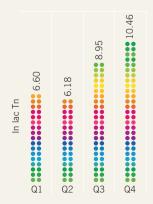
self generation of power, our competitive strength shall improve further to withstand any temporary reduction in realisations in the worst case scenario.

2.1.3. Segmental review and analysis

During the year under review, we increased our installed capacity to 5 million tons per year and also commissioned the 50 MW power generation project, details of which are as follows:

Projects	Month of commissioning
4200 tpd Kiln at Devapur	September 09
Additional cement capacity of 1 million tons at Jalgaon	October 09
Additional cement capacity of 0.6 million tons at Devapur	January 10
1st 25 MW power plant	November 09
2nd 25 MW power plant	February 10

Even though there was some unavoidable delays in commissioning these projects, we are happy to state that we have been able to achieve fairly fast ramp up in utilisation of our expanded cement & clinker capacities. Our quarter on quarter growth in sales of cement & clinker was as follows:



Our sale in March 2010 touched 3.92 lac tons representing over 90% capacity utilisation.

Overall, we sold 32.18 tons of cement & clinker against 29 lac tons sold in the previous year; registering a growth of 11% inspite of the disturbed market situation in our core areas and loss of production in the first 2 quarters due to upgradation of the existing kilns and integration of the expansion projects.

There were 3 other significant achievements:

■ We were able to achieve 87% of our cement sales for blended cement under our brand "BIRLA A1", even though the industry's blended cement ratio came

down during the year. "BIRLA A1" has been well positioned as a premium brand and continues to win customers' confidence because of its quality and market reach.

- 93% of our cement was sold in our core markets. For a high logistic cost product like cement, this is very significant criteria for success.
- We increased our road based despatches of cement by 21% to overcome the shortage of railway rakes. Overall, proportion of movement by road improved to 75% from 65% in the previous year. This not only ensured uninterrupted movement but also resulted in higher market share in our



core/ primary markets.

However, our costs increased because of significant hike in prices of coal, packaging material, diesel etc and royalties on lime stone. We also incurred higher costs on purchase of clinker, while our existing kilns were undergoing upgradation during the first half of the year. Power & coal consumptions in the new facilities were also higher during initial startups but are coming down as the plants stabilize. Ultimately all the new facilities are designed to achieve best in class efficiencies.

As mentioned earlier, cement prices came down significantly during the year in our major markets. The fall in prices was as much as 35% in some markets. However, prices started to recover in the 4th quarter and gained a large part of fall towards end of the quarter. Still for the year as a whole, the net realisations were lower by 6.9% compared to the previous year.

As a result, in spite of over 11% increase in volumes, our net sales for the year improved only marginally from Rs. 872 crs to Rs. 895 crs.

However, our PBIT was lower at Rs. 255 crs against Rs. 343 crs primarily because of lower realisations and higher depreciation on the expanded asset base.

2.1.4. Risks and concerns

While we firmly believe that our cement division is quite well poised to improve its volumes and profitability, short term fluctuations in cement prices cannot be ruled out and can impact profitability from time to time.

Rising cost of coal continues to be an area of concern. While we have obtained linkage to cover 75% of coal needed for our new kiln, Singareni Collieries has fixed higher price for fresh linkages under their new policy. Our application for linkage for coal required for the power plant is still awaiting approval of the linkage committee. Apart from coal, there are inflationary trends on other inputs as well. Therefore margins could remain under pressure.

2.1.5. Outlook

We expect our cement volumes to go up significantly next year as our expanded capacity would be available for the full year.

On the costs front, the savings arising from self generation of power and increased efficiencies from the new facilities should more than compensate for the inflation led cost increases.

Sales realisation will depend upon market forces and could be affected for some time in case supplies exceed demand either because of slower than normal demand in our markets or excess supplies from new capacities.

In any case, we remain fairly confident and optimistic that going forward we shall be able to achieve continuously improving results from our existing cement plants.

2.2. Business segment - paper2.2.1. Industry structure and development

As indicated in our analysis and report last year, paper markets were fairly depressed for most part of the year under review.

In addition to 616000 tons of capacities added during the previous year, a further capacity of 155000 tons was commissioned this year by large integrated paper mills alone. Other mills, based upon waste paper or agro residues, also commissioned around 300000 tons of new capacities in the same time frame.

As a result domestic production of paper increased sharply in a short period of time. At the same time paper mills from South Asia started offering pulp & paper at very low prices as a means of evacuating their production during the global meltdown period.

While the domestic demand for Paper and paper board grew at a healthy rate of around 8% and tissue paper at around 15%, supplies exceeded demand for most part of the year under review.

Consequently, paper prices came under pressure and dropped by almost 7.5% from the previous year's levels.

However, the International scenario changed towards end of the year under review following closure of some capacities in Europe, disruption in pulp & paper production due to the devastating



earth quake in Chile and curb on illegal logging in Indonesia. As a result, International pulp & paper prices have started recovering offering opportunities to Indian mills to export at fairly remunerative prices. Domestic prices are also expected to improve during 2010-

The issue of long term and adequate availability of pulp wood remains an area of concern for the integrated paper mills. The Industry continues to make significant efforts to encourage social and farm forestry. But this has limitations of scattered plantations. The industry has been representing to the central and state Governments to facilitate public - private partnership to gainfully utilise huge tracts of revenue waste lands for large scale plantations, which could create huge rural employment and potentially enable the Indian paper industry to achieve world class scales.

2.2.2 Opportunities and threats

The recent introduction of the Rights to Education act is expected to give a tremendous boost to demand for paper. The on-going national census and UID initiative are also expected to result in substantial demand for paper. Changes in life style and growth in IT sector will continue to drive increasing demand for tissue paper. Export markets will also present attractive opportunities atleast in the near future. Therefore we expect paper prices to gradually improve to more reasonable levels.

However, further new capacities of nearly 400000 tons of writing & printing papers are expected to come on stream some time in 2010-11. Therefore, the possibility of paper prices coming under pressure again cannot be ruled out.

Caustic / chlorine industry is also facing the problems of excess capacity and threat of dumping from cheap imports.

2.2.3 Segmental review and analysis

Regrettably our paper production for the year under review was again disrupted during the year under review initially for plant upgradation and subsequently for water shortage. In all we lost production for 76 days during the year. The upgraded pulp mill equipments also took some time to stabilize.

As a result, our paper production was quite low at only 53443 tons for the year. The caustic / chlorine production was however normal.

Additionally, realisations from paper as well as caustic / chlorine were also lower because of circumstances explained above.

As a result of lower volumes and drop in realisations our net sales turnover was substantially lower at Rs. 239.38 crores as against Rs. 290 crores in the previous year.

Lower production volumes and sales realisation coupled with higher depreciation on new projects and increased costs of raw materials and coal resulted in the Amlai plant recording its first ever PBIT loss of 33.64 crores as against positive PBIT of Rs. 20.27 crores in 2008-09.

Obviously, this performance has been a major aberration as the plant had traditionally been one of the more efficient units in India.

Water shortage in the last two years has been unprecedented in our history. Never before, we were forced to shut down for such long periods. Water reservoirs that we had earlier built had served us well in the past several years when we were not required to stop production due to water shortage. On recurrence of problem for the 2nd year running, we commissioned several studies to find a long term solution. After exploring all possible options through different expert agencies, we could finally come to the conclusion that we had no other option than to build 2 large water reservoirs covering a land area of approx 65 acres to store 250 million gallons of water. This work has already started and is expected to be completed before the coming rainy season.

Our Social and farm forestry initiatives continued with growing emphasis on clonal plantation. In 2009-10, our clonal plantations increased to 1.3 million as against 0.75 million in the previous year. In view of our poor experience with yield and survival of seed routed plantations, we have decided to gradually move over totally to clonal plantations, which have



shown far superior results. Therefore in 2009-10, we provided only 2.2 million seedlings as against 5.5 million in the previous year.

Risks and concerns – Amlai plant

Regrettably, we are once again facing water shortage during the current summer season and the plant had to be shut down again. Based on normal onset of monsoon around our area, we hope to be able to restart production by mid June. Therefore, paper production for the FY 2011 is also likely to be impacted. However, the new water reservoirs now under construction should be able to eliminate the water shortage related shut downs thereafter.

Our immediate challenge after recommencement of operations will be to restore full production and efficiencies. We expect that since balance portion of the new fibre line will start operations simultaneously, our pulping efficiencies and costs should improve substantially.

While we expect paper prices to improve during early part of 2010-11, longer term sustainability of the improved prices will depend upon the International Paper market situation after the Chilian facilities restart.

While we believe that caustic/chlorine prices are presently at their lowest and should gradually improve, some uncertainty on this front cannot be ruled out.

Possible increases in cost of coal, wood and bamboo continue to remain areas of concern.

Outlook – Amlai plant

Admittedly, the plant has not performed to potential in the last two years mainly because of water shortage related shut downs, which were beyond control.

However there have been several positive developments during the year under review:

- We have been able to reduce our water consumption from 8 million gallons per day to 6 million gallons per day through greater recycling. Work is on hand to further reduce this to 5 million gallons per day.
- We changed over to alkaline sizing from Acid sizing for improving quality of our writing & printing papers.

Our tissue paper products have found acceptance in different parts of the World and we were able to export substantial quantity of tissue paper during the last quarter of the year under review. Future prospects appear bright.

■ Our branded note books are gradually becoming more popular. Even in the face of tough market situation during the year under review, we were able to increase turnover from this activity by 50%.

We have recently finalised the order for increasing our own power generation capacity to 55 MW from existing 25 MW. This project is aimed at substantially reducing cost of power and steam both for paper and caustic / chlorine. It is expected that this plant should be ready for commissioning in 24 months starting from May 2010.

While production of paper will still be low during first quarter of 2010-11, we shall make every effort to make up the shortfall in the remaining 3 quarters.

(b) Brajrajnagar plant

Operations at this plant have remained suspended. Only employees, who are mostly required for upkeep of the facility, now remain on the rolls of this plant.

This is indeed a valuable asset which is ideally located with complete infrastructure. We intend to put this asset to productive use soon and are examining options for best utilisation of this facility.

2.3 Business segment - Electricals2.3.1. Industry structure and development

The organised fan industry in India is estimated to have registered one of its highest ever growth of around 30%, most of which came from the domestic markets.

Total fan production in India is estimated to have grown to around 35 million units from 28 million units last year. The share of organised sector continues to increase gradually and is estimated to be around 80% of total fans sold.

At the same time, prices of major inputs like steel and copper eased to some extent from their peaks of previous year. However, prices of these commodities have again started rising and are close to their earlier peak levels.

Demand for Orient's CFLs also increased



by 30% to touch 180 million units. Demand for tube lights however declined marginally by 4%.

As per the latest regulations, all CFLs produced from October 2009 had to meet the requirement of high power factor. While this created some initial bottlenecks, complete change-over from low power factor to high power factor has since taken effect.

2.3.2 Opportunities and threats

Indian consumer is becoming quite demanding and the demand for both fans and lighting is continuously shifting towards branded products from the organised sector. In a rapidly growing economy like India and with increasing emphasis on energy efficiency, both fans and energy efficient lighting products present huge growth opportunities.

However, both these products are fiercely competitive and market prices could come under stress from time to time.

Prices of major inputs like steel and copper are again on the rise and could put pressure on margins.

While export markets are also reviving, appreciation of Rupee is resulting in export prices becoming less remunerative.

Orient is very well positioned to take full advantage of the emerging opportunities.

2.3.3 Segment review and analysis

The year under review has been the best ever for our electricals division with

record growth in both turnover and profitability.

We achieved a growth of 38% in volume of fans sold in the domestic markets and 22% in exports. In case of lighting products, our growth was impressive 86%.

Overall, we sold 50.4 lac fans in 2009-10 as against 37 lac fans in the previous year, thereby achieving 100% capacity utilisation.

In case of CFLs and Tube lights, we sold 89.2 lac units against 47.9 lac units sold last year.

As a result, the division's net sales turnover increased by over 40% from Rs. 341.4 crores in 2008-09 to Rs. 480.8 crores in 2009-10.

The division also recorded its best ever PBIT performance, which jumped by over 80% to Rs. 62.3 crores in 2009-10 from 34.4 crores in the previous year.

2.3.4 Risks and concerns

While we expect the demand to remain fairly robust in 2010-11, however, margins could be affected because of increases in prices of major inputs.

2.3.5 Outlook

Orient PSPO has been one of the market leaders in the Indian fan industry and also the highest exporters by far.

The fact that we have continued to grow at a much higher rate than the industry, clearly shows that we have been consistently increasing our market share.

This has been possible through expanding our product portfolio to include table, pedestal, wall and exhaust fans.

Simultaneously we have been able to increase our market reach and penetration in relatively weaker markets. We have also taken several new initiatives in building enhanced brand equity for Orient PSPO. Mahendra Singh Dhoni continues to be our brand ambassador and will start endorsing our lighting products as well.

Our lighting business has shown rapid growth and we expect this trend to continue.

During 2010-11, we shall further expand our capacity for fans to 60 lac units and also add the 2nd line for production of CFLs. We shall be deriving further benefits from economies of scale.

Overall, we expect our electricals business to continue to grow rapidly in both domestic and export markets.

3. Company's overall performance and analysis

Sales and profit

The gross sales increased from Rs. 1690.6 crores in 2008-09 to Rs. 1768.54 crores in 2009-10, while the net sales increased from Rs. 1503.2 crores to Rs. 1619.8 crores.

Profit before depreciation & interest for the year was however lower at Rs. 323.65 crores as against Rs. 365.5 crores in the previous year. This was mainly due to lower price realisation in cement division and lower volume in paper business.

Because of commissioning of almost all on-going projects, Interest & depreciation costs were substantially higher at Rs. 34.5 crores and Rs. 55 crores against Rs. 20.7 crores and Rs. 34.7 crores respectively in the previous year. Full benefits of these new projects will be available from next year.

The net profit after tax (after deferred tax provision of Rs. 60 crores) was Rs. 159 crores against Rs. 200 crores in 2008-09.

This translates to an EPS of Rs. 8.26 and cash EPS of Rs. 14.23 for the year.

We invested Rs. 184 crores on capital projects during the year mostly out of internal generation.

Financial position of the Company continues to be fairly strong with our debt equity ratio at 0.43:1 and the DSCR of 6.99.

Notwithstanding the dip in net profit during the year, we believe that your Company has emerged much stronger with all round increase in capacities and improvement in market share in the respective businesses.

4. Internal control systems and their adequacy

The Company has established adequate internal control systems, which provide

reasonable assurances with regard to safeguarding Company's assets. promoting operational efficiencies and ensuring compliance with various statutory provisions. The internal audit department regularly reviews internal control systems in business processes and verifies compliance with the laid down policies and procedures. Reports of the internal audit department are reviewed by the senior management and also placed before and comprehensively discussed at the meetings of the Audit committee. The Audit Committee reviews the adequacy of internal control systems, audit findings and suggestions. The internal audit department 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.

5. Human resource development / Industrial relations

The Company has adopted a progressive policy of development of its human resources through continuous training and motivation to achieve greater efficiencies and competencies. Progress made by the company was possible in no small measure by efforts of the entire

team. The total number of permanent employees as on 31 March 2010 was 3877.

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

6. 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 demandsupply 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 on the basis of subsequent developments, information or events.



Corporate Governance Report

(As required under Clause 49 of the Listing Agreement entered into with the stock exchanges)

I. 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 as to create value that can be sustained over a long term 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 that the highest standards of ethical conduct are maintained throughout the organization.

II. Board of Directors

(a) Composition of the Board

The Board of Directors comprises six members, consisting of five Non-Executive Directors who account for about 84% of the Board's strength as against minimum requirement of 50% as per the Listing Agreement. The Non-Executive Directors are eminent professionals drawn from among persons with rich experience in business and industry, finance, law and public enterprises. The composition of the Board is as under

Name of the Directors	Category of the Director	Number of other Directorship held*	Number of Board Committee(s) of which he is a member	Number of Board Committee (s) of which he is a Chairman
Sri C. K. Birla	Chairman Non-Executive	6	_	-
Sri B. K. Jhawar	Independent Non-Executive	4	1	-
Sri P. K. Sen	Independent Non-Executive	_	2	-
Shri D. N. Patodia #	Independent Non-Executive	_	_	-
Sri A. Ghosh	Independent Non-Executive	13	10	5
Mr. Michael Bastian**	Independent Non-Executive	4	6	4
Sri M. L. Pachisia	Managing Director-Executive	8	3	1

^{*} Excluding Directorships in private limited companies and foreign companies.

[#] Ceased to be a Director during the year wef 3rd September, 2009.

^{**} Withdrawn by IDBI as nominee wef 22nd September, 2009 and appointed as an Additional Director wef 27th October, 2009.



(b) Details of sitting fee, remuneration, among others, paid to Directors

Name of the Director	· ·	paid during 2009-10 and sitt gs of the Board and/or Comm (all figures in Rs.)	
	Fee	Commission	Total
Shri C. K. Birla	80,000	1,00,00,000	1,00,80,000
Shri B. K. Jhawar	1,40,000	10,00,000	11,40,000
Shri P. K. Sen	3,80,000	10,00,000	13,80,000
Shri D. N. Patodia	1,40,000	4,24,658 #	5,64,658
Shri A. Ghosh	1,40,000	10,00,000	11,40,000
Mr. Michael Bastian	1,40,000	*9,04,109	5,67,397

[#] Paid for the period from 01.04.2009 to 02.09.2009

^{*} Includes Rs. 476712/- paid to IDBI

Shri M. L. Pachisia	Remuneration (Rs.) *
Salary and perquisites	1,56,78,700
Contributions to P.F./ Superannuation Fund	19,44,000
Total	1,76,22,700

^{*} The above remuneration does not include contribution to Gratuity Fund.

The appointment of Managing Director is contractual in nature for a period of three years with effect from 23 September 2008, as approved by the shareholders and is terminable by either side on three months notice. No severance fee is payable to the Managing Director upon termination of his employment.

Details of shares held by Directors

Name of the Directors	Number of shares held
Shri C. K. Birla	28,97,570
Shri B. K. Jhawar	46,510
Shri P. K. Sen	6,500
Shri A. Ghosh	12,480
Mr. Michael Bastian	5,000
Shri M. L. Pachisia	36,640

(c) Number of Board Meetings held and attended by Directors

(i) Four meetings of the Board of Directors were held during the year ended 31 March, 2010 on the following dates 12th June, 2009, 27th July, 2009, 27th October, 2009 and 14th January, 2010



(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31 March 2010 and of the last Annual General Meeting is as under

Directors	Number of Board Meeting attended	Attendance at the last AGM
Shri C. K. Birla	4	No
Shri B. K. Jhawar	2	No
Shri P. K. Sen	4	Yes
Shri D. N. Patodia (ceased wef 3rd Sept,09)	2	No
Shri A. Ghosh	3	Yes
Mr. Michael Bastian	3	No
Shri M. L. Pachisia	4	Yes

III. Audit Committee

- (i) The Audit Committee comprises four Independent Members Directors namely
- (1) Shri A. Ghosh
- (2) Shri B. K. Jhawar
- (3) Shri P. K. Sen
- (4) Mr. Michael Bastian

All the members of the Audit Committee are Non-executive Directors. Shri A. Ghosh is the Chairman.

(ii) Five Audit Committee Meetings were held on 26th May, 2009, 12th June, 2009, 27th July, 2009, 27th October, 2009 and 14th January, 2010. The attendance of each Audit Committee member was as under

Name of the Audit Committee Member	Number of meetings attended
Shri A. Ghosh	4
Shri B. K. Jhawar	2
Shri P. K. Sen	5
Shri D. N. Patodia	
(ceased wef 3rd Sept.09)	2
Mr. Michael Bastian	4

(iii) At the invitation of the Company, Statutory Auditors, Managing Director, President (Finance) and CFO and the Head of internal audit also attended the Audit Committee Meetings to brief the Committee and to answer and clarify queries raised at the Committee Meetings. The Company Secretary acts as the Committee's Secretary. The concerned officers from the Company's different plants are also invited to the Audit Committee meetings to brief the Committee and clarify any queries raised by the Committee, as and when required.

(iv) The role and terms of reference of the Audit Committee cover the matters specified for audit committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

IV. Management Committee

The Management Committee comprises two Independent Member Directors and one Executive Director namely

1. Shri B. K. Jhawar 2. Shri P. K. Sen

3. Shri M. L. Pachisia

Except Shri M. L. Pachisia, Managing Director, all the Members of the Management Committee are Non-Executive Directors. Shri M. L. Pachisia is the Chairman.

The Management Committee meets as and when necessary to attend day-to-day affairs and urgent business and is empowered to do all such acts, deeds and things which the Board is empowered to do, subject to the provisions of the Companies Act, 1956.

Six Committee Meetings were held during the year on 20th May, 2009, 28th August, 2009, 15th October, 2009, 2nd December, 2009, 8th January, 2010 and 19th February, 2010. The attendance of each Committee member was as under

Name of the Member	Meetings attended
Shri M. L. Pachisia	6
Shri B. K. Jhawar	2
Shri P. K. Sen	6



V. Remuneration Committee

The Remuneration Committee of the Directors of the Company comprises of three Independent Directors namely

- 1. Shri B. K. Jhawar
- 2. Shri P. K. Sen
- 3. Shri D. N. Patodia (ceased wef 3rd September, 2009)
- 4. Mr.Michael Bastian (appointed wef 14th January, 2010)

Shri B. K. Jhawar is the Chairman of the Remuneration Committee.

Two Remuneration Committee Meetings were held during the year on 12th June, 2009 and 27th July, 2009.

The attendance of each Committee Member was as under

Name of the Members	Meetings attended
Shri B. K. Jhawar	1
Shri P. K. Sen	2
Shri D. N. Patodia	2

VI. Shareholders/Investors' Relation Committee

(a) The Shareholders/Investors Relation Committee comprises two Non-Executive Directors namely Shri P. K. Sen and Mr.Michael Bastian and an Executive Director Shri M. L. Pachisia. Mr.Michael Bastian is the Chairman. Shri S. L. Saraf, the Company Secretary was designated as the Compliance Officer.

During the year ended 31 March 2010, 21 complaints received from the shareholders/debenture holders were attended on time and there were no grievances pending as on 31 March 2010. There were no share transfers pending for registration for more than 30 days as on the 31 March 2010.

Two Shareholders/Investors Relation Committee Meetings were held on 12th June, 2009 and 14th January, 2010. The attendance of Shareholders/Investors Relation Committee Member was as under

Name of the Members	Meetings attended
Shri D. N. Patodia (ceased wef 3rd	
September, 09)	1
Shri P. K. Sen	2
Shri M. L. Pachisia	2
Mr. Michael Bastian (appointed wef 14.01.2010)	
14.01.2010)	_

(b) Details of Directors seeking reappointment at the ensuing Annual General meeting fixed on date are given hereunder

Name of the Director	Shri B.K. Jhawar
Date of appointment	21st July, 1983
Expertise in specific functional area	Industrialist with vast business experience
List of other Directorship held (excluding Directorship in Private Limited and Foreign Company)	Usha Martin Ltd. Usha Martin Agro Ltd. Reliance Chemotex Industries Ltd. Usha Communications Technology Ltd. BVI
Chairman/Member of the Committees of the Board of the Companies on which he is a Director	Orient Paper & Industries Ltd. Member Audit Committee



Name of the Director	Shri C.K. Birla
Date of appointment	29th September, 1978
Expertise in specific functional area	Industrialist with vast business experience
List of other Directorship held (excluding Directorship in Private Limited and Foreign Company)	Hindustan Motors Ltd. National Engineering Industries Ltd. AVTEC LIMITED. Hyderabad Industries Ltd. Birla Soft (India) Ltd. The Indian Smelting & Refining Co. Ltd.
Chairman/Member of the Committees of the Board of the Companies on which he is a Director	None

VII. 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.

VIII. Compliance certificate

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

IX. General Body Meetings

(a) The details of Annual General Meetings and Extra Ordinary General Meetings held in last three years are as under

	Day	Date	Time	Venue
AGM	Friday	13th July, 2007	12.30 pm	Unit-VIII, Plot no.7 Bhoinagar, Bhubaneshwar (Orissa)
EGM	Wednesday	2nd January, 2008	12.30 pm	-do-
AGM	Monday	14th July, 2008	12.30 pm	-do-
EGM	Thursday	22nd January, 2009	3.30 pm	-do
EGM	Thursday	22nd January, 2009	5.00 pm	-do-
AGM	Thursday	03rd September, 2009	12.30 pm	-do-

- (b) Whether special resolutions were put through postal ballot last three year? No
- (c) Are special resolutions proposed to be put through postal ballot this year? Yes,

The Company will follow the procedure prescribed under Companies (passing of the Resolutions by Postal Ballot) Rules 2001.



X. Disclosures

- (i) There were no 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.

XI. Means of communication

(i) Half-yearly report sent to each household of shareholders : No

(ii) Quarterly results which news papers normally publish in : Economic Times in (all editions) and also put on

Company's website www.orientpaperindia.com

(iii) Whether MD & A is a part of this Annual Report? : Yes

XII. General shareholder information

a. Annual General Meeting to be held (Day, date, time and venue)

Day : Friday

Date : 6th August, 2010

Time : 12.30 pm

Venue : Unit - VIII, Plot No. 7, Bhoinagar,

Bhubaneshwar - 751012, Orissa

b. Financial calendar 2010-2011

First quarterly results Before end of July, 2010

Second quarterly results Before end of October, 2010

Third quarterly results Before end of January, 2011

Audited yearly results for the year ending 31 March 2011 Before end of May, 2011

c. Dates of book closure : 31st July, 2010 to 6th August, 2010

(both days inclusive)

d. Listing on stock exchanges : 1. The Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoi Towers, Dalal Street, Fort,

Mumbai – 400001

2. The National Stock Exchange of India Ltd.

Exchange Plaza, 5th floor, Plot No. C/1, G Block

Bandra - Kurla Complex, Bandra East,

Mumbai - 400 051

Note: Listing fee was paid to The Bombay Stock Exchange Ltd and The National Stock Exchange of India Ltd for the year 2010-11.



e. Stock/Company/Security common code

Equity shares

The Bombay Stock Exchange Ltd. : 502420

The National Stock Exchange of India Ltd. : ORIENTPPR

f. Market price data

The details of monthly highest and lowest closing quotations of the Company's equity shares on The National Stock Exchange of India Ltd during financial year 2009-10 are as under

Quotation at The National Stock Exchange of India Ltd.

Month	High	Low
April, 2009	35.40	24.00
May, 2009	50.45	29.10
June, 2009	58.90	46.35
July, 2009	59.35	41.00
August, 2009	61.50	50.00
September, 2009	59.55	51.50
October, 2009	56.25	43.20
November, 2009	48.90	42.60
December, 2009	51.20	45.30
January, 2010	56.30	43.05
February, 2010	49.85	44.00
March, 2010	52.70	45.55

g. Registrar and Transfer Agents: M/s MCS Limited, 77/2A, Hazra Road, Kolkata - 700029 is acting as the Company's Registrar and Share Transfer Agents.

h. Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. Officers of the Registrars were authorised to approve transfers and the same were also approved by the Committee of Directors/Shareholders/Investors Relation



i. Distribution of shareholding

The shareholding distribution of equity shares as on 31 March 2010 is given below

SI. no.	Number of equity shares held	Number of folios	Number of shares	% of shareholding
1	1 - 500	17939	3178858	1.65
2	501 - 1,000	2868	2458876	1.28
3.	1,001 - 2,000	1740	2766280	1.43
4.	2,001 - 3,000	794	2091914	1.08
5.	3,001 - 4,000	424	1558701	0.81
6.	4,001 - 5,000	354	1681625	0.87
7.	5,001 - 10,000	607	4459956	2.31
8.	10,001 - 50,000	479	9750312	5.06
9.	50,001 - 1,00,000	67	4805943	2.49
10.	1,00,001 and above	99	160132305	83.02
	Total	25371	192884770	100

j. Shareholding pattern as on 31 March 2010

SI. no.	Category	Number of folios	% of folios	Number of shares	% of shareholdings
1.	Promoters	27	0.11	64625497	33.51
2.	Mutual funds and UTI	25	0.10	43122446	22.36
3.	Banks, financial institutions, insurance companies (central and state government institutions/ non-government institutions)	20	0.08	18448068	9.56
4.	Pvt. corporate bodies	1026	4.04	30096533	15.60
5.	Indian public	23851	94.01	29738562	15.42
6.	NRIs / OCBs / FIIs	422	1.66	6853664	3.55
	Total	25371	100	192884770	100

k. Dematerialisation of equity shares

The Company's shares are currently traded only in dematerialised form on two stock exchanges namely The National Stock Exchange of India Ltd and The Bombay Stock Exchange Ltd. To facilitate trading in dematerialised form, the Company entered into agreements with both the depositories namely The National Securities Depository Ltd (NSDL) and The Central Depository Services (India) Ltd (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories. As on 31st March 2010, about 97.82% of the Company's shares were in dematerialised form.



Company ISIN No. INE 592A01026

- I. Plants (manufacturing units)
 - Orient Paper Mills
 P.O. Amlai Paper Mills 484117
 Dist. Shahdol (MP)
 - Orient Cement
 P.O. Devapur Cement Works
 Dist. Adilabad 504218 (AP)
 - 3) Orient Cement
 Nashirabad, Dist. Jalgaon (MS)

- 4) Orient Fans 6, Ghore Bibi Lane Kolkata – 700054
- 5) Orient Fans 11, Industrial Estate, Sector 6, Faridabad – 121006
- 6) Orient Fans 17,Tatatalla Road, Kolkata-700088

m. Address for correspondence

Orient Paper & Industries Ltd. Birla Building, 13th Floor 9/1, R. N. Mukherjee Road Kolkata – 700001

Email ID: cosec@orientpaperindia.com

The above report was placed before the Board at its meeting held on 4th May, 2010 and was approved.

Auditors' Certificate

То

The Members of Orient Paper and Industries Limited

We have examined the compliance of conditions of corporate governance by ORIENT PAPER AND INDUSTRIES LIMITED, for the year ended 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. 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.

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 Agreement.

We further 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.

For S. R. BATLIBOI & CO.

Firm Registration Number-301003E Chartered Accountants

Per. **Raj Agrawal** *Partner*Membership No. 82028

New Delhi 4th May, 2010



Section 212

Statement regarding subsidiary companies pursuant to Section 212 of the Companies Act, 1956

The entire subscribed capital as on 31 March, 2010 of OPI Export Limited was held by the Company. The net aggregate amount of the loss of the subsidiary company for the financial year ended 31 March, 2010 as well as for the previous year's which concern the members of the Company, but have not been dealt with in or for the purposes of the account of the Company, are given below

Name of subsidiary	Aggregate amount for subsidiary's financial year ended 31 March 2010	Aggregate amount for the previous financial year of the subsidiary since it became a subsidiary
1. Air Conditioning Corporation Ltd	Pursuant to the order of BIFR the subsidiary Company has been merged with Orient Paper & Industries Ltd., w.e.f. 1st April,2009	Rs. (3,67,40,136)
2. OPI Export Ltd	Rs. (2,50,410)	Rs. (5,71,491)

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman



Financial Section

Auditors' Report

To
The Members of
Orient Paper & Industries Limited

- We have audited the attached Balance Sheet of ORIENT PAPER & INDUSTRIES LIMITED, as at 31st March, 2010 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4. Attention is drawn to Note No.8 on Schedule 24 regarding non disclosure of Company's proportionate interest in the Joint Venture's assets, liabilities, income, expenses etc. for the reasons mentioned therein which, however, is not in compliance with the disclosure requirement of Accounting Standard-27 notified under the Companies Accounting Standards Rules, 2006 but does not have any impact on the profit for the year.
 - In the previous year, our report was similarly modified for the above.
- Without qualifying our report, attention is drawn to Note. No.9 on Schedule -24 regarding demand on account of Water Tax which is under reconsideration by the Madhya Pradesh State Government.
- 6. Further to our comments in the Annexure referred to above:-
 - (i) We have obtained all the information and explanations, subject to para 4 above, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books:
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account:
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except for the matter referred to in para 4 above.
- (v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said statements of account, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For **S. R. Batliboi & Co.**Firm Registration Number-301003E

Chartered Accountants

New Delhi 4th May, 2010 Per **Raj Agrawal** *Partner*Membership No. 82028

Annexure to the Auditors' Report

(Referred to in our report of even date to the Members of Orient Paper & Industries Limited as at and for the year ended 31st march, 2010)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification (except for Brajrajnagar unit, due to suspension of production activities) which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification. However, discrepancies, if any, at Brajrajnagar unit are unascertainable due to non verification of fixed assets for the reasons mentioned above.
 - (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year except for Brajrajnagar unit, due to suspension of production activities.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification. However, discrepancies, if any, at Brajrajnagar unit are unascertainable due to non verification of stocks for the reasons mentioned in (a) above.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clauses iii (b) to (d) of the Order are not applicable.
 - (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clauses iii (f) & (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations

- given to us, and having regard to the explanation that some of the items purchased are of a special nature and alternate sources do not exist for obtaining quotations thereof, it appears that there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the above section, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of paper, cement, electrical consumer durables and chemicals and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, incometax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues with appropriate authorities though there had been slight delays in certain cases and also certain payments are not yet made as indicated in (b) below.

Annexure to the Auditors' Report (Contd.)

(b) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues outstanding at the year end for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of the dues	Amount (Rs in lacs)	Period to which the amount relates	Due Date	Date of Payment
Orissa Municipal Act	Industrial Licence Fees	18.29	1996-97 to 2008-09	Beginning of the respective years	Not yet Paid
Electricity Duty Act (Orissa)	Interest on duty payable on own generation of power	73.64	1998-99 to 2009-10	Subsequent month after accrual	Not yet Paid

(c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty & cess on account of any dispute, are as follows:-

Name of the statute	Nature of dues	Period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
Central Excise and Customs Act, 1944	Disallowance of Cenvat credit on inputs and capital goods	1979-83, 1986-98, 2000-2007	323.77	Deputy/Assistant Commissioner/ Commissioner/High Court/ CESTAT
	Inclusion of interest in Assessable value	1994-96	10.99	Dy. Commissioner/Commissioner
	Disallowance of refund on post manufacturing expenses of paper	1976-77 to 1983-84	149.06	Deputy Commissioner
	Differential duty on manufacture of paper/ duty on various inputs due to difference in classification/ Duty on shortage /excess etc.	1975 to 1977, 1978 to 1985, 1993-97, 2000-01, 2002-03 & 2005-07	46.73	Asst Commissioner/ Deputy Commissioner/ Commissioner Appeals/Addl. Commissioner/ Jt. Commissioner
A. P. Sales Tax/AP Vat Act/ Central Sales Tax Act, 1956	Demand on second sales and freight charges realized separately by raising debit invoices and other matters	1983-85, 1990-91, 1993-94 to 2001-04, 2005-06	283.99	Asst. Commissioner/ Appellate Dy. Commissioner/ Sales Tax Appellate Tribunal/High Court.
MP Sales Tax Act, 1961/Central Sales Tax Act 1956	Demand with respect to disallowance of cash discount, levy of higher rate of purchase tax, difference in classification of goods etc.	1998-99, 2000-02 & 2005-06	122.85	Deputy Commissioner Appeals/Appellate Board/ High Court
Other State/Central Sales Tax Acts	Sales tax on stock transfer/export sales, non submission of forms, penalty etc.	Various	122.09	Asst. Commissioner/ Deputy Commissioner/ Sales Tax officer/ Sales Tax Appellate Tribunal/ High court/ Supreme Court
M.P. Upkar Adhinium, 2004	Energy development cess on consumption of Captive power including surcharge	2001-2002 to 2009-10	1592.72	Supreme Court



Annexure to the Auditors' Report (Contd.)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations provided to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.
- (xviii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that at the close of the year, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 50 and 25 debentures of Rs.100 lacs each. The Company has created security/ charge in respect of the debentures issued.

- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. R. Batliboi & Co.**Firm Registration Number-301003E

Chartered Accountants

Per **Raj Agrawal**New Delhi *Partner*4th May, 2010 Membership No. 82028

Balance Sheet as at 31st March, 2010

(Rs. in lacs)

	Schedules	31st March, 2010	31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
(a) Share Capital	1	2028.67	2027.67
(b) Reserves & Surplus	2	75640.20	63264.54
		77668.87	65292.21
Loans			
(a) Secured	3	41710.22	31264.94
(b) Unsecured	4	9641.51	14968.02
		51351.73	46232.96
Deferred Payment Liabilities	5	273.04	364.97
Deferred Tax Liability (Net)		11027.81	5017.56
		140321.45	116907.70
APPLICATION OF FUNDS			
Fixed Assets	6		
(a) Gross Block		163651.41	85032.57
(b) Less : Accumulated Depreciation/Amortisation		52060.14	46578.76
(c) Net Block		111591.27	38453.81
(d) Capital Work-in-progress		5346.16	63485.55
(e) Expenditure on Expansion / New projects (pending allocation)		331.48	2381.01
		117268.91	104320.37
Investments	7	4711.90	921.65
Current Assets, Loans & Advances			
(a) Inventories	8	15030.93	10971.12
(b) Sundry Debtors	9	18440.00	14070.14
(c) Cash and Bank Balances	10	4669.74	3328.98
(d) Other Current Assets	11	964.63	960.13
(e) Loans and Advances	12	10768.04	9318.61
		49873.34	38648.98
Less : Current Liabilities & Provisions	13		
(a) Current Liabilities		23463.23	19932.45
(b) Provisions		8069.47	7282.91
		31532.70	27215.36
Net Current Assets		18340.64	11433.62
Miscellaneous Expenditure	14	_	232.06
		140321.45	116907.70
Accounting Policies and Notes to the Accounts	24		

Schedules 1 to 14 and 24 referred to above form an integral part of the Balance Sheet.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman



Profit and Loss Account for the year ended 31st March, 2010

(Rs. in lacs)

	Schedules	2009-2010	2008-2009
INCOME			
Gross Sales	15	176854.39	169063.36
Less : Excise Duty		14878.93	18745.60
Net Sales		161975.46	150317.76
Other Income	16	1628.86	2281.19
		163604.32	152598.95
EXPENDITURE			
Decrease/(Increase) in Stocks	17	(2939.53)	294.79
Excise duty on Stocks (Refer Note No. 13 on Schedule 24)		171.42	(93.13)
Purchases of Trading Goods		8295.58	6037.22
Raw Materials Consumed	18	48112.70	36498.30
Manufacturing, Administrative, Selling and Other Expenses	19	77291.47	68154.43
Directors' Remuneration	20	307.51	289.28
Interest	21	3453.27	2067.92
Depreciation / Amortisation	22	5501.36	3471.39
Exceptional Items	23	_	4865.88
		140193.78	121586.08
Profit before Taxation		23410.54	31012.87
Provision for Taxation			
Current Tax {including Rs.836.65 lacs (Rs. Nil) for earlier years}		4780.65	10445.75
MAT Credit Entitlement		3311.24	75.98
Deferred Tax		6010.25	471.70
Fringe Benefit Tax		_	162.00
Profit after Taxation		15930.88	20009.40
Debenture Redemption Reserve Written back		2500.00	1250.00
Surplus brought forward from last year		21440.85	14302.04
Profit Available For Appropriation		39871.73	35561.44
Appropriations			
Dividend on Preference Shares		6.00	30.44
Proposed Final Dividend on Equity Shares		2,893.27	2893.27
Tax on Dividends		481.54	496.88
Capital Redemption Reserve		_	700.00
Debenture Redemption Reserve		1875.00	5000.00
General Reserve		17669.57	5000.00
Balance carried to the balance sheet		16946.35	21440.85
		39871.73	35561.44
Basic and diluted earning per share (EPS) (Face value of Re.1 each)	Rs.	8.26	10.36
(Refer Note No.11 on Schedule 24)			
Accounting Policies and Notes to the Accounts	24		

Schedules 15 to 24 referred to above form an integral part of the Profit and Loss Account.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman

Cash Flow Statement for the year ended 31st March, 2010

(Rs. in lacs)

		(IVS. III Iacs
	2009-2010	2008-2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	23410.54	31012.87
Adjustments for		
Depreciation	5501.36	3471.39
Interest Expenses (Net of Capitalisation)	3453.27	2067.92
Loss on Fixed Assets Sold/Discarded(Net)	44.54	62.44
Profit on sale of Investments	-	(5.20)
Irrecoverable loans, debts & advances written off	22.86	4056.45
Provision for Doubtful Loan, Debts & Advances	79.11	300.52
Provision for Diminution in value of Investments	_	(13.43)
Provision against loan no longer required written back	(170.00)	
Deferred Revenue Expenditure written off	232.05	311.94
Unrealised Foreign Exchange Loss (Net)	84.16	1.65
Interest & Dividend Income	(621.56)	(540.47)
	32036.33	40726.08
Operating Profit before Working Capital Changes :		
Increase in Trade Payables	5395.36	2794.33
(Increase) in Trade & Other Receivables	(2728.90)	(6908.31)
(Increase) in Inventories	(4032.24)	(1081.03)
Cash Generated from Operations:	30670.55	35531.07
Direct Taxes Paid (Net)	(4480.32)	(9209.29)
Net Cash from Operating Activities	26190.23	26321.78
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	31.43	96.77
Purchase of Investments (Net)	(3800.00)	-
Sale of Investments (Net)	_	5.32
Interest Received	160.69	339.52
Dividend Received	460.75	382.88
Purchase of Fixed Assets	(19188.16)	(50357.36
Loans given	(3.57)	(323.21
Net Cash used in Investing Activities	(22338.86)	(49856.08
(C) CASH FLOW FROM FINANCING ACTIVITIES	(=====;	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Proceeds from Long Term Loans	14470.00	15122.39
Repayment of Long Term Loans	(818.69)	(431.45
Increase/(Decrease) in other loans (Net)	(8532.54)	15011.42
Right Issue of Shares	1.00	0.52
Issue of Preference Shares	-	100.00
Premium on Right Issue of Shares	35.20	18.16
Debenture Issue Expenses	- 33.20	(64.47
Interest Paid	(4342.43)	(3138.69
Redemption of Preference Shares	(4342.43)	(700.01
Repayment of Matured Debentures		(1.35
Dividend Paid	(2883.45)	(1.35
Preference Dividend Paid	(0.03)	(30.44
Dividend Tax Paid	(491.72)	(241.78
Net Cash From /(Used In) Financing Activities	(2562.66)	24262.30
Net Changes In Cash & Cash Equivalents (A+B+C)	1288.71	728.00
* Cash & Cash Equivalents - Opening Balance	3328.98	2600.98
Add: Cash Balance transferred from Amalgamating Company (Ref. Note No. 5 on Sch.24)	52.05	-
Total Cash & Cash Equivalents - Opening Balance	3381.03	2600.98
* Cash & Cash Equivalents - Closing Balance	4669.74**	3328.98
* Represents Cash and Bank Balances as indicated in Schedule 10.		
** Includes Rs. 42.77 lacs (Rs. 32.95 lacs) lying in Unpaid Dividend Account and Rs. 13.03 lacs (Rs. 14.28 lacs)		
of receipts/pass books lodged with Government Departments/Banks having restrictive use.		

Note: The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman



(Rs. in lacs)

		Face Value (Rs.)	31st March, 2010	31st March, 2009
SCHEDULE	1 SHARE CAPITAL			
	1) SHAKE OALTIAL			
Authorised				
750000000	Equity Shares	1	7500.00	7500.00
(750000000)				
2500000	Preference Shares	100	2500.00	2500.00
(2500000)				
			10000.00	10000.00
Issued				
192887970	Equity Shares	1	1928.88	1928.88
(192887970)				
100000	6% Redeemable Non-Cumulative Preference Shares	100	100.00	100.00
(100000)				
			2028.88	2028.88
Subscribed and	paid up			
192884770	Equity Shares	1	1928.85	1928.85
(192884770)				
	Less : Calls in arrear		0.20	1.20
	Add : Forfeited shares (Amount Originally Paid-Up)		0.02	0.02
			1928.67	1927.67
100000	6% Redeemable Non-Cumulative Preference Shares	100	100.00	100.00
(100000)	(Redeemable at par on 29-03-2012)			
			2028.67	2027.67

Note:

Out of the above equity shares, 108021250 (108021250) Equity Shares of Re 1 each have been issued/alloted as fully paid bonus shares by Capitalisation of General Reserve and Securities Premium.

(Rs. in lacs)

31		(Rs. in lacs)
	31st March, 2010	31st March, 2009
SCHEDULE 2 RESERVES & SURPLUS		
Capital Reserve		
As per last Account	40.12	40.12
	40.12	40.12
Capital Redemption Reserve		
As per last Account	2042.02	1342.02
Add: Transfer from Profit & Loss Account	_	700.00
	2042.02	2042.02
Investment Subsidy		
As per last Account	15.00	15.00
	15.00	15.00
Revaluation Reserve		
As per last Account	946.30	1006.16
Add: Transfer from Amalgamating Company (Refer Note No 5 on Schedule No 24)	21.26	-
Less : Transfer to Profit & Loss Account being difference in the amount		
of depreciation on revalued amount and original cost of fixed assets	61.30	59.86
	906.26	946.30
Securities Premium Account		
As per last Account	16280.25	16326.56
Add: Received against Right issue (Calls in arrear)	35.20	18.16
Less: Adjustment of Debenture Issue Expenses in terms of Section 78 of the Companies Act, 1956.	-	64.47
	16315.45	16280.25
General Reserve		
As per last Account	17500.00	12500.00
Add: Transfer from Profit & Loss Account	17669.57	5000.00
Less : Adjustment arisen on Amalgamation (Refer Note No. 5 on Schedule No 24)	169.57	_
	35000.00	17500.00
Debenture Redemption Reserve		
As per last Account	5000.00	1250.00
Add: Transfer from Profit & Loss Account	1875.00	5000.00
Less : Transfer to Profit & Loss Account	2500.00	1250.00
	4375.00	5000.00
Surplus as per Profit & Loss Account	16946.35	21440.85
	75640.20	63264.54



(Rs. in lacs)

		31st March, 2010	31st March, 2009
SCHEDULE	3 SECURED LOANS		
Debentures (Pri	vately Placed)		
1000	Non-Convertible Debentures of Rs.10,00,000/- each	10000.00	10000.00
(1000)			
-	Non-Convertible Debentures of Rs.100/- each	_	5000.00
(5000000)			
50	Non-Convertiable Debenture of Rs.1,00,00,000/- each	5000.00	_
(-)			
25	Non-Convertiable Debenture of Rs.1,00,00,000/- each	2500.00	_
(-)			
		17500.00	15000.00
From Scheduled	I Banks		
Term Loans		18212.52	4536.44
Cash Credit		5997.70	6728.50
		24210.22	11264.94
Other Loans		-	5000.00
		41710.22	31264.94

Notes:

- 1. a) Non-Convertible debentures of Rs.10000 lacs (Rs.10000 lacs), redeemable at par on 14th November,2013, are secured by first mortgage/charge ranking pari-passu with each other on the movable and immovable properties pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plants at Devapur and Jalgoan and a first charge on the Company's freehold land at Mehsana, Gujarat.
 - b) Non-Convertible debentures of Rs. 5000 lacs and Rs. 2500 lacs, redeemable at par on 22nd November, 2010 and 17th February, 2011 respectively, are secured by a charge on the Company's freehold land at Mehsana, Gujarat.
- 2. a) Term Loan of Rs.3433.01 lacs (Rs.3814.48 lacs) from a Scheduled Bank is secured by first charge ranking pari-passu with each other on the immovable properties (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plant at Devapur and by way of hypothecation of moveable fixed assets (both present and future) ranking pari passu with each other, pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plant at Devapur.
 - b) Term Loans of Rs.14470 lacs (Rs.Nil) from Scheduled Banks are secured / to be secured by first charge ranking pari-passu with each other on the fixed assets (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plants at Devapur and Jalgaon.
 - c) Term Loan of Rs.309.51 Lacs (Rs.721.96 lacs) from a Scheduled Bank is secured by a mortgage/charge ranking pari-passu with each other on the immovable properties pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plant at Devapur, both present and future, save and except such assets as are excluded by the financial institutions/banks and the agents/trustees for the debenture holders and a charge on the movable assets of the Company's said units, subject to prior charges created/to be created in favour of the Company's bankers for working capital requirements.
 - d) Cash Credit facilities of Rs 5997.70 lacs (Rs.6728.50 lacs) are secured / to be secured against hypothecation of stock in trade, stock in process, raw materials, stores and chemicals, book debts and other current assets of the Company and 2nd charge on fixed assets of the Company.
- 3 The above loans include Rs 10622 lacs (Rs.10679 lacs) falling due for payment within one year.

(Rs. in lacs)

	31st March, 2010	31st March, 2009
SCHEDULE 4 UNSECURED LOANS		
TERM LOANS		
Long Term		
Under Sales Tax Deferment Scheme	5174.00	5198.77
(Including Rs Nil (Rs.24.77 lacs) falling due for payment within one year)		
Short Term		
Debentures (Privately placed)		
- (500000) Non - Convertible Debentures of Rs.100/- each	-	5000.00
From a Scheduled Bank	-	1000.00
	5174.00	11198.77
Trade & Other Deposits (Partly not bearing interest)		
Employees' Security Deposits	7.02	5.61
Others	4460.49	3763.64
	4467.51	3769.25
	9641.51	14968.02

	31st March, 2010	31st March, 2009
SCHEDULE 5 DEFERRED PAYMENT LIABILITIES		
Voluntary Early Retirement Schemes	273.04	364.97
	273.04*	364.97

^{*} Includes Rs.93.14 lacs (Rs.114.82 lacs) due for payment within one year.

SCHEDULE 6 FIXED ASSETS

GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
Description of Assets	As at 1st April, 2009	Transferred from Amalgamating Company	Additions/ Adjustments	Less: Sales/ Adjustments	As at 31st March, 2010	As at 1st April, 2009	Transferred from Amalgamating Company	Less: on Sales/ Adjustments	for the year	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
Tangible Assets												
Freehold Land	453.22	-	-	-	453.22	-	-	-	_	-	453.22	453.22
Leasehold Land	140.42	-	-	-	140.42	52.53	-	-	2.63	55.16	85.26	87.89
Factory Buildings	4166.67	55.55	1831.39	-	6053.61	1656.00	37.38	-	150.99	1844.37	4209.24	2510.67
Non Factory Buildings	3056.58	-	868.87	2.27	3923.18 (b)	1185.61	-	0.67	67.88	1252.82	2670.36	1870.97
Railway Sidings	2394.59	-	-	-	2394.59 (f)	1723.03	-	-	54.13	1777.16	617.43	671.56
Plant & Machinery	72336.96	58.69	75155.98	174.79	147376.84 (f)	40576.58	48.77	121.60	4964.57	45468.32	101908.52	31760.38
Furniture, Fixtures												
& Office Equipments	1631.43	6.52	149.38	16.13	1771.20	905.02	5.63	9.96	99.62	1000.31	770.89	726.41
Vehicles	605.11	-	104.78	45.13	664.76	434.83	_	30.12	43.72	448.43	216.33	170.28
	84784.98	120.76	78110.40	238.32	162777.82	46533.60	91.78	162.35	5383.54	51846.57	110931.25	38251.38
Intangible Assets												
Specialised Software	247.59	-	-	-	247.59	45.16	-	-	105.81	150.97	96.62	202.43
Mining Rights	-	-	626.00	-	626.00	-	-	-	62.60	62.60	563.40	-
	247.59	-	626.00	-	873.59	45.16	-	-	168.41	213.57	660.02	202.43
	85032.57	120.76	78736.40	238.32	163651.41	46578.76	91.78	162.35	5551.95	52060.14	111591.27	38453.81
Capital work in Progress	63485.55	-	17760.84	75900.23	5346.16 (c)	-	-	-		-	5346.16	63485.55
Expenditure on expansion / New Projects pending allocation (Refer Note No.20												
on schedule 24)	2381.01	-	1141.53	3,191.06	331.48	-	-	-	-	-	331.48	2381.01
Total	150899.13	120.76	97638.77	79329.61	169329.05 (a)	46578.76	91.78	162.35	5551.95 (e)	52060.14	117268.91	104320.37
Previous Year's Total	96803.38	-	59552.96	5457.21	150899.13	43438.27	-	379.74	3520.23	46578.76	104320.37	

- Notes:
 (a) Includes assets held in Joint Ownership with others Rs. 181.01 lacs (Rs.180.78 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.
 (b) Includes Rs. 39.81 lacs (Rs. 39.81 lacs) in respect of a flat whose registration in the Company's name is pending.
 (c) Includes Advances Rs. 514.27 lacs (Rs.1052.05 lacs) and materials at site & in transit.

- (d) Land, Buildings and Plant & Machinery of the Paper units at Amlai & Brajrajnagar, Cement unit at Devapur, 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 depreciation Rs. 296.97 Lacs (Rs.300.88 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.

 (f) Includes Rs. 487.68 lacs (Rs.487.68 lacs) [written down value Rs. Nii (Rs.Nii)] being the value of Fixed Assets not owned by the Company



(Rs. in lacs)

No of Shares Para	3 1				(Rs. In lacs)
LONG TERM INVESTMENTS Trade Investments Unquoted Government Securities: G Year National Savings Certificates G Year Nationa				31st March, 2010	31st March, 2009
LONG TERM INVESTMENTS Trade Investments Unquoted Government Securities: G Year National Savings Certificates G Year Nationa	SCHEDULE 7 INVESTMENTS (AT COST)				
Trade Investments Unquoted Government Securities: 6 Year National Savings Certificates 0.78 0.77 0.77 0.77 0.78					
Unquoted Coverment Securities:					
Government Securities: 0,78 0,77 0,7					
6 Year National Savings Certificates 0.78 0.78 0.78	•				
### Outstand Transport (Fully Paid Up) Courted Capily Shares Capily Shar				0.79	0.70
Quoted Equity Shares Capability Shares				0.76	0.76
Equity Shares Tungabhadra industries Ltd. 24800 010 0.77 (c) 0					
Tungabhadra Industries Ltd. (24800) (24800) (24800) (24800) (2600					
C248000		24800	10	0.77 (a)	0.77 (a)
Orissa Textiles Mills Ltd. 200 10 0.02 (c) 0.02 (c) 1.02	Tuligabiladia ilidustiles Etu.		10	0.77 (c)	0.77 (c)
C200 Place	Oricea Toytilos Mills Ltd		10	0.02 (a)	0.03 (a)
Hyderabad Industries Ltd.	Offissa Textiles Willis Eta.		10	0.02 (0)	0.02 (c)
Century Textiles & Industries Ltd. 1545140 10 6.73	Hyderahad Industries Ltd		10	127 12	127 12
Century Textiles & Industries Ltd.	Tryderabad industries Etd.		10	127.12	127.12
Unquoted Equity Shares Panafrican Paper Mills (E.A.) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) 17399667 20 K.SH 413.92 (c) 413.92 (c)	Century Teytiles & Industries Ltd		10	6.73	6.73
Unquoted Equity Shares Panafrican Paper Mills (E.A.) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) 17399667 20 K.SH 413.92 (c) 413.9	Ochtury Textiles & Industries Etd.		10	0.75	0.73
Unquoted Equity Shares		(1545140)		134 64	134 64
Equity Shares Panafrican Paper Mills (E.A.) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) 17399667 20 K.SH 413.92 (c) 413.92 (c)	Unquoted			101.01	101.01
Panafrican Paper Mills (E.A.) Ltd. (Valued at the rate of exchange prevailing on the date of payments or allotments) 17399667 20 K.SH 413.92 (c) 413.92 (c)					
Exchange prevailing on the date of payments or allotments					
Birla Buildings Ltd.	·	17399667	20 K SH	413 92 (c)	413 92 (c)
Birla Buildings Ltd. 30000 10 3.01 3.01 3.01 (30000)	oxenange prevaiing on the date of payments of uncertainty		2011.011	110.32 (0)	110.32 (0)
GMMCO Ltd. 5775 10 53.64 (c) 53.64 (c)	Birla Buildings Ltd		10	3.01	3.01
SAME Condition of the content of t			10	0.01	0.01
(5775) 470.57 470.57 470.57 Shares in Subsidiary Companies Equity Shares	GMMCO Ltd.		10	53.64 (c)	53.64 (c)
Shares in Subsidiary Companies			10	00.01 (0)	00.01 (0)
Shares in Subsidiary Companies Equity Shares		(0,,0,		470.57	470.57
Equity Shares Air Conditioning Corporation Ltd.*	Shares in Subsidiary Companies				
Air Conditioning Corporation Ltd.* Carrell Composition Corporation Ltd.* Carrell Corporation Corporation Corporation Ltd. Carrell Corporation C					
C24000 C24000 C24000 C24000 C24000 C30955 C309		_	10	_	216.30 (c)
OPI Export Ltd. 50955 10 4.60 4.60		(24000)			
Nestment Property (e) Support	OPI Export Ltd.		10	4.60	4.60
Investment Property (e)	·	(50955)			
At cost Less : Accumulated Depreciation CURRENT INVESTMENTS (Other than trade) Unquoted Units Of Mutual Fund Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Less: Provision for Diminution in the Value of Investments Aggregate amount of Investments (Net of provisions): Quoted Unquoted 133.85 Unquoted 133.85 Unquoted 139.61 809.61 70.33 59.62 749.99				4.60	220.90
At cost Less : Accumulated Depreciation CURRENT INVESTMENTS (Other than trade) Unquoted Units Of Mutual Fund Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Less: Provision for Diminution in the Value of Investments Aggregate amount of Investments (Net of provisions): Quoted Unquoted 133.85 Unquoted 133.85 Unquoted 139.61 809.61 70.33 59.62 749.99	Investment Property (e)				
CURRENT INVESTMENTS (Other than trade) Unquoted Units Of Mutual Fund Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Less: Provision for Diminution in the Value of Investments Aggregate amount of Investments (Net of provisions): Quoted Units Of Mutual Fund 37975063.57 10.0091 3800.96				809.61	809.61
CURRENT INVESTMENTS (Other than trade) Unquoted Units Of Mutual Fund Baroda Pioneer Treasury Advantage Fund 37975063.57 10.0091 3800.96 - - Institutional Daily Dividend (-) 5150.83 1576.88 Less: Provision for Diminution in the Value of Investments 438.93 655.23 Aggregate amount of Investments (Net of provisions): 4711.90 921.65 Quoted 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99	Less : Accumulated Depreciation			70.33	59.62
Unquoted Units Of Mutual Fund 37975063.57 10.0091 3800.96 - - Institutional Daily Dividend (-) 5150.83 1576.88 Less: Provision for Diminution in the Value of Investments 438.93 655.23 Aggregate amount of Investments (Net of provisions): 4711.90 921.65 Quoted 133.85 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99				739.28	749.99
Units Of Mutual Fund 37975063.57 10.0091 3800.96 - - Institutional Daily Dividend (-) 5150.83 1576.88 Less: Provision for Diminution in the Value of Investments 438.93 655.23 Aggregate amount of Investments (Net of provisions): 4711.90 921.65 Quoted 133.85 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99	CURRENT INVESTMENTS (Other than trade)				
Baroda Pioneer Treasury Advantage Fund 37975063.57 10.0091 3800.96 -	Unquoted				
- Institutional Daily Dividend (-) 5150.83 1576.88 Less: Provision for Diminution in the Value of Investments 438.93 655.23 Aggregate amount of Investments (Net of provisions): Quoted 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99	Units Of Mutual Fund				
S150.83 1576.88 Less: Provision for Diminution in the Value of Investments 438.93 655.23 4711.90 921.65 Aggregate amount of Investments (Net of provisions): Quoted 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99			10.0091	3800.96	_
Less: Provision for Diminution in the Value of Investments 438.93 655.23 4711.90 921.65 Aggregate amount of Investments (Net of provisions): 383.85 133.85 Quoted 133.85 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99	- Institutional Daily Dividend	(-)			
Aggregate amount of Investments (Net of provisions): 4711.90 921.65 Quoted 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99					
Aggregate amount of Investments (Net of provisions): 133.85 133.85 Quoted 3838.77 37.81 Investment Property 739.28 749.99	Less: Provision for Diminution in the Value of Investments				
Quoted 133.85 133.85 Unquoted 3838.77 37.81 Investment Property 739.28 749.99				4711.90	921.65
Unquoted 3838.77 37.81 Investment Property 739.28 749.99	Aggregate amount of Investments (Net of provisions) :				
Investment Property 739.28 749.99					
Market Value of Quoted Investments 13081.39 4441.31					
	Market Value of Quoted Investments			13081.39	4441.31

Notes

- (a) Government Securities of the Face Value of Rs.0.78 lac (Rs.0.78 lac) are lodged with Government Departments as Security Deposits.
- (b) Government Securities include Rs. 0.73 lac (Rs.0.56 lac) matured but pending encashment.
- (c) Indicates Securities where provision towards diminution in the value of Investments has been made.
- (d) Besides the above, investments aggregating to Rs. 89840.00 lacs (Rs. 60095 lacs) in Daily Dividend Plan of mutual funds have been purchased & sold during the year.
- (e) The Company alongwith other co-owners, has developed a plot of land and constructed a building thereon at 25, Barakhamba road, New Delhi, where the Companies share is 15%. The registeration of the said plot of land of the value of Rs. 432.94 lacs (Rs. 432.94 lacs) in the name of the Company is still pending.

 *Amalgamated with the Company during the year.

	31st March, 2010	31st March, 2009
SCHEDULE 8 INVENTORIES		
At lower of Cost and Net Realisable value :		
Stores, Chemicals & Spare Parts etc.	5598.12	4414.84
Raw Materials & Components	2806.04	3313.82
Work-in-progress	2994.89	967.06
Finished Goods	2974.50	1606.34
Trading Goods	548.94	540.96
Trial Run Stock of Tissue Paper Plant		
Work-in-progress	_	6.73
Finished Goods	_	21.56
At Estimated Realisable value		
By- Products	3.57	1.62
Scrap	104.87	98.19
	15030.93*	10971.12

^{*} Including in transit Rs. 297.32 lacs (Rs. 297.16 lacs) & materials lying with third parties / in bond Rs. 499.36 lacs (Rs.265.54 lacs).

	31st March, 2010	31st March, 2009
SCHEDULE 9 SUNDRY DEBTORS		
Considered Good except stated otherwise		
(a) Debts outstanding for a period exceeding six months		
Secured	36.54	9.74
*Unsecured	304.87	111.34
	341.41	121.08
(b) Other Debts		
Secured	1777.43	1625.64
Unsecured	16475.82	12434.59
	18253.25	14060.23
	18594.66	14181.31
Less: Provision for doubtful debts	154.66	111.17
	18440.00	14070.14

^{*} Includes Considered doubtful Rs 154.66 lacs (Rs.111.17 Lacs).

	31st March, 2010	31st March, 2009
SCHEDULE 10 CASH & BANK BALANCES		
Cash-on-hand {including Cheques in hand Rs 1994.33 lacs (Rs. 1316.16 lacs)}	2085.35	1327.17
With Scheduled Banks on :		
Current Accounts [including Rs 6.92 lacs (Rs.7.99 lacs) in earmarked accounts]	2528.09	1657.80
Fixed Deposit Account	12.60	310.13
Unpaid Dividend Account	42.77	32.95
Savings Bank Account	0.87	0.11
In Post Office Savings Bank Account	0.06	0.82
	4669.74*	3328.98

^{*} Receipts / Pass Books for Rs. 13.03 lacs (Rs.14.28 lacs) are lodged with Government Departments / Banks as security and includes Fixed deposits matured but pending encashment Rs. 1.29 lacs (Rs 5.29 lacs).



	31st March, 2010	31st March, 2009
SCHEDULE 11 OTHER CURRENT ASSETS		
Interest accrued on Investments	1.11	0.14
Accrued interest on Loans, Debts, Deposits etc.	61.54	63.35
Export Benefit Receivable	169.63	128.72
Certified Emission Reduction Credit	732.35	767.92
	964.63	960.13

	31st March, 2010	31st March, 2009
SCHEDULE 12 LOANS AND ADVANCES		
Unsecured, Considered Good except stated otherwise		
Loans:		
Bearing Interest	6.16	6.59
Not Bearing Interest	44.99	360.99
	51.15*	367.58
Less : Provisions	_	170.00
	51.15	197.58
* Includes considered doubtful Rs. Nil (Rs.170.00 lacs).		
Advances:		
	1957.60	2054.56
Advances recoverable in cash or in kind or for value to be received or pending adjustments Mat Credit Entitlement	3310.00	2034.30
Balance with Excise, Customs, Port Trust and Other Government Authorities	2548.37	4274.51
	487.05	459.02
Deposits against Demands under dispute Trade & Other Deposits	2337.57	2306.08
Claims & Refunds receivable	136.49	Z306.0d
Ciairis & Returius receivable	10777.08*	9170.82
Lana Dravitaina	60.19	,
Less : Provisions		49.79
	10716.89	9121.03
* Includes Considered deviation of all sure	10768.04	9318.61
* Includes Considered doubtful as follows :	12.10	10.70
Advances recoverable in cash or in kind or for value to be received or pending adjustments	13.19	12.79
Balance with Excise, Customs, Port Trust and Other Government Authorities	13.98	13.98
Claims & Refunds Receivable	23.02	
Trade & Other Deposits	10.00	23.02 49.7 9
	Rs. in lacs	Rs. in lacs
Note : The above includes :-	No. III Ideo	113. 111 1003
(a) Loan to Air Conditioning Corporation Ltd.,a Subsidiary Company	_	320.00
Maximum amount due at any time during the year	_	350.00
(b) Loan to OPI Exports Ltd.,a Subsidiary Company	42.99	38.99
Maximum amount due at any time during the year	42.99	38.99
(c) Amount due from Officers of the Company	1.30	0.04
Maximum amount due at any time during the year	23.27	24.39

			(IVS. III IaUS)
		31st March, 2010	31st March, 2009
S	CHEDULE 13 CURRENT LIABILITIES & PROVISIONS		
Α.	Current Liabilities		
	Acceptances	358.19	770.96
	Sundry Creditors for Goods, Services, Expenses etc.		
	Due to Micro & Small Enterprises	1140.68	509.98
	Due to others #	17589.45	15208.86
	Book Overdraft with a Scheduled bank	-	294.33
	Advances against Sales	1384.60	927.01
	Other Liabilities	2465.86	1703.51
	Interest accrued but not due on Loans	476.08	479.25
	Preference Shares Redemption Amount	5.60	5.60
	Investor Education and Protection Fund *		
	Unpaid Dividend	42.77	32.95
		23463.23	19932.45
	* Not yet payable		
	# Includes due to a subsidiary company Rs Nil (Rs. 0.79 lacs).		
В.	Provisions		
	Gratuity	1876.78	1717.84
	Leave Encashment	592.76	507.16
	Warranty Claims	618.02	370.45
	Mining Restoration Costs	38.20	38.20
	Taxation (Net)	1559.15	1261.74
	Fringe Benefit Tax (Net)	3.75	2.50
	Proposed Dividends	2899.27	2893.30
	Tax on Proposed Dividends	481.54	491.72
		8069.47	7282.91
		31532.70	27215.36

	31st March, 2010	31st March, 2009
SCHEDULE 14 MISCELLANEOUS EXPENDITURE		
(To the extent not written off / adjusted)		
Deferred Revenue Expenditure		
Voluntary Early Retirement Schemes	_	232.06
	_	232.06

	2009-2010	2008-2009
SCHEDULE 15 SALES		
* Finished Goods	166050.84	163994.72
Semi Finished Goods	3238.06	_
Trading Goods	10137.16	7204.70
	179426.06	171199.42
Less : Cash Discount, Rebate etc.	4066.70	3550.16
	175359.36	167649.26
Miscellaneous	1495.03	1414.10
	176854.39	169063.36

^{*} Including export incentives Rs.417.00 lacs (Rs.292.38 lacs).

	2009-2010	2008-2009
SCHEDULE 16 OTHER INCOME		
Income from Long Term Investments:		
Interest on Government Securities (Trade)	_	0.03
Dividends (Other than Trade)	215.61	115.80
Rental Income (Gross) {(Tax at Source Rs.35.31 lacs) (Rs. 55.73 lacs)}	194.45	266.83
Income from Current Investments:		
Dividends from Mutual funds (Other than trade)	246.10	267.08
Surplus on Sale of units of Mutual funds (Other than trade)	-	5.20
Interest on Debts, Deposits, Advances etc. (Gross) [Tax at source Rs 21.15 lacs (Rs. 26.89 lacs)]	159.85	157.56
Insurance & Other Claims	46.29	4.91
Rent & Hire Charges	21.99	19.20
Certified Emission Reduction Credit	-	767.92
Gain on Exchange Rate Fluctuations (net)	-	199.24
Provision for Diminution in the value of Long Term Investments written back (Non Trade)	-	13.43
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	537.31	250.97
Miscellaneous Receipts	221.92	236.20
	1643.52	2304.37
Less: Service Tax (on rent)	14.66	23.18
	1628.86	2281.19

		(Rs. in lacs)
	2009-2010	2008-2009
SCHEDULE 17 DECREASE/(INCREASE) IN STOCKS		
Opening Stock :		
Finished goods	1606.34	1294.28
Trading goods	540.96	330.23
Work-in-Progress	967.06	1488.26
By - Products	1.62	_
Scrap	98.19	53.90
	3214.17	3166.67
Add: Stocks transferred from Amalgamating Company(Refer Note No. 5 On Schedule 24)		
Finished goods	12.04	_
Work-in-Progress	2.56	_
	14.60	_
Add: Trial run stocks (Refer Note No. 20 on Schedule 24)		
Tissue Paper Plant as on 31-08-2009		
Finished goods	65.21	
Work-in-Progress	5.72	
THORE IT TO SECOND	70.93	_
Cement Plant as on 8th September, 2009	7 0.30	
Work-in-Progress	387.54	_
CFL Plant as on 14th March, 2009	337.181	
Work-in-Progress	_	4.79
Add: Stocks of Chemical Unit transferred as on 1st October,2008		1.73
Finished goods	_	299.63
Work-in-Progress	_	32.66
By - Products	_	5.21
	_	337.50
	3687.24	3508.96
Less : Closing Stock	0007121	
Finished goods	2974.50	1606.34
Trading goods	548.94	540.96
Work-in-Progress	2994.89	967.06
By - Products	3.57	1.62
Scrap	104.87	98.19
Остар	6626.77	3214.17
	(2939.53)	294.79
	(2333.33)	254.75
	2009-2010	2008-2009
SCHEDULE 18 RAW MATERIALS CONSUMED		
	2212.00	2461.00
Opening Stock Add - Purchases & Programment Functions / John Charges	3313.82	3461.69
Add: Purchases & Procurement Expenses / Job Charges	40445.70	26540.52
[inclusive of Royalty & Cess Rs1352.85 lacs (Rs. 1347.50 lacs)]	48445.79	36548.53
Add: Stocks transferred from Amalgamating Company (Refer Note No. 5 On Schedule 24)	12.89	- 00.71
Add: Stock of Chemical unit transferred as on 1st October, 2008	-	88.71
L Other	51772.50	40098.93
Less: Sales	853.76	285.90
Claims & Sundry Realisations	_	0.91
Closing Stock	2806.04	3313.82
	3659.80	3600.63
	48112.70	36498.30

		(AS. III Iacs,
	2009-2010	2008-2009
SCHEDULE 19 MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Stores, Chemicals & Spare Parts etc. consumed, after adjusting		
Sales & Claims Rs 476.33 lacs (Rs. 213.92 lacs)	5428.33	7251.26
Power & Fuel	26797.03	21461.25
Rent & Hire Charges	597.35	411.95
Repairs & Renewals :		
Buildings	430.53	488.76
Machinery	3452.95	2332.22
Payments to and Provisions for employees :		
Salaries, Wages, Bonus etc.	8023.98	6740.13
Contribution to Provident & Other Funds	769.52	653.35
Gratuity	547.30	270.86
Employees' Welfare Expenses	1055.10	894.53
Employees Hondie Expenses	10395.90	8558.87
Handling & Other charges to Contractors	1681.63	1344.88
Insurance	194.03	115.19
Rates & Taxes	262.66	295.12
Packing, Freight & Forwarding charges	18866.26	18830.97
Commission on Sales (Other than sole selling agent)	870.68	573.82
Auditors' Remuneration :	070.00	373.02
As Auditors As Auditors	40.00	35.00
For Tax Audit	10.50	10.50
In other Capacity for Certificates and Other Services	34.19	29.00
Reimbursement of Expenses etc.	4.94	6.20
Cost Auditors' Remuneration :	4.34	0.20
As Auditors	0.90	1.80
Reimbursement of Expenses	0.90	0.19
	216.57	75.10
Charity & Donations	33.68	/3.10
Loss on Exchange Rate Fluctuations (Net)		
Loss on Fixed Assets Sold and /or Discarded (Net)	44.54	62.44
Sundry Debit balances written off	7.03	2.76
Deferred Revenue Expenditure written off	232.05*	311.94
Sales-tax, Surcharge and Turnover-tax etc.	22.48	31.09
Bad Debts, Irrecoverable Claims and advances written off	32.42	35.04
Less : Adjusted against provision	16.59	6.59
	15.83	28.45
Advertisement & Sales Promotion	2970.95	1563.87
Warranty Claims	1121.85	543.29
Less : Utilisation against provision	255.32	62.42
	866.53	480.87
Provision for Doubtful Debts, Loans, Claims & Advances	79.11	300.52
Miscellaneous Expenses (including Directors' Travelling Rs.20.16 lacs (Rs.24.36 lacs)	3734.73	3550.41
	77291.47	68154.43

^{*} Represents amortisation of payments under voluntary early retirement scheme.

(Rs. in lacs)

		(113. 111 1403)
	2009-2010	2008-2009
SCHEDULE 20 DIRECTORS' REMUNERATION		
Profit before tax as per Profit & Loss Account	23410.54	31012.87
Add: Depreciation (As per Accounts)	5501.36	3471.39
Directors' Fees & Remuneration	307.51	289.28
Net Loss on Fixed Assets sold and/or discarded (as per Accounts)	44.54	62.44
Provision for Doubtful Debts, Claims & Advances	79.11	300.52
	29343.06	35136.50
Less: Depreciation (as per Section 350 of the Companies Act,1956)	5501.36	3471.39
Net Loss on Fixed Assets sold and/or discarded	44.54	62.44
(as per Section 349 of the Companies Act, 1956)		
Provision for dimunition in the value of Investments written back	216.30	13.43
Provision for Doubtful Debts/Advances Adjusted	16.59	819.91
Provision for Doubtful Debts/ Advances written back	179.63	_
Profit on sale of Investments	_	5.20
Directors' Fees	10.20	12.00
	5968.62	4384.37
Net Profit under section 349 read with section 198 of the Companies Act 1956	23374.44	30752.13
(a) Directors' Commission being 1% of above, subject to the maximum limit of Rs.100 lacs		
(Rs.100 lacs) to the Chairman and Rs.10.00 lacs (Rs.10.00 lacs) per Director per annum.	143.29	150.00
(b) Managing Director's Remuneration *		
Salary	72.00	60.00
Contribution to Provident and other funds	19.44	16.20
Other benefits	62.58	51.08
	154.02	127.28
(c) Directors' Fees	10.20	12.00
	307.51	289.28

 $^{^{\}star}$ Excluding taxable value of certain perquisites Rs.22.21 lacs $\,$ (Rs. 18.30 lacs).

Note: As the provision for gratuity and leave encashment is made on an actuarial basis for the Company as a whole, the amount pertaining to the Managing Director is not included above.

	2009-2010	2008-2009
SCHEDULE 21 INTEREST		
At Debit		
On Fixed Loans	1480.83	1530.82
On Debentures	2241.73	1198.45
To Banks & Others	616.70	851.62
	4339.26	3580.89
Less : Capitalised	885.99	1512.97
	3453.27	2067.92

(Rs. in lacs)

2009-2010	2008-2009
5551.95	3520.23
10.71	11.02
5562.66	3531.25
61.30	59.86
5501.36	3471.39
	5551.95 10.71 5562.66 61.30

2009-2010	2008-2009
_	4,838.56
_	813.32
-	4,025.24
-	840.64
_	4865.88
	-

Schedules forming part of the Balance Sheet & Profit and Loss Account

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

Notes annexed to and forming part of the Company's Balance Sheet and Profit & Loss Account as at and for the year ended 31st March 2010

1. Nature of Operations:

Orient Paper & Industries Ltd. is primarily engaged in manufacture & sale of Cement, Paper, Electrical Consumer Durables, Chemicals, Industrial Blowers and Air Pollution Control Equipments. The Company presently has manufacturing facilities at Devapur, Jalgaon, Amlai, Brajrajnagar, Faridabad & Kolkata.

2. Statement of Significant Accounting Policies

i) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operation during the reporting year end. Although these estimates are based upon management best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Revenue from sale of goods and services rendered is recognised upon passage of title and rendering of services to the customers.
- b) Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognized even if same are declared after the Balance Sheet date but pertain to the period on or before the date of Balance Sheet as per the requirement of Schedule VI of the Companies Act, 1956.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Income from certified emission reduction (CER) credits is recognized at estimated realisable value on confirmation of CERs by the concerned authorities.
- e) Insurance & other claims/ refunds, due to uncertainty in realisation, are accounted for on acceptance/actual receipt basis.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

iv) Fixed Assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation/amortisation and impairment, if any. Cost comprises the purchase price inclusive of duties (net of cenvat / VAT), taxes, incidental expenses and erection / commissioning expenses etc. upto the date the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the valuer is considered in the accounts and the differential amount is transferred to revaluation reserve.

Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

v) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the 'net selling price' and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

vi) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined. Investment in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.

Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year.

vii) Depreciation

- a) The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- b) Depreciation on fixed assets is provided under Straight Line Method (except for furniture, fixtures and vehicles valuing Rs. 1338 lacs (Rs.1261.72 lacs) where Written Down Value method is followed) at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at the rates based on the useful lives of the assets estimated by the management, whichever is higher.

As per the above policy, depreciation on the following assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV.

	Estimated Useful Life
Non-Factory Buildings (Chemical unit)	26-55 Years
Plant & Machinery: (")	
Mercury Cell Division	3.5 years
Other Plant & Machinery	1-17 years
Moulds & Dies (Electrical Consumer Durables Division)	3 years
Mist Chamber (Paper Plant)	8 years

- c) Depreciation on revalued assets is provided at the rates specified under section 205 (2)(b) of the Companies Act, 1956 or at the rates based on the useful life of the assets estimated by the management, whichever is higher.
- d) Depreciation on fixed assets added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.



SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

- e) Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.
- f) The value of assets not owned by the Company is depreciated over a period of 5 years which is higher than the rates prescribed in Schedule XIV of the Companies Act, 1956.
- g) Intangible assets being Specialized Software and Mining Rights are amortised on a straight line basis over a period of 3 years and 10 years respectively.
- h) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

viii) Investments

- a) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- b) Investment property being long-term investment is considered at cost less accumulated depreciation, unless there is a decline in the value other than temporary, in which case, adequate provision is made against the diminution. Depreciation is provided under Straight Line Method (except for furniture & fixtures Rs.30.01 lacs (Rs. 30.01 lacs) where Written Down Value method is followed), at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at the rates based on the useful life of the assets estimated by the management, whichever is higher.

ix) Inventories

Raw Materials and stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Work-in progress and finished goods are valued at lower of cost and net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

By-Products are valued at estimated realizable value.

Cost of inventories is computed on annual weighted average/ transaction moving weighted average method.

Saleable scrap, whose cost is not identifiable, is valued at estimated realisable value.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

x) Research & Development Costs

Research costs are expensed as and when they are incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sale it;
- Its ability to use or sale the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sale the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project i.e. over their estimated useful lives of ten years on a straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

xi) Retirement and other employee benefits

- a) Provident Fund and Superannuation Schemes are defined contribution schemes and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. The Company has no obligations other than the contributions payable to the respective PF & Pension authorities / funds.
- b) Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per the projected unit credit method at the end of each financial year.
- d) Actuarial gain/losses are immediately taken to profit & loss account and are not deferred.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

e) Future monthly installments payable under Voluntary Early Retirement Scheme in respect of the employees who opted for the said scheme and due beyond 12 months, is discounted to its net present value.

xii) Earning per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividend relative to fully paid equity shares during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

xiii) Excise Duty & Custom Duty

Excise duty on Finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

xiv) Shares/ Debentures Issue Expenses

Shares/Debentures issue expenses including redemption premium are adjusted against Securities Premium Account.

xv) Borrowing Costs

Borrowing costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xvi) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realized. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unabsorbed deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes- down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write- down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during specified period.

xvii) Derivative Instruments

As per the announcement made by the Institute of Chartered Accountants of India, Derivative contracts, other than those covered under AS-II, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on an underlying hedge item, is charged to the Income statement. Net gains are ignored as a matter of prudence.

xviii) Segment Reporting

a) Identification of segments:

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that



SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

offers different product/services and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

b) Allocation of Common Costs:

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated".

The accounting policies adopted for segment reporting are in line with those of the Company.

xix) Leases

a) Finance Lease:

Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to expenses.

Lease assets capitalized are depreciated over the shorter of the estimated useful life of the asset and the lease term.

b) Operating Lease:

Where the Company is Lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit & Loss Account on a Straight Line basis over the lease term. Costs including depreciation are recognized as expenses in the Profit & Loss Account. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Profit & Loss Account.

Where the Company is a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a straight-line basis over the lease term.

xx) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all the attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an assets its value is deducted in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters contribution are credited to Capital Reserve and treated as a part of Shareholders fund.

xxi) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xxii) Cash & Cash Equivalents

Cash & Cash equivalent in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

		31st March, 2010	31st March, 2009
3.	Estimated amount of contracts remaining to be executed on		
	Capital Account and not provided for (net of advances)	3169.89	3575.73

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

		3	1st March, 2010	31st March, 2009
Con	tingent Liabilities not provided for in respect of:			
a)	i) Guarantees in favour of Banks / Institutions / Bodies			
	Corporate against facilities granted to a Subsidiary		_	791.00
	ii) Credit facilities availed against the above		_	4.92
b)	Outstanding bank guarantees		1830.66	683.03
c)	Demands/claims by various Government authorities and others			
	not acknowledged as debts and contested by the Company:			
	a) Excise Duty		1928.81	1378.55
	b) Sales Tax		883.85	823.72
	c) Income Tax		145.20	_
	d) Water Tax		15257.03	11408.25
	e) Others		2956.91	2848.80
			21171.80*	16459.32
Aga	inst the above, payments have been made under protest and/			
or d	ebts have been withheld by respective parties.		487.05	459.02

- 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) The Company has filed a writ petition in the High Court of Jabalpur, contesting the order of Commissioner Commercial Tax in the case of IOC Ltd regarding taxability of furnace oil at par with diesel. Pending final disposal of this matter, the Company is unable to ascertain the impact of the order, if any, on the accounts of the Company.
- * 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 thereagainst is considered necessary.
- 5 a) Pursuant to the Scheme of Amalgamation as approved by the shareholders the Company and the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) by an order dated 12th March 2010, all the assets and liabilities of Air conditioning Corporation Ltd. (ACCL), a wholly owned subsidiary of the Company, have been transferred to and vested in the Company from 1st April, 2009 at their book values.
 - b) The Amalgamating Company (ACCL) is engaged in the business of manufacture and sale of Industrial Blowers and Air Pollution Control Equipments.
 - c) The Amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India. Pursuant to the Scheme, all the assets, liabilities and reserves of ACCL as at 1st April, 2009 have been transferred to the Company at their book values as under:
 (Rs. in lacs)

	(1/3. 111 1aC3)
Fixed Assets (Net Block)	28.98
Current Assets, Loans & Advances: -	
Inventories	27.57
Sundry Debtors	122.68
Cash and Bank Balance	52.05
Loans & Advances	1.75
Current Liabilities & Provisions:-	
Current Liabilities	57.34
Provisions	3.00
Reserves & Surplus	22.26
Unsecured Loans	320.00
Profit & Loss Account. – Debit Balance	193.57



SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

- d) Profit & Loss Account Debit balance of Rs.193.57 lacs as on 1st April 2009 of the Amalgamating Company after adjusting Rs. 24 Lacs being the difference between carrying value of Company's investment in ACCL and the amount of share capital appearing in the books of ACCL, has been adjusted with General Reserve of the Company.
- 6. Charity & Donations includes Rs. 100 lacs (Rs. Nil) paid to All India Congress Committee and Bhartiya Janata Party (Rs. 50 lacs each) for political purposes.
- 7. Lease agreements for assets aggregating to Rs. 500 lacs have already expired, but these assets are yet to be formally transferred to the Company by the lessor, pending compliance of the necessary formalities. However, these assets are in physical possession of the Company.
- **8.** The Company has 29.34% share of interest valuing Rs. 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's proportionate interest in the said Joint Venture's assets, liabilities, income, expenses etc. for the year ended 31st March, 2010 have not been disclosed in these accounts since the accounts of the Joint Venture Company for the above period are not available due to suspension of operations since 30th January, 2009.
- 9. Against the demand for Water Tax from The Water Resources Department of the Govt. of Madhya Pradesh aggregating to Rs. 14430.11 lacs including compounded interest and penalty upto 31st March, 2010, provision has been made on the basis of liability admitted by the Company since the demand continues to be stayed and is under reconsideration by the Govt. of Madhya Pradesh. Out of the above demand, the Company has provided Rs. 1049.08 lacs (including Rs. 115.03 lacs during the year) and the balance demand amounting to Rs. 13381.03 lacs has been shown as contingent liability.

10. The break-up of net deferred tax liability as on 31st March 2010 is as under:

(Rs. in lacs)

		2009-2010	2008-2009
Α.	Deferred tax liability:		
	Timing difference in depreciable assets	13133.54	6778.28
B.	Deferred tax asset :		
	Expenses allowable against taxable income in future years	2105.73	1760.72
	Net Deferred tax Liability (A-B)	11027.81	5017.56

11. Earnings per share (EPS)

In terms of Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the calculation of EPS is given below:

(Rs. in lacs)

	2009-2010	2008-2009
Profit as per Profit & Loss Account	15930.88	20009.40
Less: Preference Dividend for the year (including dividend tax)	7.00	35.61
	15923.88	19973.79
Weighted average number of equity shares	192884770	192884770
Nominal value of Shares (Re.)	1	1
Basic and diluted earning per share (EPS)	8.26	10.36

12. The movements in Provisions for 'Warranty Claims' and 'Mining Restoration Costs' during the year are as follows:

	Opening Balance	Additions during the year	Amounts used during the year	Amounts written back during the year	Closing Balance
Provision for warranties	370.45	525.07	255.32	22.18	618.02
	(283.78)	(149.09)	(62.42)	(-)	(370.45)
Mining Restoration costs	38.20	_	_	_	38.20
	(38.20)	(-)	(-)	(-)	(38.20)
Total	408.65	525.07	255.32	22.18	656.22
	(321.98)	(149.09)	(62.42)	(-)	(408.65)

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

Provision for Warranty

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 most of the payments will occur in the next financial year and the entire provision will be utilized / incurred within two years of the Balance Sheet date, since the warranty period is generally for two years.

Provision for Mining Restoration Costs

The activities at the cement unit involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of Accounting Standard –29, the management has estimated such future expenses on best judgment basis and provision thereof has been made in the accounts.

13. Excise duty on stocks represents differential excise duty on opening and closing stock of Finished Goods.

14. Gratuity - Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The following tables summarize the components of net benefit expenses recognized in the Profit & Loss Account and the funded status and amounts recognized in the Balance Sheet for the plan.

(Rs. in lacs)

ann	canto recognized in the Balance Cheet let the plant		(NS. III Iacs)
		2009-2010	2008-2009
i)	Net Employee Expense /(benefit)		
	Current service cost	218.63	190.91
	Interest cost on benefit obligation	255.60	240.56
	Expected return on plan assets	(178.45)	(147.96)
	Net Actuarial (gain) /loss recognised in the year.	289.50	32.14
	Total employer expense recognised in Profit and Loss Account	585.28	315.65
ii)	Actual return on plan assets	160.11	131.43
iii)	Benefit Asset/(Liability)		
	Defined benefit obligation	(3967.57)	(3572.53)
	Fair value of Plan Assets	2090.79	1854.69
	Benefit Asset/(Liability)	(1876.78)	(1717.84)
iv)	Movement in benefit liability		
	Opening defined benefit obligation	3572.53	3140.03
	Add: Liability of Amalgamating company	19.00	317.74
	Total	3591.53	3457.77
	Interest cost	255.60	240.56
	Current service cost	218.63	190.91
	Benefits paid	(369.35)	(332.32)
	Actuarial (gains)/losses on obligation	271.16	15.61
	Closing benefit obligation	3967.57	3572.53
v)	Movement in fair value of plan assets		
	Opening fair value of plan assets	1854.69	1458.87
	Add : Fair Value of Plan Assets of Amalgamating company	17.74	175.56
	Total	1872.43	1634.43
	Expected Return on plan assets	178.45	147.96
	Actuarial gain / (loss)	(18.34)	(16.53)
	Contribution by employer	416.63	432.62
	Benefits paid	(358.38)	(343.79)
	Closing fair value of plan assets	2090.79	1854.69



2009-2010

Schedules forming part of the Balance Sheet & Profit and Loss Account

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

vi) The major categories of plan assets as a percentage of the fair value of total plan assets

The following tables summarize the components of net benefit expenses recognized in the Profit & Loss Account and the funded status and amounts recognized in the Balance Sheet for the plan. (Contd.)

(Rs. in lacs)

	Investments with insurer	100%	100%			
vii)	The principal actuarial assumptions are as follows					
		%	%			
	Discount rate	7.5	7.5			
	Salary increase	5	5			
	Withdrawal rates	Varying between	2% per annum			
		Varying between 2% per annum and 1% per annum depending upto duration and age of the employees				
		upto duration	upto duration and age of the			
		employees				
viii)	Amount incurred as expense for defined contribution plans					
		2009-10	2008-09			
	Contribution to Provident / Pension fund	610.94	523.32			
	Contribution to Superannuation fund	174.47	162.12			
ix)	The estimates of future salary increases considered in actuarial valuation,					
	take account of inflation, seniority, promotion and other relevant factors,					
	such as supply and demand in the employment market.					

(Rs. in lacs)

2008-2009

(Nor in Nass)							
		2009-10	2008-09	2007-08	2006-07		
xi)	Amounts for the current and previous						
	periods are as follows :						
	Gratuity						
	Defined Benefit Obligation	3967.57	3572.53	3140.03	3056.24		
	Plan Assets	2090.79	1854.69	1458.87	580.86		
	Surplus / (Deficit)	(1876.78)	(1717.84)	(1681.16)	(2475.38)		
	Experience adjustments on plan liabilities	Not Available *					
	Experience adjustments on plan assets	Not Available *					

^{*} The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

15. a) Derivative Instrument outstanding as on the Balance Sheet date :-

The Company expects to contribute Rs 440 lacs (Rs. 380 lacs) to Gratuity fund in 2010-2011.

- i) Forward contract in respect of foreign currency debtors of Nil (USD 0.52 million) and foreign currency creditors of JPY 6.16 million (JPY 5.80 million) and CHF 0.41 million (Nil).
- ii) Cross Currency Swap of JPY/INR Rs. 2525.85 lacs (Rs. 2806.51 lacs) and Rs. 907.16 lacs (Rs. 1077.97 lacs) in respect of loan with interest rate @ 6 months JPY Libor plus 1.5% vis- a- vis fixed rate of 8.35% and 8.25% respectively.
- iii) Cross Currency Swap of USD/INR Rs. 9470 lacs in respect of loan with interest rate @ 3 months USD Libor plus 2.5% vis- a- vis fixed rate of 8.50%.

b) Foreign Currency exposures not hedged as on the Balance Sheet date :-

Foreign Currency Debtors (including advances) and Creditors aggregating to Rs.908.41 lacs (Rs. 541.65 lacs) and Rs. 321.90 lacs (Rs. 332.79 lacs) respectively.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

16. The Company's segment information as at and for the year ended 31st March, 2010 are as below:

(Rs. in lacs)

	Pa	per	Cen	nent	Electrical	ectrical Consumer Others		iers	Tot	Rs. in lacs) al
					Dura	bles				
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
a) Revenue *										
External Sales	23938.17	29000.47	89475.79	87174.67	48084.92	34142.62	476.58	-	161975.46	150317.76
(Includes Export Incentives)										
b) Result										
Segment Results	(4312.47)	360.16	25390.60	34261.60	6174.52	3388.54	26.17	-	27278.82	38010.30
Unallocated Income / (Expenses)										
(Net of unallocated expenses/income)									(415.01)	(4929.51)
Operating profit									26863.81	33080.79
Interest Expenses									3453.27	2067.92
Provision for Taxation									4780.65	10445.75
MAT Credit Entitlement									3311.24	75.98
Fringe Benefit Tax									-	162.00
Deferred Tax									6010.25	471.70
Net Profit									15930.88	20009.40
OTHER INFORMATION										
a) Total Assets										
Segment Assets	36763.59	35722.96	103147.08	89186.91	22841.00	17016.08	247.31	-	162998.98	141925.95
Unallocated Corporate/other Assets									8855.17	1965.05
									171854.15	143891.00
b) Total Liabilities										
Segment Liabilities	7904.88	7833.36	14269.46	13247.30	8466.04	5716.05	112.34	-	30752.72	26796.71
Unallocated Corporate/other Liabilities									63432.56	52034.14
									94185.28	78830.85
c) Capital Expenditure**	3271.16	12969.45	13115.81	39835.99	1761.33	1804.98	5.64	-	18153.94	54610.42
d) Depreciation/Amortisation***	1888.26	1263.15	3267.53	1883.73	309.79	292.14	2.59	-	5468.17	3439.02
e) Geographical Segment										
i) Revenue *										
India									156113.04	145455.74
Overseas									5862.42	4862.02
									161975.46	150317.76
ii) Carrying Amount of Segment Assets										
India									170945.74	143349.35
Overseas									908.41	541.65
									171854.15	143891.00

Net of Excise Duty.

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.

Notes

- (i) Business Segment: The business segments have been identified on the basis of the products of the Company. Accordingly, the Company has identified "Paper", "Cement" and "Electrical Consumer Durables" as the business segments:
 - Paper Consists of manufacture and sale of pulp, paper & board and chemicals.
 - Cement Consists of manufacture and sale of cement.
 - Electrical Consumer Durables Consists of manufacture / purchase and sale of Electric Fans ceiling, portable and airflow, along with Components and Accessories thereof and lights & luminaries.
 - Others Consist of other miscellaneous business/services comprising less than 10% revenues.
- (ii) Geographical Segment: The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

^{**} Excluding Rs.393.54 lacs (Rs. 24.28 lacs) being unallocated corporate / other assets.

^{***} Excluding Rs 33.19 Lacs (Rs.32.37 lacs) on unallocated corporate/other assets.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

17. Related Party Disclosures

Name of the related parties				
Subsidary Companies	Air Conditioning Corporation Ltd.(Upto 31st March,2009)			
	OPI Export Ltd.			
Joint Venture Company	Pan African Paper Mills (E.A) Ltd.			
Key Management Personnel	Mr. M.L. Pachisia			
	Mr. V. Kishore			
	Mr. B.S.Gilra			
	Mr. S. B. Bhaiya			
	Mr. N.K. Thusu (Upto 31st May, 2009)			
	Mr. B. Pandey			
	Mr. M.C.Gautam			
Enterprises owned by Key Management	Origami Products			
Personnel or their relatives	Origami			
	Origami Tissues			
	Origami Enterprises			
	Origami Industries			

Related party disclosure:

(b) Aggregated Related Party Disclosures as at and for the year ended 31st March 2010 (Transaction have taken place on arm's length basis)

(Rs. in lacs)

	Subsi	diaries	Key Mar	s owned by nagement their relatives	,	nagement onnel	To	otal
	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010
Sale of Goods								
– Origami Tissues	- (-)	- (-)	137.89 (232.16)	17.01 (27.08)	- (-)	- (-)	137.89 (232.16)	17.01 (27.08)
– Origami	(-)	- (-)	141.22 (230.51)	14.43 (2.23)	- (-)	(–)	141.22 (230.51)	14.43 (2.23)
- Origami Industries	- (-)	- (-)	61.59 (74.49)	2.15 (7.44)	- (-)	- (-)	61.59 (74.49)	2.15 (7.44)
- Origami Enterprises	- (-)	- (-)			- (-)	- (-)	-	-
- Others	- (-)	- (-)	71.77 (64.86)	13.71 (2.59)	- (-)	- (-)	71.77 (64.86)	13.71 (2.59)
– Total	- (-)	- (-)	412.47 (602.02)	47.30 (36.75)	- (-)	- (-)	412.47 (602.02)	47.30 (36.75)
Dividend Paid								
– Mr. M.L. Pachisia	(-)	- (-)	- (-)	- (-)	0.55 (0.05)	- (-)	0.55 (0.05)	- (-)
Purchase of Goods								
– Air Conditioning Corp.Ltd.	(1.11)	(0.79)	- (-)	- (-)	- (-)	- (-)	(1.11)	(0.79)
– Total	(1.11)	(0.79)	(-)	(-)	- (-)	(-)	(1.11)	(0.79)

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

Related party disclosure:

(b) Aggregated Related Party Disclosures as at and for the year ended 31st March 2010 (Transaction have taken place on arm's length basis)
(Rs. in lacs)

	Subsi	diaries	Key Mar	s owned by nagement their relatives	Key Management Personnel		Total	
	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010
Interest Income								
- Origami Tissues	(-)	- (-)	0.50 (0.37)	- (-)	- (-)	- (-)	0.50 (0.37)	- (-)
- Origami	(-)	(-)	1.42 (0.51)	(-)	- (-)	- (-)	1.42 (0.51)	(–)
- Origami Industries	(-)	- (-)	0.38	- (-)	- (-)	- (-)	0.38 (-)	- (-)
- Others	(–)	- (-)	0.04 (-)	- (-)	- (-)	- (-)	0.04 (-)	- (-)
– Total	(-)	(-)	2.34 (0.88)	- (-)	_ (_)	- (-)	2.34 (0.88)	(-)
Loans & Advances Given								
– OPI Export Ltd.	4.00 (1.00)	42.99 (38.99)	(-)	(-)	- (-)	(-)	4.00 (1.00)	42.99 (38.99)
- Air Conditioning Corp.Ltd. (Net of provision)	(350.00)	(150.00)	- (-)	- (-)	- (-)	- (-)	(350.00)	(150.00)
– Total	4.00 (351.00)	42.99 (188.99)	(-)	- (-)	- (-)	- (-)	4.00 (351.00)	42.99 (188.99)
Loans & Advances Refunded								
– Air Conditioning Corp.Ltd.	(30.00)	- (-)	- (-)	- (-)	- (-)	- (-)	(30.00)	- (-)
Oustanding Guarantees								
– Air Conditioning Corp.Ltd.	(-)	(4.92)	(-)	- (-)	- (-)	- (-)	- (-)	(4.92)
Remuneration								
- Mr. M.L. Pachisia	(-)	(-)	(–)	(-)	154.02 (127.28)	(-)	154.02 (127.28)	(–)
- Mr.B Pandey	(-)	(-)	(-)	(-)	39.68 (34.58)	(0.92)	39.68 (34.58)	(0.92)
- Mr.N K Thusu (Upto 31-05-09)	(-)	(-)	(–)	(-)	5.32 (32.44)	(-)	5.32 (32.44)	(–)
– Mr. S.B. Bhaiya	(-)	(-)	(-)	(-)	54.05 (43.33)	(-)	54.05 (43.33)	(-)
– Mr.M.C.Gautam	(–)	- (-)	- (-)	- (-)	41.96 (29.01)	(1.49)	41.96 (29.01)	(1.49)
– Mr.B.S.Gilra	(–)	(-)	(-)	- (-)	12.25 (4.91)	(0.20)	12.25 (4.91)	(0.20)
– Mr.V. Kishore	(-)	- (-)	- (-)	- (-)	29.96 (0.15)	(0.15)	29.96 (0.15)	(0.15)
– Total	(-)	(-)	(-)	(-)	337.24 (271.70)	(2.76)	337.24 (271.70)	(2.76)



SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

18. Details of Research Cost	(Rs in lacs)
10. Details of Nescalcii Cost	LES III IACSI

	2009-2010	2008-2009
Revenue Expenditure	143.02	127.78

19. The following expenses are included under other heads in the Profit & Loss Account:

(Rs. in lacs)

	2009-2010	2008-2009
Raw Materials consumed	_	3.62
Stores & Spares consumed	2348.51	1923.22
Rent & Hire charges	14.47	19.55
Building Repairs	13.75	12.19
Machinery Repairs	32.64	22.15
Salary & Wages	372.29	292.28
Contribution to Provident & Other Funds	20.16	25.23
Contribution to Gratuity Fund	37.98	44.79
Employees' Welfare Expenses	141.83	129.16
Insurance	-	2.85

20. Details of Expenditure on Expansion/New Projects:

(Pending Allocation):-

(a) Pre-operative & Trial Run Expenses:

	2009-2010	2008-2009
Raw Materials Consumed	137.14	27.91
Stores & Chemicals Consumed	7.28	7.16
Power & Fuel	118.77	50.38
Rent & Hire Charges	20.21	12.69
Salary & Wages	237.85	245.36
Contribution to Provident & Other Funds	9.86	13.46
Employees Welfare Expenses	15.97	14.73
Insurance	60.06	43.30
Rates & Taxes	0.13	0.34
Packing, Freight & Forwarding charges	3.80	0.10
Project Consultancy charges	0.09	15.47
Interest on Fixed Loans	885.99	1512.97
Commission on Sales	0.19	_
Miscellaneous Expenses	328.64	302.30
	1825.98	2246.17
Less:		
Sales of Finished Goods	225.98	3.97
Work in Progress Stock of CFL Plant as on 14th March, 2009	-	4.79
Work in Progress Stock of Cement Plant as on 8th September, 2009	387.54	_
Stocks of Tissue Paper Plant as on 31st August, 2009:		
Finished Goods	65.21	21.56
Work in Progress	5.72	6.73
	684.45	37.05
Total	1141.53	2209.12
(b) Add:Balance brought forward from previous year	2381.01	247.94
(c) Less: Allocated to Fixed Assets during the year	(3191.06)	(76.05)
(d) Balance carried to Balance Sheet	331.48	2381.01

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

21. Based on the information / documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

(Rs. in lacs)

		2009-2010	2008-2009
(i)	Principal amount remaining unpaid to any supplier at the end of accounting year.	1133.47	498.61
(ii)	Interest due on above.	_	1.05
	Total of (i) & (ii)	1133.47	499.66
(iii)	Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	_	_
(iv)	Amounts paid to the suppliers beyond the respective due date	136.39	456.87
(v)	Amount of interest due and payable for the period of delay in payments		
	(which have been paid but beyond the due date during the year)		
	but without adding the interest specified under the Act.	3.50	8.67
(vi)	Amount of interest accrued and remaining unpaid at the end of accounting year	3.50	9.72
(vii)	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 this Act.	3.71	1.65

22. In case of assets given on lease

Operating Lease:

The Company has leased out certain buildings on operating lease. The lease term is for 1-3 years and thereafter renewable. There is escalation clause in the lease agreement. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancelable.

In case of assets taken on lease

Operating Lease:

Certain office premises, depots etc are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancelable.

(Rs. in lacs)

Particulars	For the year ended 31st March, 2010	
Lease payments made for the year	597.35	411.95
Contingent rent recognized in Profit & Loss Account	Nil	Nil

23. The following are the details of the debtors and loans and advances given to subsidiaries and associates and firms/companies in which directors are interested and which are outstanding at the end of the year in terms of Securities and Exchange Board of India's circular dated January 10, 2003:

(Rs. in lacs)

	Outstanding amount as at		Maximum Amount outstanding during the year	
	31.03.2010	31.03.2009	2009-10	2008-09
Loans (Not bearing interest) to Subsidiaries				
Air Conditioning Corporation Limited	_	320.00	_	350.00
OPI Exports Limited	42.99	38.99	42.99	38.99



SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

24. Information pursuant to the Provisions of Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

A. Details of Products Manufactured, Turnover, Opening Stock, Closing Stock etc.:

		Capacity p	er annum	Production	Openin	g Stock	Sale	es @	Closing	Stock
Class of Goods	Unit	Licensed	Installed	Qty	Qty	Rs. in lacs	Qty	Rs. in lacs	Qty. **	Rs. in lacs
Pulp, Paper & Board - Amlai	MT	100000	110000	53589	144	54.20	51893	20133.59	1840	768.18
		(85000)	(95000)	(65132)	(-)	(-)	(64988)	(27389.96)	(144)	(54.20)
– Brajrajnagar *	MT	76000	76000	_	_	_	_	_	26#	_
		(76000)	(76000)	(-)	(26)	(-)	(-)	(-)	(26)	(-)
Caustic Soda (Brajrajnagar) *	MT	3292	3292	-	_	-	-	-	-	-
		(3292)	(3292)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Chlorine (Brajrajnagar) *	MT	2926	2926	-	-	_	-	-	-	-
		(2926)	(2926)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
C.S.Lye (excluding Flake conversion)	MT	77930	52340	21272	545	108.28	12990(iii)	2536.43	2483	403.99
		(77930)	(52340)	(12465)	(1505)	(266.37)	(13425)	(2399.94)	(545)	(108.28)
C.S.Flakes	MT	-	_	8564	4	0.84	8538 (iii)	1551.90	15	2.52
		(-)	(-)	(3193)	(168)	(33.26)	(3357)	(870.57)	(4)	(0.84)
Chlorine Gas (By–Product)										
Derivatives converted from chlorine gas										
(not exceeding in aggregate the										
quantity of Chlorine Gas).										
Liquid Chlorine	MT	58200	١	19634	135	0.92	16728(iii)	229.72	71	1.99
		(58200)		(10016)	(84)	(3.48)	(9965)	(53.04)	(135)	(0.92)
HydroChloric Acid	MT	29980	46059	11298	134	0.64	8493 (iii)	52.03	129	1.58
		(29980)	(46059)	(6030)	(112)	(0.89)	(6008)	(27.73)	(134)	(0.64)
Calcium Hypochlorite	MT	7200		3134	1	0.06	–(iii)	-	12	-
		(7200)	J	(1979)	(7)	(0.84)	(1985)	(-)	(1)	(0.06)
Sodium Hypochlorite*	MT	2316	-	_	-	_	_	-	-	-
		(2316)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Compressed Hydrogen*	CuM	1000000	-	_	-	_	_	-	-	-
		(1000000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Portand Cement	MT	5000000	5000000	3056028	9032	155.55	3213480	99684.48	28334	534.46
		(3400000)	(3400000)	(2902683)	(6313)	(115.85)	(2898841)	(100600.73)	(9032)	(155.55)
Electric fans	Nos	1674000	5000000	4195913	158444	1287.01	4250778	38396.99	99502	887.43
		(1674000)	(3500000)	(3210334)	(136186)	(1178.43)	(3184161)	(29095.97)	(158444)	(1287.01)
Lights & Luminaries	Nos	6000000	8060000	3700932	750	0.46	3073681	2305.68	557042	374.91
		(6000000)	(8060000)	(750)	(-)	(-)	(-)	(-)	(750)	(0.46)

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

24. Information pursuant to the Provisions of Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

A. Details of Products Manufactured, Turnover, Opening Stock, Closing Stock etc. (Contd.):

(Rs. in lacs)

		Capacity p	oer annum	Production	tion Opening Stock Sales @ Closing		Closing	ing Stock		
Class of Goods	Unit	Licensed	Installed	Qty	Qty	Rs. in lacs	Qty	Rs. in lacs	Qty. **	Rs. in lacs
Air Pollution Control Equipment	Nos.	300	300	132	10(i)	3.04	139	118.14	3	0.73
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Industrial Blower	Nos.	540	540	348	25(i)	9.00	368	379.99	5	2.28
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Room Air conditioner*	Nos.	2200	2200	-	_	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Water Cooler Package Type*	Nos.	300	300	-	-	-	-	-	-	_
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Air conditioner*	Nos.	480	480	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Cooling Towers*	Nos.	360	360	-	_	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Other Miscellaneous Items		-	_	-	-	-	-	329.03	-	_
		(-)	(-)	(-)	(-)	(-)	(-)	(249.81)	(-)	(-)
						1620.00		165717.98		2978.07
						(1599.12)		(160687.75)		(1607.96)

⁽i) Represents stock transferred from amalgamating company on 1st April, 2009.

Notes:

- 1. Installed capacities have been certified by the management and accepted as correct by the Auditors.
- 2. Pulp plant is an integrated part of the Paper and Board plants and therefore, capacity and actual production of pulp is not separately ascertained.
- 3. Sale of Pulp, Paper & Board includes own consumption 7 MT (10 MT)
- 4. Sale of CS Lye and Hydrochloric Acid includes own consumption 271 MT (142 MT) and 2787 MT (1511 MT) respectively.
- 5. Sale of Portland Cement includes own consumption, samples etc. 8698 MT (18278 MT) and sale of clinker 178874 MT (Nil) valuing Rs. 3238.06 lacs (Rs. Nil).

B. Trading Goods:

		Opening	g Stock	Purchase		Purchase Sales @		Closing Stock *	
Class of Goods	Unit	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Electrical Fans	Nos	24194	144.44	787435	4801.54	786695	5585.58	23118	138.99
		(17111)	(119.33)	(522782)	(3147.45)	(514902)	(3767.94)	(24194)	(144.44)
Lights & Luminaires	Nos	493816	212.90	5089754	3086.28	5108674	3560	474896	303.97
		(449055)	(210.90)	(4784945)	(2401.20)	(4696471)	(2848.94)	(493816)	(212.90)
Exercise Books	Nos	1031556	172.67	3173923	393.67	3439240	473.25	766239	105.98
		(-)	(-)	(2836020)	(469.45)	(1804464)	(335.73)	(1031556)	(172.67)
Tissue Paper	MT	13	10.95	17	14.08	30	22.55	-	_
		(-)	(-)	(24)	(19.12)	(11)	(8.90	(13)	(10.95)
			540.96		8295.58		9641.38		548.94
			(330.23)		(6037.22)		(6961.51)		(540.96)

 $[\]ensuremath{^{\star}}$ After adjusting shortage / quantity discarded etc.

⁽ii) Equivalent production at 100% contents of Chlorine Gas would be 1875MT.

⁽iii) Includes 6074 MT (3263 MT) of C S Lye, 15 MT (10MT) of C S Flakes, 2970 MT (2285 MT) of Liquid Chlorine, 23MT (12 MT) of HCL and 3123 MT (1985MT) of Hypo Chlorite consumed departmentally.

^{*} Represents item where manufacturing operations were not carried on during the year.

^{**} After adjusting shortage / excess / reprocessing loss/ quantity discarded etc.

[@] Including excise duty and export incentives but excludes cash discount, rebates etc.

[#] Value written off

 $^{@\}$ Excluding cash discount, rebates etc.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

C. Raw Materials consumed:

	2009-10		2008-09	
	Quantity in MT	Amount Rs. in lacs	Quantity in MT	Amount Rs. in lacs
Bamboo	63766	2657.39	93867	3694.53
Wood	75357	3066.46	81998	3130.73
Lime Stone	3330000	3816.03	2750000	2876.10
Clinker	149764	4579.51	_	_
Pozzolona Material	819523	1797.75	809080	1783.57
Copper Wire Rods & Strips	1022	3693.02	821	2992.09
CRCA, Silicon Sheets & Plates	11288	4407.76	8669	3596.26
Blades for Ceiling Fans	3066030	3291.45	2399840	2453.14
PCB	3710701	1109.04	_	_
Miscellaneous Items		19694.29*		15971.88
		48112.70	-	36498.30

^{*} Including Rs 3576.71 lacs (Rs. 4127.76 lacs) towards transportation of Clinker from Devapur to Jalgaon

D. C.I.F. value of Imports (including through Canalising Agencies):

(Rs. in lacs)

		2009-2010	2008-2009
i)	Capital Goods	1502.47	11861.44
ii)	Trading Goods	577.22	376.58
iii)	Raw Materials	1132.72	686.71
iv)	Spares Parts and Chemicals	317.62	516.34

E. Expenditure in Foreign Currencies (On Cash Basis):

(Rs. in lacs)

	2009-2010	2008-2009
i) Sales Commission	3.68	26.00
ii) Professional & Consultancy Fees	133.33	33.76
iii) Miscellaneous	43.67	40.90

F. Earnings in Foreign Exchange (On cash basis)

	2009-2010	2008-2009
Exports of goods on F.O.B. basis	5364.20	4618.65

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

G. Value of Raw Materials, Stores and Spares Parts consumed (including items debited to other heads of expenses, unserviceable and/or damaged/ obsolete items written down and/ or written off):

			2009-10		2008	3-09
		Rs.	in lacs	%	Rs. in lacs	%
i)	Raw Materials :					
	Indigenous	460	642.53	96.94	35944.11	98.47
	Imported	1.	470.17	3.06	557.81	1.53
		48	112.70	100	36501.92	100.00
ii)	Stores, Chemicals & Spare Parts:					
	Indigenous	7-	444.75	95.73	8907.33	97.09
	Imported	;	332.09	4.27	267.15	2.91
		7	776.84	100.00	9174.48	100.00

H. Amount remitted in Foreign Currencies towards dividend

		2009-2010	2008-2009
i)	Number of Non-Resident Shareholders	311	294
ii)	Ordinary Shares held	7147007	6922763
iii)	Amount remitted and / or paid in Indian Currency (Rs. in lacs)	107.21	42.73
iii)	Amount remitted and / or paid in Indian Currency (Rs. in lacs)	107.21	

25. Previous year's figures have been regrouped and readjusted wherever necessary. Further, the current year's figures being inclusive of figures of Air Conditioning Corporation Ltd. amalgamated with the Company w.e.f. 1st April, 2009 (pursuant to a scheme of amalgamation) and figures of chemical division for the full year as against part of the year included in previous year, are not comparable with the previous year's figures.

Signatures to Schedules '1' to '24'

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

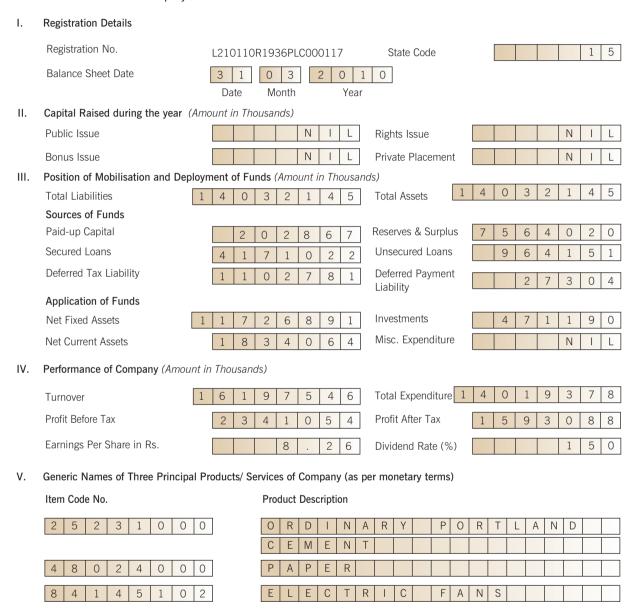
C. K. Birla Chairman

M. L. Pachisia Managing Director



Balance Sheet Abstract

Information pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's Business Profile



New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman

M. L. Pachisia Managing Director

Directors' Report for the year ended 31st March, 2010

To The Shareholders,

Your Directors submit their Report and Audited Accounts of the Company for the year ended 31st March, 2010.

Profit & Loss Account shows the Loss of Rs.2,50,410/-. After considering the brought forward loss of Rs.5,71,491/-, loss aggregating to Rs. 8,21,901/- is proposed to be carried forward.

Shri H. Vikram a Director of the Company retires by rotation and is eligible for re election.

M/s. D.K. Chhajer & Co., Chartered Accountants, Auditors of the Company retires and are eligible for re-appointment.

In the preparation of the Annual Accounts, the Company has followed the applicable accounting standards along with proper explanation relating to material departures. Such accounting policies have been selected and applied consistently and reasonable judgments and estimates have been made, so as to get a true and fair view of the state of affairs of the Company for this period.

Proper and sufficient care has been taken for maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on an ongoing concern basis.

9/1, R.N. Mukherjee Road, Kolkata-700001 C. L. Mohta DirectorsO. P. Chharia Directors

Dated: 24th April, 2010

Auditor's Report

To the Members of OPI EXPORT LIMITED

- We have audited the attached Balance Sheet of OPI EXPORT LIMITED, as at 31st March 2010, and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order,

2004, issued by the Central Government of India in terms of subsection (4A) of section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

- 4. Further, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards

- referred to in sub-section (3C) of section 211 of the Companies Act. 1956:
- v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity

with the accounting Principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
- b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date:

For D.K. Chhajer & Co. Chartered Accountants

Niraj K. Jhunjhunwala Partner Membership No. F057170

Annexure to the Auditor's Report referred to in paragraph (3) of our report of even date to the members of OPI Export Limited.

Kolkata

Dated: April 24, 2010

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
 - b) All the assets have been physically verified by the management during the year. This, in our opinion, 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) During the year, the company has not disposed off any of fixed assets which may affect the going concern status of the company.
- ii) Since the company has no manufacturing and/or trading activity items (iv), (v), (vii), and (xiv) of the paragraph 4 of the aforesaid order are not applicable.
- iii) The Company has taken unsecured interest free loan from its holding company on the conditions which are not prejudicial to the interest of the company. The Company has not taken any other loan, secured or unsecured from Companies, Firms and Other Parties listed in the register maintained U/s.301 of the Companies Act, 1956.

- iv) The Company has not granted any loan, secured or unsecured, to Companies, Firms and Other Parties listed in the register maintained U/s.301 of the Companies Act, 1956.
- v) The Company has not accepted any deposit from the public.
- vi) There was no undisputed amount payable in respect of Income Tax as on 31st March, 2010 which was outstanding for a period of more than six months from the date it becomes payable.
- vii) The Company has not granted any loan on the basis of security by way of pledge of shares, debentures and other securities.
- viii) Rest of the matters specified in the aforesaid order are not applicable to the Company.

For D.K. Chhajer & Co. Chartered Accountants

Niraj K. Jhunjhunwala

Kolkata Partner Dated: April 24, 2010 Membership No. F057170

Balance Sheet as at 31st March, 2010

	Schedules	31st March, 2010	31st March, 2009
SOURCES OF FUNDS		Rs.	Rs.
Shareholder's Fund			
Share Capital	1	509,550	509,550
Loan Funds			
Unsecured Loan (Interest Free)		4,299,082	3,899,082
		4,808,632	4,408,632
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	4,005,665	4,005,665
Less : Depreciation		239,877	174,585
Net Block		3,765,788	3,831,080
Current Assets, Loans & Advances			
Cash & Bank Balances	3	224,702	59,331
		224,702	59,331
Less: Current Liabilities & Provisions			
Current Liabilities	4	3,759	53,270
Net Current Assets		220,943	6,061
Profit & Loss Account		821,901	571,491
		4,808,632	4,408,632
Accounting Policies and Notes on Accounts	5		

In terms of our report of even date

For D K Chhajer & Co.

Chartered Accountants

Niraj K. Jhunjhunwala

Partner

Membership No. F057170

Kolkata,

24th April, 2010

C. L. Mohta Director

O. P. Chharia Director

Profit and Loss Account for the year ended 31st March, 2010

Schedules	2009-2010	2008-2009
INCOME	Rs.	Rs.
Miscellaneous Receipt	772	_
	772	_
EXPENDITURE		
Filing Fees	990	11,012
Depreciation 2	65,292	66,016
Rates & Taxes	9,549	9,635
Audit Fees	3,309	3,309
General Charges	172,042	117,034
Sundry debit balances written off	_	3,810
	251,182	210,816
Loss before Tax	250,410	210,816
Less : Provision for taxation	_	_
Loss after Tax	250,410	210,816
Loss brought forward from Previous year	571,491	360,675
Loss carried to Balance Sheet	821,901	571,491
Earnings Per Share (Basic/ diluted)	(4.91)	(4.14)
Accounting Policies and Notes on Accounts 5		

In terms of our report of even date

For D K Chhajer & Co.

Chartered Accountants

Niraj K. Jhunjhunwala

Partner

Membership No. F057170

Kolkata,

24th April, 2010

C. L. Mohta DirectorO. P. Chharia Director

Cash Flow Statement for the year ended 31st March, 2010

		2009-2010	2008-2009
A.	CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
	Net loss before tax and extraordinary items	(250,410)	(210,816)
	Adjustments for :		
	Add: Depreciation	65,292	66,016
	Irrecoverable Advances written off	-	3,810
	Operating profit before working capital changes	(185,118)	(140,990)
	Adjustment for :		
	(Decrease)/Increase in Trade Payables	(49,511)	43,230
	Cash generated from operations	(234,629)	(97,760)
	Direct Taxes Paid (Net)	_	_
	Net Cash from Operating Activities (A)	(234,629)	(97,760)
В.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	_	_
	Net Cash Used in Investting Activities (B)	-	_
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds / (Repayment) from / of borrowings	400,000	100,000
	Net Cash from Financing Activities (C)	400,000	100,000
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	165,371	2,240
	Cash and Cash Equivalents at the beginning of the year	59,331	57,091
	Cash and Cash Equivalents at the end of the year	224,702	59,331

As per our report of even date

For D K Chhajer & Co.

Chartered Accountants

Niraj K. Jhunjhunwala

Partner

Membership No. F057170

Kolkata,

24th April, 2010

C. L. Mohta Director

O. P. Chharia Director

	31st March, 2010	31st March, 2009
SCHEDULE 1 SHARE CAPITAL	Rs.	Rs.
Authorised		
150000 (100000) Equity Shares @ of Rs.10/- each	1,500,000	1,500,000
Issued Subscribed & Paid-up		
50955 (50955) Equity Shares of Rs.10/- each fully paid up	509,550	509,550
	509,550	509,550

Notes :

A. The entire subscribed capital is held by the Holding Company and its nominees.

B. Out of the above subscribed capital 5,000 equity shares have been issued as fully paid-up bonus shares by Capitalisation of General Reserve.

FIXED ASSETS

		GROSS BLOCK		DEPRECIATION			NET BLOCK		
Particulars	As at	Addition	Total as at	Upto	For	Upto	As at	As at	
	1st April,	during	31st March,	1st April,	the Year	31st March,	31st March,	31st March,	
	2009	the year	2010	2009		2010	2010	2009	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Building	4,005,665	-	4,005,665	174,585	65,292	239,877	3,765,788	3,831,080	
Total	4,005,665	-	4,005,665	174,585	65,292	239,877	3,765,788	3,831,080	
Previous Year	4,005,665	_	4,005,665	108,569	66,016	174,585	3,831,080	_	

	31st March, 2010	31st March, 2009
SCHEDULE 3 CASH AND BANK BALANCES	Rs.	Rs.
Cash in hand	1,272	8,633
Balance with scheduled bank (In Current A/c)	223,430	50,698
	224,702	59,331

	31st March, 2010	31st March, 2009
SCHEDULE 4 CURRENT LIABILITIES	Rs.	Rs.
For Expenses	3,309	48,648
Tax Deducted at Source (payable)	450	4,622
	3,759	53,270

SCHEDULE 5 SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company.

2. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

3. Depreciation

Depreciation is provided using the Straight Line Method as per the rates prescribed under schedule XIV of the Companies Act, 1956.

4. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

5. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

SCHEDULE 5 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

6. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders/potential equity shareholders by the weighted average number of equity shares/potential equity shares outstanding during the period.

b) Notes on Accounts:

- i) In terms of the Order dated 20th July , 2006 of High Court of Delhi granting permission to the Receiver appointed by the Court to hand over the possession of the flats to the respective Buyers, the Company has received possession of its flat at 20A , Friends Colony, New Delhi on 20th July,2006. Thereafter a review application filed by the Builder, against the said Order was also dismissed. Conveyance of the premises has not yet been signed. A suit has been filed against the Owner and the Builder for specific performance for signing the Conveyance, which is pending.
- ii) On grounds of prudence, deferred tax assets on carrying forward losses have not been accounted for.
- iii) Figures have been rounded to nearest rupee.
- iv) Previous Year's figures have been regrouped/rearranged wherever necessary.

Signature to Schedules 1 to 5

In terms of our report of even date.

For D K Chhajer & Co.

Chartered Accountants

Niraj K. Jhunjhunwala

Partner

Membership No. F057170

Kolkata,

24th April, 2010

C. L. Mohta Director

O. P. Chharia Director

Balance Sheet Abstract

Balance Sheet Abstract and Company's General Business Profile (Submitted in terms of Part IV of Schedule VI to the Companies Act, 1956.)

l.	Registration Details								
	Registration No.	1 9 4 5 5 State Code						2	1
	Balance Sheet Date	3 1 0 3 2 0 1 0							
		Date Month Year							
II.	Capital Raised during the year (Figu	res in Rupees)							
	Public Issue	N I L Rights Issue					N	I	L
	Bonus Issue	N I L Private Placement					N	I	L
III.	Position of Mobilisation and Deploys	nent of Funds (Figures in Rupees)							
	Total Liabilities	4 8 0 8 6 3 2 Total Assets	4	8	0	8	6	3	2
	Sources of Funds								
	Paid-up Capital	5 0 9 5 5 0 Reserves & Surplus					N	I	L
	Secured Loans	N I L Unsecured Loans	4	2	9	9	0	8	2
	Application of Funds								
	Net Fixed Assets	3 7 6 5 7 8 8 Investments					N	I	L
	Net Current Assets	2 2 0 9 4 3 Misc. Expenditure					N	1	L
	Accumulated Losses	8 2 1 9 0 1							
IV.	Performance of Company (Figures in	Rupees)							
	Total Income	O Total Expenditure		2	5	1	1	8	2
	Profit/(Loss) Before Tax	(2 5 0 4 1 0) Profit/(Loss) After Tax		(2	5	0	4	1	0)
	Earnings Per Share in Rs.	(4 . 9 1) Dividend Per Share (in Rs.)				N	1	L
٧.	Generic Names of Principal Product	s/ Services of Company							
	Product Item Code No.	N I L							
	Product Description T R A	DING&INVESTMEN	Т						

Kolkata,C. L. MohtaDirector24th April, 2010O. P. ChhariaDirector



Consolidated Auditors' Report

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ORIENT PAPER & INDUSTRIES LIMITED

- 1. We have audited the attached Consolidated Balance Sheet of ORIENT PAPER & INDUSTRIES LIMITED (the Company) and its subsidiary as at 31st March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. We have not audited the financial statements and other financial information of the subsidiary of the Company, whose financial statements reflect total assets of Rs. 39.90 lacs as at 31st March, 2010, total revenues of Rs. 0.01 lacs and net cash flows of Rs.1.65 lacs for the year then ended. The financial statements of the subsidiary have been audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- 4. The proportionate interest in Joint venture Company has not been consolidated in these accounts for the reasons mentioned in to Note No.8 on Schedule 24 which, however, is not in compliance with the requirement of Accounting Standard-27 notified under the Companies Accounting Standards Rule, 2006.
 - In the previous year, our report was similarly modified for the above
- 5. We report that the consolidated financial statements, subject to non-consolidation of Company's proportionate interest in Joint

- Venture Company as stated in para 4 above, have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" notified under the Companies Accounting Standards Rules, 2006.
- 6. Without qualifying our report, attention is drawn to Note. No. 9 on Schedule -24 regarding demand on account of Water Tax which is under reconsideration by the Madhya Pradesh State Government.
- 7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, subject to nonconsolidation of Company's proportionate interest in Joint Venture Company as stated in para 4 above whose impact is presently not ascertainable, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Orient Paper and Industries Limited and its subsidiary as at 31st March, 2010;
 - (ii) in the case of the Consolidated Profit & Loss Account, of the consolidated profits of Orient Paper and Industries Limited and its subsidiary for the year then ended; and
 - (iii) in the case of the Consolidated Cash Flow statement, of the consolidated cash flows of Orient Paper and Industries Limited and its subsidiary for the year then ended.

For **S. R. Batliboi & Co.**Firm Registration Number-301003E

Chartered Accountants

New Delhi 4th May, 2010 Per **Raj Agrawal** *Partner*Membership No. 82028

Consolidated Balance Sheet as at 31st March, 2010

(Rs. in lacs)

	Schedules	31st March, 2010	31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
(a) Share Capital	1	2028.67	2027.67
(b) Reserves & Surplus	2	75632.47	63281.04
		77661.14	65308.71
Loans			
(a) Secured	3	41710.22	31264.94
(b) Unsecured	4	9641.51	14968.02
		51351.73	46232.96
Deferred Payment Liabilities	5	273.04	364.97
Deferred Tax Liability (Net)		11027.81	5017.56
		140313.72	116924.20
APPLICATION OF FUNDS			
Fixed Assets	6		
(a) Gross Block		163691.46	85193.38
(b) Less : Accumulated Depreciation/Amortisation		52062.54	46672.29
(c) Net Block		111628.92	38521.09
(d) Capital Work-in-progress		5346.16	63485.55
(e) Expenditure on Expansion / New projects (pending allocation)		331.48	2381.01
		117306.56	104387.65
Investments	7	4707.30	917.05
Current Assets, Loans & Advances			
(a) Inventories	8	15030.93	10998.69
(b) Sundry Debtors	9	18440.00	14191.04
(c) Cash and Bank Balances	10	4671.99	3381.62
(d) Other Current Assets	11	964.63	960.13
(e) Loans and Advances	12	10725.05	9130.94
		49832.60	38662.42
Less : Current Liabilities & Provisions	13		
(a) Current Liabilities		23463.27	19989.50
(b) Provisions		8069.47	7285.48
		31532.74	27274.98
Net Current Assets		18299.86	11387.44
Miscellaneous Expenditure	14	_	232.06
		140313.72	116924.20
Accounting Policies and Notes to the Accounts	24		

Schedules 1 to 14 and 24 referred to above form an integral part of the Consolidated Balance Sheet.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman

M. L. Pachisia Managing Director



Consolidated Profit and Loss Account for the year ended 31st March, 2010

(Rs. in lacs)

	Schedules	2009-2010	2008-2009
INCOME			
Gross Sales	15	176854.39	169643.62
Less : Excise Duty		14878.93	18807.60
Net Sales		161975.46	150836.02
Other Income	16	1458.87	2318.23
		163434.33	153154.25
EXPENDITURE			
Decrease/(Increase) in Stocks	17	(2939.53)	302.02
Excise duty on Stocks (Refer Note No. 13 on Schedule 24)		171.42	(93.13)
Purchases of Trading Goods		8295.58	6037.22
Raw Materials Consumed	18	48112.70	36878.18
Manufacturing, Administrative, Selling and Other Expenses	19	77293.37	68086.01
Directors' Remuneration	20	307.51	289.31
Interest	21	3453.27	2070.39
Depreciation / Amortisation	22	5502.00	3473.16
Exceptional Items	23	_	4865.88
		140196.32	121909.04
Profit before Taxation		23238.01	31245.21
Provision for Taxation			
Current Tax (Including Rs.836.65 lacs (Rs. Nil) for earlier years)		4780.65	10445.75
MAT Credit Entitlement		3311.24	75.98
Deferred Tax		6010.25	471.70
Fringe Benefit Tax		-	162.44
Profit after Taxation		15758.35	20241.30
Debenture Redemption Reserve Written back		2500.00	1250.00
Surplus brought forward from last year		21435.58	14064.87
Profit Available for Appropriation		39693.93	35556.17
Appropriations			
Dividend on Preference Shares		6.00	30.44
Proposed Final Dividend on Equity Shares		2893.27	2893.27
Tax on Dividends		481.54	496.88
Capital Redemption Reserve		_	700.00
Debenture Redemption Reserve		1875.00	5000.00
General Reserve		17669.57	5000.00
Balance carried to the balance sheet		16768.55	21435.58
		39693.93	35556.17
Basic and diluted earning per share (EPS) (Face value of Re.1 each)	Rs.	8.17	10.48
(Refer Note No.11 on Schedule 24)			
Accounting Policies and Notes to the Accounts	24		

Schedules 15 to 24 referred to above form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman

M. L. Pachisia Managing Director

Consolidated Cash Flow Statement for the year ended 31st March, 2010

io. the year ended elections,		(Rs. in lacs)
	2009-2010	2008-2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	23238.01	31245.21
Adjustments for :		
Depreciation	5502.00	3473.16
Interest Expenses (Net of Capitalisation)	3453.27	2070.39
Loss on Fixed Assets Sold/Discarded(Net)	44.54	62.44
Profit on Sale of Investments	_	(5.20)
Irrecoverable loan, debts & advances written off	22.86	4056.49
Provision for Doubtful Loan, Debts & Advances	79.11	130.52
Provision for Diminution in value of Investments	_	(13.43)
Unrealised Foreign Exchange Loss (Net)	84.16	1.65
Deferred Revenue Expenditure written off	232.05	311.94
Interest & Dividend Income	(621.56)	(542.73)
	32034.44	40790.44
Operating Profit before Working Capital Changes :		
Increase in Trade Payables	5394.91	2748.26
(Increase) in Trade & Other Receivables	(2728.90)	(6898.70)
(Increase) in Inventories	(4032.24)	(1073.08)
Cash Generated from Operations:	30668.21	35566.92
Direct Taxes Paid (Net)	(4480.32)	(9208.80)
Net Cash from Operating Activities	26187.89	26358.12
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	31.43	96.77
Purchase of Investments (Net)	(3800.00)	_
Sale of Investments (Net)	_	5.32
Interest Received	160.69	341.94
Dividend Received	460.75	382.88
Purchase of Fixed Assets	(19188.16)	(50358.30)
Loans (given)/Repaid	0.43	(2.21)
Net Cash from Investing Activities	(22334.86)	(49533.60)



Consolidated Cash Flow Statement (Contd.) for the year ended 31st March, 2010

(Rs. in lacs)

	2009-2010	2008-2009
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Loans	14470.00	15122.39
Repayment of Long Term Loans	(818.69)	(431.45)
Increase/(Decrease) in other loans (Net)	(8532.54)	14671.42
Right Issue of Shares	1.00	0.52
Issue of Preference Shares	-	100.00
Premium on Right Issue of Shares	35.20	18.16
Debenture Issue Expenses	_	(64.47)
Interest Paid	(4342.43)	(3155.93)
Redemption of Preference Shares	-	(700.01)
Repayment of Matured Debentures	-	(1.35)
Dividend Paid	(2883.45)	(1382.00)
Preference Dividend Paid	(0.03)	(30.44)
Dividend Tax Paid	(491.72)	(241.78)
Net Cash from Financing Activities	(2562.66)	23905.06
Net Changes in Cash & Cash Equivalents (A+B+C)	1290.37	729.58
* Cash & Cash Equivalents - Opening Balance	3381.62	2652.04
* Cash & Cash Equivalents - Closing Balance	4671.99**	3381.62
* Represents Cash and Bank Balances as indicated in Schedule 10.		
** Includes Rs. 42.77 lacs (Rs. 32.95 lacs) lying in Unpaid Dividend Account and		
Rs. 13.03 Lacs (Rs. 14.28 lacs) of receipts/pass books lodged with		
Government Departments/Banks having restrictive use.		

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman

M. L. Pachisia Managing Director

(Rs. in lacs)

		Face Value (Rs.)	31st March, 2010	31st March, 2009
SCHEDULE	1 SHARE CAPITAL			
Authorised				
750000000	Equity Shares	1	7500.00	7500.00
(750000000)				
2500000	Preference Shares	100	2500.00	2500.00
(2500000)				
			10000.00	10000.00
Issued				
192887970	Equity Shares	1	1928.88	1928.88
(192887970)				
100000	6% Redeemable Non-Cumulative Preference Shares	100	100.00	100.00
(100000)				
			2028.88	2028.88
Subscribed and	paid up			
192884770	Equity Shares	1	1928.85	1928.85
(192884770)				
	Less : Calls in arrear		0.20	1.20
	Add : Forfeited shares (Amount Originally Paid-Up)		0.02	0.02
			1928.67	1927.67
100000	6% Redeemable Non-Cumulative Preference Shares	100	100.00	100.00
(100000)	(Redeemable at par on 29-03-2012)			
			2028.67	2027.67

Note:

Out of the above equity shares, 108021250 (108021250) Equity Shares of Re 1 each have been issued/ alloted as fully paid bonus shares by Capitalisation of General Reserve and Securities Premium.

		(110: 111 1400)
	31st March, 2010	31st March, 2009
SCHEDULE 2 RESERVES & SURPLUS		
Capital Reserve :		
As per last Account	40.62	40.62
	40.62	40.62
Capital Redemption Reserve :		
As per last Account	2042.02	1342.02
Add: Transfer from Profit & Loss Account	_	700.00
	2042.02	2042.02
Investment Subsidy :		
As per last Account	15.00	15.00
	15.00	15.00
Revaluation Reserve :		
As per last Account	967.57	1029.63
Less : Transfer to Profit & Loss Account being difference in the amount		
of depreciation on revalued amount and original cost of fixed assets	61.31	62.06
	906.26	967.57
Securities Premium Account :		
As per last Account	16280.25	16326.56
Add: Received against Right issue (Calls in arrear)	35.20	18.16
Less: Adjustment of Debenture Issue Expenses in terms of Section 78 of the Companies Act, 1956.	_	64.47
	16315.45	16280.25
General Reserve :		
As per last Account	17500.00	12500.00
Add: Transfer from Profit & Loss Account	17669.57	5000.00
	35169.57	17500.00
Debenture Redemption Reserve :		
As per last Account	5000.00	1250.00
Add: Transfer from Profit & Loss Account	1875.00	5000.00
Less : Transfer to Profit & Loss Account	2500.00	1250.00
	4375.00	5000.00
Surplus as per Profit & Loss Account	16768.55	21435.58
	75632.47	63281.04

(Rs. in lacs)

		31st March, 2010	31st March, 2009
SCHEDULE	3 SECURED LOANS		
DEBENTURES	(Privately Placed)		
1000	Non-Convertible Debentures of Rs.10,00,000/- each	10000.00	10,000.00
(1000)			
-	Non-Convertible Debentures of Rs.100/- each	_	5,000.00
(5000000)			
50	Non-Convertiable Debenture of Rs.1,00,00,000/- each	5000.00	_
(-)			
25	Non-Convertiable Debenture of Rs.1,00,00,000/- each	2500.00	_
(-)			
		17500.00	15000.00
From Scheduled	d Banks		
Term Loans		18212.52	4536.44
Cash Credit		5997.70	6728.50
		24,210.22	11264.94
Other Loans		_	5000.00
		41710.22	31264.94

Notes:

- 1. a) Non-Convertible debentures of Rs.10000 lacs (Rs.10000 lacs), redeemable at par on 14th November, 2013, are secured by first mortgage/charge ranking pari-passu with each other on the movable and immovable properties pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plants at Devapur and Jalgoan and a first charge on the Company's freehold land at Mehsana, Gujarat.
 - b) Non-Convertible debentures of Rs. 5000 lacs and Rs. 2500 lacs, redeemable at par on 22nd November, 2010 and 17th February, 2011 respectively, are secured by a charge on the Company's freehold land at Mehsana, Gujarat.
- 2. a) Term Loan of Rs.3433.01 lacs (Rs.3814.48 lacs) from a Scheduled Bank is secured by first charge ranking pari-passu with each other on the immovable properties (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plant at Devapur and by way of hypothecation of moveable fixed assets (both present and future) ranking pari passu with each other, pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plant at Devapur.
 - b) Term Loan of Rs.14470 lacs (Rs.Nil) from Scheduled Banks are secured / to be secured by first charge ranking pari-passu with each other on the fixed assets (both present and future) pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plants at Devapur and Jalgaon.
 - c) Term Loan of Rs.309.51 Lacs (Rs.721.96 lacs) from a Scheduled Bank is secured by a mortgage/charge ranking pari-passu with each other on the immovable properties pertaining to the Paper plants at Amlai and Brajrajnagar and Cement plant at Devapur, both present and future, save and except such assets as are excluded by the financial institutions/banks and the agents/trustees for the debenture holders and a charge on the movable assets of the Company's said units, subject to prior charges created/to be created in favour of the Company's bankers for working capital requirements.
 - d) Cash Credit facilities of Rs 5997.70 lacs (Rs.6728.50 lacs) are secured / to be secured against hypothecation of stock in trade, stock in process, raw materials, stores and chemicals, book debts and other current assets of the Company and 2nd charge on fixed assets of the Company.
- 3 The above loans include Rs 10622 lacs (Rs.10679 lacs) falling due for payment within one year.

(Rs. in lacs)

	31st March, 2010	31st March, 2009
SCHEDULE 4 UNSECURED LOANS		
TERM LOANS		
Long Term		
Under Sales Tax Deferment Scheme (Including Rs Nil		
(Rs.24.77 lacs) falling due for payment within one year)	5174.00	5198.77
Short Term		
Debentures (Privately placed)		
- (500000) Non - Convertible Debentures of Rs.100/- each	-	5,000.00
From a Scheduled Bank	-	1,000.00
	5174.00	11198.77
Trade & Other Deposits (Partly not bearing interest)		
Employees' Security Deposits	7.02	5.61
Others	4460.49	3763.64
	4467.51	3769.25
	9641.51	14968.02

	31st March, 2010	31st March, 2009
SCHEDULE 5 DEFERRED PAYMENT LIABILITIES		
Voluntary Early Retirement Schemes	273.04	364.97
	273.04*	364.97

^{*} Includes Rs.93.14 lacs (Rs.114.82 lacs) due for payment within one year.

SCHEDULE 6 FIXED ASSETS

		GRO	SS BLOCK		DEPRECIATION / AMORTISATION				NET BLOCK		
Description of Assets	As at 1st April, 2009	Additions/ Adjustments	Less: Sales/ Adjustments	As at 31st March, 2010	As at 1st April, 2009	Less : on Sales/ Adjustments	for the year	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009	
Tangible Assets											
Freehold Land	453.22	-	-	453.22	-	-	-	-	453.22	453.22	
Leasehold Land	140.42	_	_	140.42	52.53	_	2.63	55.16	85.26	87.89	
Factory Buildings	4222.22	1831.39	-	6053.61	1693.38	-	150.99	1844.37	4209.24	2528.84	
Non Factory Buildings	3096.63	868.87	2.27	3963.23(b)	1187.37	0.67	68.53	1255.23	2708.00	1909.26	
Railway Sidings	2394.59	-	-	2394.59(f)	1723.03	-	54.13	1777.16	617.43	671.56	
Plant & Machinery	72395.65	75155.98	174.79	147376.84(f)	40625.35	121.60	4964.58	45468.33	101908.51	31770.30	
Furniture, Fixtures											
& Office Equipments	1637.95	149.38	16.13	1771.20	910.64	9.96	99.61	1000.29	770.91	727.31	
Vehicles	605.11	104.78	45.13	664.76	434.83	30.12	43.72	448.43	216.33	170.28	
	84945.79	78110.40	238.32	162817.87	46627.13	162.35	5384.19	51848.97	110968.90	38318.66	
Intangible Assets											
Specialised Software	247.59	-	-	247.59	45.16	-	105.81	150.97	96.62	202.43	
Mining Rights	-	626.00	-	626.00	-	-	62.60	62.60	563.40	_	
	247.59	626.00	-	873.59	45.16	-	168.41	213.57	660.02	202.43	
	85193.38	78736.40	238.32	163691.46	46672.29	162.35	5552.60	52062.54	111628.92	38521.09	
Capital work in Progress	63485.55	17760.84	75900.23	5346.16(c)	_	-	_	-	5346.16	63485.55	
Expenditure on expansion / New											
Projects pending allocation (Refer											
Note No.19 on schedule 24)	2381.01	1141.53	3191.06	331.48	-	_	-	-	331.48	2381.01	
Total	151059.94	97638.77	79329.61	169369.10(a)	46672.29	162.35	5552.60(e)	52062.54	117306.56	104387.65	
Previous Year's Total	96963.25	59553.90	5457.21	151059.94	43527.83	379.74	3524.20	46672.29	104387.65		

- Notes:
 (a) Includes assets held in Joint Ownership with others Rs. 181.01 lacs (Rs.180.78 lacs), which have been charged against the amount payable as rent for the land and proportionate share of expenses.
 (b) Includes Rs. 79.87 lacs (Rs. 79.87 lacs) in respect of a flat where registration in the Company's name is pending.
 (c) Includes Advances Rs. 514.27 lacs (Rs.1052.05 lacs) and materials at site & in transit.
 (d) Land, Buildings and Plant & Machinery of the Paper units at Amlai & Brajrajnagar, Cement unit at Devapur, 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 depreciation Rs. 296.97 Lacs (Rs.300.88 lacs) on assets at Brajrajnagar unit, where manufacturing operations were not carried on during the year.
- (f) Includes Rs. 487.68 lacs (Rs.487.68 lacs) [written down value Rs. Nil (Rs.Nil)] being the value of Fixed Assets not owned by the Company

(Rs. in lacs)

				(RS. III IaCS)
	No of	Face Value	31st March, 2010	31st March, 2009
	Shares	per share (Rs.)		
SCHEDULE 7 INVESTMENTS (AT COST)				
LONG TERM INVESTMENTS				
Trade Investments				
Unquoted				
Government Securities :				
6 Year National Savings Certificates			0.78	0.78
OTHER THAN TRADE (Fully Paid Up)				
Quoted				
Equity Shares				
Tungabhadra Industries Ltd.	24800	10	0.77(c)	0.77(c)
	(24800)			
Orissa Textiles Mills Ltd.	200	10	0.02(c)	0.02(c)
	(200)			
Hyderabad Industries Ltd.	906360	10	127.12	127.12
	(906360)			
Century Textiles & Industries Ltd.	1545140	10	6.73	6.73
	(1545140)			
			134.64	134.64
Unquoted				
Equity Shares				
Panafrican Paper Mills (E.A.) Ltd. (Valued at the rate of				
exchange prevailing on the date of payments or allotments)	17399667	20 K.SH	413.92(c)	413.92(c)
	(17399667)			
Birla Buildings Ltd.	30000	10	3.01	3.01
	(30000)			
GMMCO Ltd.	5775	10	53.64(c)	53.64(c)
	(5775)			
			470.57	470.57
Investment Property (e)				
At cost			809.61	809.61
Less : Accumulated Depreciation			70.33	59.62
			739.28	749.99
CURRENT INVESTMENTS (Other than trade)				
Unquoted				
Units Of Mutual Fund				
Baroda Pioneer Treasury Advantage Fund				
- Institutional Daily Dividend	37975063.57	10.0091	3800.96	_
motitational bany bividena	(-)	10.0031	0000.30	
			5146.23	1355.98
Less : Provision for Diminution in the Value of Investments			438.93	438.93
2000 . 1 Toyloloff for Diffill dutoff fit the Value of HIVestiffents			4707.30	917.05
Aggregate amount of Investments (Net of provisions) :			7707.30	317.03
Quoted			133.85	133.85
Unquoted			3834.17	33.21
Investment Property			739.28	749.99
Market Value of Quoted Investments			13081.39	4441.31
Market value of Manter Hisestille 1172			13001.39	4441.31

Notes

- (a) Government Securities of the Face Value of Rs.0.78 lac (Rs.0.78 lac) are lodged with Government Departments as Security Deposits.
- (b) Government Securities include Rs. 0.73 lac (Rs.0.56 lac) matured but pending encashment.
- (c) Indicates Securities where provision towards diminution in the value of Investments has been made.
- (d) Besides the above, investments aggregating to Rs. 89840.00 lacs (Rs. 60095 lacs) in Daily Dividend Plan of mutual funds have been purchased & sold during the year.
- (e) The Company alongwith other co-owners, has developed a plot of land and constructed a building thereon at 25, Barakhamba road, New Delhi, where the Companies share is 15%. The registeration of the said plot of land of the value of Rs. 432.94 lacs (Rs. 432.94 lacs) in the name of the Company is still pending.

	31st March, 2010	31st March, 2009
SCHEDULE 8 INVENTORIES		
At lower of Cost and Net Realisable value		
Stores, Chemicals & Spare Parts etc.	5,598.12	4414.92
Raw Materials & Components	2,806.04	3326.71
Work-in-progress	2,994.89	969.62
Finished Goods	2,974.50	1618.38
Trading Goods	548.94	540.96
Trial Run Stock of Tissue Paper Plant		
Work-in-progress	_	6.73
Finished Goods	_	21.56
At Estimated Realisable value		
By-Products	3.57	1.62
Scrap	104.87	98.19
	15030.93*	10998.69

^{*} Including in transit Rs. 297.32 lacs (Rs. 297.16 lacs) & materials lying with third parties / in bond Rs. 499.36 lacs (Rs. 265.54 lacs).

	31st March, 2010	31st March, 2009
SCHEDULE 9 SUNDRY DEBTORS		
Considered Good except stated otherwise		
(a) Debts outstanding for a period exceeding six months		
Secured	36.54	9.74
*Unsecured	304.87	164.70
	341.41	174.44
(b) Other Debts:		
Secured	1777.43	1625.64
Unsecured	16475.82	12503.13
	18253.25	14128.77
	18594.66	14303.21
Less: Provision for doubtful debts	154.66	112.17
	18440.00	14191.04

^{*} Includes Considered doubtful Rs 154.66 lacs (Rs.112.17 Lacs).

	31st March, 2010	31st March, 2009
SCHEDULE 10 CASH & BANK BALANCES		
Cash-on-hand {including Cheques in hand Rs 1994.33 lacs (Rs. 1316.16 lacs)}	2085.36	1327.80
With Scheduled Banks on :		
Current Accounts [including Rs 6.92 lacs (Rs.7.99 lacs) in earmarked accounts]	2530.33	1707.50
Fixed Deposit Account	12.60	312.44
Unpaid Dividend Account	42.77	32.95
Savings Bank Account	0.87	0.11
In Post Office Savings Bank Account	0.06	0.82
	4671.99*	3381.62

^{*} Receipts / Pass Books for Rs. 13.03 lacs (Rs.14.28 lacs) are lodged with Government Departments / Banks as security and includes Fixed deposits matured but pending encashment Rs. 1.29 lacs (Rs 5.29 lacs).

	31st March, 2010	31st March, 2009
SCHEDULE 11 OTHER CURRENT ASSETS		
Interest accrued on Investments	1.11	0.14
Interest accrued on Loans, Debts, Deposits etc.	61.54	63.35
Export Benefit Receivable	169.63	128.72
Certified Emission Reduction Credit	732.35	767.92
	964.63	960.13

	31st March, 2010	31st March, 2009
SCHEDULE 12 LOANS AND ADVANCES		
Unsecured, Considered Good except stated otherwise		
Loans:		
Bearing Interest	6.16	6.59
Not Bearing Interest	2.00	2.00
	8.16	8.59
Advances:		
Advances recoverable in cash or in kind or for value to be received or pending adjustments	1957.60	2054.97
MAT Credit Entitlement	3310.00	_
Balance with Excise, Customs, Port Trust and Other Government Authorities	2548.37	4275.01
Deposits against Demands under dispute	487.05	459.02
Trade & Other Deposits	2337.57	2306.49
Claims & Refunds receivable	136.49	76.65
	10777.08*	9172.14
Less : Provisions	60.19	49.79
	10716.89	9122.35
	10725.05	9130.94
* Includes Considered doubtful as follows :		
Advances recoverable in cash or in kind or for value to be received or pending adjustments	13.19	12.79
Balance with Excise, Customs, Port Trust and Other Government Authorities	13.98	13.98
Claims & Refunds Receivable	23.02	_
Trade & Other Deposits	10.00	23.02
	60.19	49.79
	Rs. in lacs	Rs. in lacs
Note : The above includes :		
Amount due from Officers of the Company	1.30	0.04
Maximum amount due at any time during the year	23.27	24.39



	31st March, 2010	31st March, 2009
SCHEDULE 13 CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Acceptances	358.19	770.96
Sundry Creditors for Goods, Services, Expenses etc.		
Due to Micro & Small Enterprises	1140.68	511.89
Due to others	17589.49	15252.10
Book Overdraft with a Scheduled bank	-	294.33
Advances against Sales	1384.60	934.83
Other Liabilities	2465.86	1707.59
Interest accrued but not due on Loans	476.08	479.25
Preference Shares Redemption Amount	5.60	5.60
Investor Education and Protection Fund*		
Unpaid Dividend	42.77	32.95
	23463.27	19989.50
* Not yet Payable		
B. Provisions		
Gratuity	1876.78	1717.84
Leave Encashment	592.76	510.17
Warranty Claims	618.02	370.45
Mining Restoration Costs	38.20	38.20
Taxation (Net)	1559.15	1261.46
Fringe Benefit Tax (Net)	3.75	2.34
Proposed Dividends	2899.27	2893.30
Tax on Proposed Dividends	481.54	491.72
	8069.47	7285.48
	31532.74	27274.98

	31st March, 2010	31st March, 2009
SCHEDULE 14 MISCELLANEOUS EXPENDITURE		
(To the extent not written off / adjusted)		
Deferred Revenue Expenditure		
Voluntary Early Retirement Schemes	-	232.06
	-	232.06

SCHEDULE 15 SALES * Finished Goods 166050.84 164574.98 Semi Finished Goods 3238.06 - Trading Goods 10137.16 7204.70 Less: Cash Discount, Rebate etc. 4066.70 3550.16 Miscellaneous 1495.03 1414.10			(1101 111 1400)
* Finished Goods 166050.84 164574.98 Semi Finished Goods 3238.06 Trading Goods 10137.16 7204.70 Less: Cash Discount, Rebate etc. 4066.70 3550.16 Miscellaneous 1495.03 1414.10		2009-2010	2008-2009
Semi Finished Goods 3238.06 Trading Goods 10137.16 7204.70 Less: Cash Discount, Rebate etc. 179426.06 171779.68 Miscellaneous 175359.36 168229.52 Miscellaneous 1495.03 1414.10	SCHEDULE 15 SALES		
Trading Goods 10137.16 7204.70 179426.06 171779.68 Less: Cash Discount, Rebate etc. 4066.70 3550.16 175359.36 168229.52 Miscellaneous 1495.03 1414.10	* Finished Goods	166050.84	164574.98
Less : Cash Discount, Rebate etc. 179426.06 171779.68 Less : Cash Discount, Rebate etc. 4066.70 3550.16 175359.36 168229.52 Miscellaneous 1495.03 1414.10	Semi Finished Goods	3238.06	_
Less : Cash Discount, Rebate etc. 4066.70 3550.16 175359.36 168229.52 Miscellaneous 1495.03 1414.10	Trading Goods	10137.16	7204.70
Miscellaneous 175359.36 168229.52 4141.10 1495.03 1414.10		179426.06	171779.68
Miscellaneous 1495.03 1414.10	Less : Cash Discount, Rebate etc.	4066.70	3550.16
		175359.36	168229.52
176854.39 169643.62	Miscellaneous	1495.03	1414.10
		176854.39	169643.62

^{*}Including export incentives Rs.417.00 lacs (Rs.292.38 lacs).

	2009-2010	2008-2009
SCHEDULE 16 OTHER INCOME		
Income from Long Term Investments :		
Interest on Government Securities (Trade)	-	0.03
Dividends (Other than Trade)	215.61	115.80
Rental Income (Gross) {(Tax at Source Rs.35.31 lacs) (Rs. 55.73 lacs)}	194.45	266.83
Income from Current Investments :		
Dividends from Mutual funds (Other than trade)	246.10	267.08
Surplus on Sale of units of Mutual funds (Other than trade)	-	5.20
Interest on Debts, Deposits, Advances etc.(Gross) [Tax at source Rs 21.15 lacs (Rs. 26.89 lacs)]	159.85	159.82
Insurance & Other Claims	46.29	4.91
Rent & Hire Charges	21.99	19.20
Certified Emission Reduction Credit	-	767.92
Gain on Exchange Rate Fluctuations (net)	-	199.24
Provision for Diminution in the value of Long Term Investments written back (Non Trade)	-	13.43
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	367.31	257.77
Miscellaneous Receipts	221.93	264.18
	1473.53	2341.41
Less: Service Tax (on rent)	14.66	23.18
	1458.87	2318.23

		(NS. III Iacs
	2009-2010	2008-2009
SCHEDULE 17 DECREASE/(INCREASE) IN STOCKS		
Opening Stock :		
Finished goods	1618.38	1311.93
Trading goods	540.96	330.23
Work-in-Progress	969.62	1492.44
By - Products	1.62	
Scrap	98.19	53.90
облар	3228.77	3188.50
Add: Trial run stocks (Refer Note No. 19 on Schedule 24) Tissue Paper Plant as on 31-08-2009	0220.77	0100.00
Finished goods	65.21	_
Work-in-Progress	5.72	_
	70.93	_
Cement Plant as on 8th September ,2009		
Work-in-Progress	387.54	_
CFL Plant as on 14th March ,2009		
Work-in-Progress	_	4.79
Add: Stocks of Chemical Unit transferred as on 1st October, 2008		
Finished goods	_	299.63
Work-in-Progress	_	32.66
By - Products	_	5.21
	_	337.50
	3687.24	3530.79
Less : Closing Stock		
Finished goods	2974.50	1618.38
Trading goods	548.94	540.96
Work-in-Progress	2994.89	969.62
By - Products	3.57	1.62
Scrap	104.87	98.19
	6626.77	3228.77
	(2939.53)	302.02

	2009-2010	2008-2009
SCHEDULE 18 RAW MATERIALS CONSUMED		
Opening Stock	3326.71	3475.27
Add: Purchases & Procurement Expenses / Job Charges		
[inclusive of Royalty & Cess Rs1352.85 lacs (Rs. 1347.50 lacs)]	48445.79	36927.72
Add: Stock of Chemical unit transferred as on 1st October, 2008	_	88.71
	51772.50	40491.70
Less : Sales	853.76	285.90
Claims & Sundry Realisations	_	0.91
Closing Stock	2806.04	3326.71
	3659.80	3613.52
	48112.70	36878.18

01		(Rs. in lacs)
	2009-2010	2008-2009
SCHEDULE 19 MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Stores, Chemicals & Spare Parts etc. consumed, after adjusting		
Sales & Claims Rs 476.33 lacs (Rs. 213.92 lacs)	5428.33	7253.45
Power & Fuel	26797.03	21463.40
Rent & Hire Charges	597.35	431.00
Repairs & Renewals :	037.00	101.00
Buildings	430.53	490.37
Machinery	3452.95	2332.91
Payments to and Provisions for employees :	3 102.33	2002.31
Salaries, Wages, Bonus etc.	8023.98	6774.33
Contribution to Provident & Other Funds	769.52	659.51
Gratuity	547.30	274.68
Employees' Welfare Expenses	1055.10	896.76
	10395.90	8605.28
Handling & Other charges to Contractors	1681.63	1344.88
Insurance	194.03	115.35
Rates & Taxes	262.76	295.68
Packing, Freight & Forwarding charges	18866.26	18840.75
Commission on Sales (Other than sole selling agent)	870.68	574.41
Auditors' Remuneration :	0/0.00	3/4.41
As Auditors	40.03	35.58
For Tax Audit	10.50	10.58
	34.19	29.05
In other Capacity for Certificates and Other Services		6.26
Reimbursement of Expenses etc. Cost Auditors' Remuneration :	4.94	0.20
	0.00	1.00
As Auditors	0.90	1.80
Reimbursement of Expenses	0.09	0.19
Charity & Donations	216.57	75.10
Loss on Exchange Rate Fluctuations (Net)	33.68	
Loss on Fixed Assets Sold and /or Discarded (Net)	44.54	62.44
Sundry Debit balances written off	7.03	2.80
Deferred Revenue Expenditure written off	232.05*	311.94
Sales-tax, Surcharge and Turnover-tax etc.	22.48	31.09
Bad Debts, Irrecoverable Claims and advances written off	32.42	35.04
Less : Adjusted against provision	16.59	6.59
	15.83	28.45
Advertisement & Sales Promotion	2970.95	1563.96
Warranty Claims	1121.85	543.29
Less : Utilisation against provision	255.32	62.42
	866.53	480.87
Provision for Doubtful Debts, Loans, Claims & Advances	79.11	130.52
Miscellaneous Expenses (including Directors' Travelling Rs.20.16 lacs (Rs.24.36 lacs)	3736.50	3567.90
	77293.37	68086.01

 $[\]ensuremath{^{\star}}$ Represents amortisation of payments under voluntary early retirement scheme.

(Rs. in lacs)

2009-2010	2008-2009
143.29	150.00
72.00	60.00
19.44	16.20
62.58	51.08
154.02	127.28
10.20	12.03
307.51	289.31
	72.00 19.44 62.58 154.02 10.20

^{*} Excluding taxable value of certain perquisites Rs.22.21 lacs (Rs. 18.30 lacs).

Note: As the provision for gratuity and leave encashment made on an actuarial basis for the Company as a whole, the amount pertaining to the Managing Director is not included above.

	2009-2010	2008-2009
SCHEDULE 21 INTEREST		
At Debit		
On Fixed Loans	1480.83	1530.82
On Debentures	2241.73	1198.45
To Banks & Others	616.70	854.09
	4339.26	3583.36
Less : Capitalised	885.99	1512.97
	3453.27	2070.39

	2009-2010	2008-2009
SCHEDULE 22 DEPRECIATION / AMORTISATION		
On Fixed Assets	5552.60	3524.20
On Investment property	10.71	11.02
	5563.31	3535.22
Less: Transfer from Revaluation Reserve	61.31	62.06
	5502.00	3473.16

	2009-2010	2008-2009
SCHEDULE 23 EXCEPTIONAL ITEMS		
Irrecoverable Loans, Debts and Advances written off	_	4,838.56
Less : Adjusted against provision	_	813.32
	_	4,025.24
Water Tax for earlier years	_	840.64
	_	4865.88

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

Notes to the Consolidated Financial Statements of Orient Paper & Industries Limited and its subsidiary for the financial year 2009-10

1. Principles of consolidation

- i) The Consolidated Financial Statements relate to Orient Paper & Industries Ltd. and its Subsidiary, and have been prepared on the following basis:
 - a) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit / loss included therein.
 - (b) The excess/shortfall of cost to the Company of its investments in the subsidiary company as on the date of investment is recognized in the financial statements as goodwill/capital reserve as the case may be.
 - c) The subsidiary company considered in the financial statements is as follows:

Name	Country of	% of Voting power
	Incorporation	as on 31.03.2010
OPI Export Ltd.	India	100

Air Conditioning Corporation Limited, a wholly owned subsidiary Company has been merged with the Company with effect from 1st April, 2009 as stated in Note no. 5 below.

- ii) In terms of Accounting Standard 27- "Financial Reporting of Interests in Joint Venture" issued by the Institute of Chartered Accountants of India, the Company's proportionate share of interest (29.34%) in assets, liabilities, income, expenses etc. in the joint venture company Pan African Paper Mills Ltd., Kenya have been consolidated in the consolidated financial statements as separate line items up to 31st March, 2008. However, the proportionate interest have not been consolidated thereafter, due to the reasons mentioned in Note no.8 below. Hence, the accounting policies / disclosures with respect to the said Joint Venture Company have not been given in these accounts.
- iii) The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

2. Statement of Significant Accounting Policies

i) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operation during the reporting year end. Although these estimates are based upon management best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Revenue from sale of goods and services rendered is recognised upon passage of title and rendering of services to the customers.
- b) Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Income from certified emission reduction (CER) credits is recognized at estimated realisable value on confirmation of CERs by the concerned authorities.
- e) Insurance & other claims/ refunds, due to uncertainty in realisation, are accounted for on acceptance/actual receipt basis.

iv) Fixed Assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation/amortisation and impairment, if any. Cost comprises the purchase price inclusive of duties (net of cenvat / VAT), taxes, incidental expenses and erection / commissioning expenses etc. upto the date the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the valuer is considered in the accounts and the differential amount is transferred to revaluation reserve.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

v) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the 'net selling price' and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

vi) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined. Investment in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.

Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year.

vii) Depreciation

- a) The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- b) Depreciation on fixed assets is provided under Straight Line Method (except for furniture, fixtures and vehicles valuing Rs. 1338 lacs (Rs.1261.72 lacs) where Written Down Value method is followed) at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at the rates based on the useful lives of the assets estimated by the management, whichever is higher.

As per the above policy, depreciation on the following assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV.

	Estimated Useful Life
Non-Factory Buildings (Chemical unit)	26-55 Years
Plant & Machinery: (")	
Mercury Cell Division	3.5 years
Other Plant & Machinery	1-17 years
Moulds & Dies (Electrical Consumer Durables Division)	3 years
Mist Chamber (Paper Plant)	8 years

- c) Depreciation on revalued assets is provided at the rates specified under section 205 (2)(b) of the Companies Act, 1956 or at the rates based on the useful life of the assets estimated by the management, whichever is higher.
- d) Depreciation on fixed assets added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.
- e) Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.
- The value of assets not owned by the Company is depreciated over a period of 5 years which is higher than the rates prescribed in Schedule XIV of the Companies Act, 1956.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

- g) Intangible assets being Specialized Software and Mining Rights are amortised on a straight line basis over a period of 3 years and 10 years respectively.
- n) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

viii) Investments

- a) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- b) Investment property being long term investment is considered at cost less accumulated depreciation, unless there is a decline in the value other than temporary, in which case, adequate provision is made against the diminution. Depreciation is provided under Straight Line Method (except for furniture & fixtures Rs.30.01 lacs (Rs. 30.01 lacs) where Written Down Value method is followed), at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at the rates based on the useful life of the assets estimated by the management, whichever is higher.

ix) Inventories

Raw Materials and stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Work-in progress and finished goods are valued at lower of cost and net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

By- Products are valued at estimated realizable value.

Cost of inventories is computed on annual weighted average/ transaction moving weighted average method.

Saleable scrap, whose cost is not identifiable, is valued at estimated realisable value.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

x) Research & Development Costs

Research costs are expensed as and when they are incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sale it;
- Its ability to use or sale the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sale the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project i.e. over their estimated useful lives of ten years on a straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

xi) Retirement and other employee benefits

- a) Provident Fund and Superannuation Schemes are defined contribution schemes and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. The Company has no obligations other than the contributions payable to the respective PF & Pension authorities / funds.
- b) Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per the projected unit credit method at the end of each financial year.
- d) Actuarial gain/losses are immediately taken to profit & loss account and are not deferred.
- e) Future monthly installments payable under Voluntary Early Retirement Scheme in respect of the employees who opted for the said scheme and due beyond 12 months, is discounted to its net present value.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

xii) Earning per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividend relative to fully paid equity shares during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

xiii) Excise Duty & Custom Duty

Excise duty on Finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

xiv) Shares/ Debentures Issue Expenses

Shares/Debentures issue expenses including redemption premium are adjusted against Securities Premium Account.

xv) Borrowing Costs

Borrowing costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xvi) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realized. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unabsorbed deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes- down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write- down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during specified period.

xvii) Derivative Instruments

As per the announcement made by the Institute of Chartered Accountants of India, Derivative contracts, other than those covered under AS-II, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on an underlying hedge item, is charged to the Income statement. Net gains are ignored as a matter of prudence.

xviii) Segment Reporting

a) Identification of segments:

The Company has identified that its business segments are the primary segments. The Company's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that offers different product/services and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

b) Allocation of Common Costs:

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated".

The accounting policies adopted for segment reporting are in line with those of the Company.

xix) Leases

a) Finance Lease:

Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to expenses.

Lease assets capitalized are depreciated over the shorter of the estimated useful life of the asset and the lease term.

b) Operating Lease:

Where the Company is Lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit & Loss Account on a Straight Line basis over the lease term. Costs including depreciation are recognized as expenses in the Profit & Loss Account. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Profit & Loss Account.

Where the Company is a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a straight line basis over the lease term.

xx) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all the attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters contribution are credited to Capital Reserve and treated as a part of Shareholders fund.

xxi) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xxii) Cash & Cash Equivalents

Cash & Cash equivalent in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

		31st March, 2010	31st March, 2009
3.	Estimated amount of contracts remaining to be executed on		
	Capital Account and not provided for (net of advances)	3169.89	3575.73

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

		31st March, 2010	31st March, 2009
Cor	ntingent Liabilities not provided for in respect of:		
a)	Outstanding bank guarantees	1830.66	687.98
b)	Demands/claims by various Government authorities and others		
	not acknowledged as debts and contested by the Company:		
	a) Excise Duty	1928.81	1378.55
	b) Sales Tax	883.85	878.82
	c) Income Tax	145.20	_
	d) Water Tax	15257.03	11408.25
	e) Others	2956.91	2848.80
		21171.80*	16514.42
Aga	inst the above, payments have been made under protest and/		
or c	debts have been withheld by respective parties.	487.05	459.02

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

 Amount unascertainable
- (d) The Company has filed a writ petition in the High Court of Jabalpur, contesting the order of Commissioner Commercial Tax in the case of IOC Ltd regarding taxability of furnace oil at par with diesel. Pending final disposal of this matter, the Company is unable to ascertain the impact of the order, if any, on the accounts of the Company.
- * 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 thereagainst is considered necessary.
- 5 a) Pursuant to the Scheme of Amalgamation as approved by the shareholders the Company and the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) by an order dated 12th March 2010, all the assets and liabilities of Air conditioning Corporation Ltd. (ACCL), a wholly owned subsidiary of the Company, have been transferred to and vested in the Company from 1st April, 2009 at their book values.
 - b) The Amalgamating Company (ACCL) is engaged in the business of manufacture and sale of Industrial Blowers and Air Pollution Control Equipments.
 - c) The Amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India.
- **6.** Charity & Donations includes Rs. 100 lacs (Rs. Nil) paid to All India Congress Committee and Bhartiya Janata Party (Rs. 50 lacs each) for political purposes.
- 7. Lease agreements for assets aggregating to Rs. 500 lacs have already expired, but these assets are yet to be formally transferred to the Company by the lessor, pending compliance of the necessary formalities. However, these assets are in physical possession of the Company.
- **8.** The Company has 29.34% share of interest valuing Rs. 413.92 lacs in its Joint Venture Company namely Pan African Paper Mills (EA) Limited, Kenya which is engaged in the manufacturing of Paper.
 - However, the Company's proportionate interest in the said Joint Venture's assets, liabilities, income, expenses etc. for the year ended 31st March, 2010 have not been proportionately consolidated in these accounts since the accounts of the Joint Venture Company for the above period are not available due to suspension of operations since 30th January, 2009.
- 9. Against the demand for Water Tax from The Water Resources Department of the Govt. of Madhya Pradesh aggregating to Rs. 14430.11 lacs including compounded interest and penalty upto 31st March, 2010, provision has been made on the basis of liability admitted by the company since the demand continues to be stayed and is under reconsideration by the Govt. of Madhya Pradesh. Out of the above demand, the Company has provided Rs. 1049.08 lacs (including Rs. 115.03 lacs during the year) and the balance demand amounting to Rs. 13381.03 lacs has been shown as contingent liability.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

10. a) The break-up of net deferred tax liability as on 31st March 2010 is as under:

(Rs. in lacs)

		2009-2010	2008-2009
A.	Deferred tax liability:		
	Timing difference in depreciable assets	13133.54	6778.28
В.	Deferred tax asset :		
	Expenses allowable against taxable income in future years	2105.73	1760.72
	Net Deferred tax Liability (A - B)	11027.81	5017.56

b) In case of OPI Export, the subsidiary company, in view of substantial carry forward losses, Deferred Tax Asset has not been recognised.

11. Earnings per share (EPS)

In terms of Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the calculation of EPS is given below:

(Rs. in lacs)

	2009-2010	2008-2009
Profit as per Profit & Loss Account	15758.35	20241.30
Less : Preference Dividend for the year (including dividend tax)	7.00	35.62
	15751.35	20205.68
Weighted average number of equity shares	192884770	192884770
Nominal value of Shares (Re.)	1	1
Basic and diluted earning per share (EPS)	8.17	10.48

12. The movements in Provisions for 'Warranty Claims' and 'Mining Restoration Costs' during the year are as follows:

(Rs. in lacs)

	Opening	Additions	Amounts used	Amounts written	Closing
	Balance	during the year	during the year	back during the year	Balance
Provision for warranties	370.45	525.07	255.32	22.18	618.02
	(283.78)	(149.09)	(62.42)	(-)	(370.45)
Mining Restoration costs	38.20	_	_	_	38.20
	(38.20)	(-)	(-)	(-)	(38.20)
Total	408.65	525.07	255.32	22.18	656.22
	(321.98)	(149.09)	(62.42)	(-)	(408.65)

Provision for Warranty

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 most of the payments will occur in the next financial year and the entire provision will be utilized / incurred within two years of the Balance Sheet date, since the warranty period is generally for two years.

Provision for Mining Restoration Costs

The activities at the cement unit involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of Accounting Standard –29, the management has estimated such future expenses on best judgment basis and provision thereof has been made in the accounts.

13. Excise duty on stocks represents differential excise duty on opening and closing stock of Finished Goods.

14. Gratuity - Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

The following tables summarize the components of net benefit expenses recognized in the Profit & Loss Account and the funded status and amounts recognized in the Balance Sheet for the plan.

(Rs. in lacs)

		2009-2010	2008-2009
i)	Net Employee Expense /(benefit)		
	Current service cost	218.63	190.91
	Interest cost on benefit obligation	255.60	240.56
	Expected return on plan assets	(178.45)	(147.96)
	Net Actuarial (gain) /loss recognised in the year.	289.50	32.14
	Total employer expense recognised in Profit and Loss Account	585.28	315.65
ii)	Actual return on plan assets	160.11	131.43
iii)	Benefit Asset/(Liability)		
	Defined benefit obligation	(3967.57)	(3572.53)
	Fair value of Plan Assets	2090.79	1854.69
	Benefit Asset/(Liability)	(1876.78)	(1717.84)
iv)	Movement in benefit liability		
	Opening defined benefit obligation	3572.53	3140.03
	Add : Liability of Amalgamating company	19.00	317.74
	Total	3591.53	3457.77
	Interest cost	255.60	240.56
	Current service cost	218.63	190.91
	Benefits paid	(369.35)	(332.32)
	Actuarial (gains)/losses on obligation	271.16	15.61
	Closing benefit obligation	3967.57	3572.53
v)	Movement in fair value of plan assets		
	Opening fair value of plan assets	1854.69	1458.87
	Add : Fair Value of Plan Assets of Amalgamating company	17.74	175.56
	Total	1872.43	1634.43
	Expected Return on plan assets	178.45	147.96
	Actuarial gain / (loss)	(18.34)	(16.53)
	Contribution by employer	416.63	432.62
	Benefits paid	(358.38)	(343.79)
	Closing fair value of plan assets	2090.79	1854.69
vi)	The major categories of plan assets as a percentage of the fair value of total plan assets		
	Investments with insurer	100%	100%
vii)	The principal actuarial assumptions are as follows		
	<u> </u>	%	%
	Discount rate	7.5	7.5
	Salary increase	5	5
	Withdrawal rates	Varying between	2% per annum
		and 1% per annum depending	
		upto duration a	and age of the
		emplo	-
viii)	Amount incurred as expense for defined contribution plans		
		2009-10	2008-09
	Contribution to Provident / Pension fund	610.94	523.32

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

- ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- x) The Company expects to contribute Rs 440 lacs (Rs. 380 lacs) to Gratuity fund in 2010-2011.

(Rs. in lacs)

		2009-10	2008-09	2007-08	2006-07
xi)	Amounts for the current and previous				
	periods are as follows :				
	Gratuity				
	Defined Benefit Obligation	3967.57	3572.53	3140.03	3056.24
	Plan Assets	2090.79	1854.69	1458.87	580.86
	Surplus / (Deficit)	(1876.78)	(1717.84)	(1681.16)	(2475.38)
	Experience adjustments on plan liabilities	Not Available *			
	Experience adjustments on plan assets	Not Available *			

^{*} The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

- 15. a) Derivative Instrument outstanding as on the Balance Sheet date :
 - i) Forward contract in respect of foreign currency debtors of Nil (USD 0.52 million) and foreign currency creditors of JPY 6.16 million (JPY 5.80 million) and CHF 0.41 million (Nil).
 - ii) Cross Currency Swap of JPY/INR Rs. 2525.85 lacs (Rs. 2806.51lacs) and Rs. 907.16 lacs (Rs. 1077.97 lacs) in respect of loan with interest rate @ 6 months JPY Libor plus 1.5% vis- a- vis fixed rate of 8.35% and 8.25% respectively.
 - iii) Cross Currency Swap of USD/INR Rs. 9470 lacs in respect of loan with interest rate @ 3 months USD Libor plus 2.5% vis- a- vis fixed rate of 8.50%.
 - b) Foreign Currency exposures not hedged as on the Balance Sheet date:-Foreign Currency Debtors (including advances) and Creditors aggregating to Rs.908.41 lacs (Rs. 541.65 lacs) and Rs. 321.90 lacs (Rs. 332.79 lacs) respectively.

16. The Company's segment information as at and for the year ended 31st March, 2010 are as below:

. , ,								its. III lacs)			
	Paper Cement		nent	Electrical Consumer		Others		Tota	al		
					Durables						
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	
(a) Revenue *											
External Sales	23938.17	29000.47	89475.79	87174.67	48084.92	34142.62	476.58	518.26	161975.46	150836.02	
(Includes Export Incentives)											
Inter Segment Sales	-	-	-	-	-	-	-	1.11	-	1.11	
Total Revenue	23938.17	29000.47	89475.79	87174.67	48084.92	34142.62	476.58	519.37	161975.46	150837.13	
(b) Results											
Segment Results	(4312.47)	360.16	25390.60	34261.60	6174.52	3388.54	23.66	57.87	27276.31	38068.17	
Unallocated Income / (expenses)									(585.03)	(4752.57)	
(Net of unallocated expenses/income)											
Operating profit									26691.28	33315.60	
Interest Expenses									3453.27	2070.39	
Provision for Taxation									4780.65	10445.75	
MAT Credit Entitlement									3311.24	75.98	
Fringe Benefit Tax									-	162.44	
Deferred Tax									6010.25	471.70	
Net Profit									15758.35	20241.30	

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

16. The Company's segment information as at and for the year ended 31st March, 2010 are as below:

(Rs. in lacs)

	Paper Cement		Electrical Consumer Durables		Others		Total			
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
OTHER INFORMATION										
a) Total Assets										
Segment Assets	36763.59	35722.96	103147.08	89186.91	22841.00	17016.08	287.21	229.64	163038.88	142155.59
Unallocated Corporate / other Assets									8807.58	1811.53
									171846.46	143967.12
b) Total Liabilities										
Segment Liabilities	7904.88	7833.36	14269.46	13247.30	8466.04	5716.05	112.37	60.35	30752.75	26857.06
Unallocated Corporate/other Liabilities									63432.57	52033.41
									94185.32	78890.47
c) Capital Expenditure**	3271.16	12969.45	13115.81	39835.99	1761.33	1804.98	5.64	0.94	18153.94	54611.36
d) Depreciation/Amortisation ***	1888.26	1263.15	3267.53	1883.73	309.79	292.14	3.23	1.11	5468.81	3440.13
e) Geographical Segment										
i) Revenue *										
India									156113.04	145974.00
Overseas									5862.42	4862.02
									161975.46	150836.02
ii) Segment Assets										
India									170938.05	143425.47
Overseas									908.41	541.65
									171846.46	143967.12

^{*} Net of Excise Duty.

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.

Notes:

(i) Business Segment: The business segments have been identified on the basis of the products of the Company. Accordingly the Company has identified "Paper", "Cement" and "Electrical Consumer Durables" as the business segments:

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

Cement – Consists of manufacture and sale of cement.

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

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

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

^{**} Excluding Rs.393.54lacs (Rs. 24.28 lacs) being unallocated corporate / other assets.

^{***} Excluding Rs. 33.19 lacs (Rs. 33.03 lacs) on unallocated corporate/other assets

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

17. Related Party Disclosures

Pan African Paper Mills (E.A) Ltd.		
Mr. M.L. Pachisia		
Mr. V. Kishore		
Mr. B.S.Gilra		
Mr. S. B. Bhaiya		
Mr. N.K. Thusu (Upto 31st May, 2009)		
Mr. B. Pandey		
Mr. M.C.Gautam		
Origami Products		
Origami		
Origami Tissues		
Origami Enterprises		
Origami Industries		

Related party disclosure:

(b) Aggregated Related Party Disclosures as at and for the year ended 31st March 2010 (Transaction have taken place on arm's length basis)

(Rs. in lacs)

	Enterprises owned by Key Management Personnel or their relatives		Key Management Personnel		Total	
	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010
Sale of Goods						
- Origami Tissues	137.89 (232.16)	17.01 (27.08)	- (-)	- (-)	137.89 (232.16)	17.01 (27.08)
– Origami	141.22 (230.51)	14.43 (2.23)	- (-)	- (-)	141.22 (230.51)	14.43 (2.23)
- Origami Industries	61.59 (74.49)	2.15 (7.44)	- (-)	- (-)	61.59 (74.49)	2.15 (7.44)
- Others	71.77 (64.86)	13.71 (2.59)	_ (_)	- (-)	71.77 (64.86)	13.71 (2.59)
– Total	412.47 (602.02)	47.30 (39.34)	_ (-)	- (-)	412.47 (602.02)	47.30 (39.34)
Dividend Paid						
– Mr. M.L. Pachisia	- (-)	- (-)	0.55 (0.05)	- (-)	0.55 (0.05)	- (-)
Interest Income						
– Origami Tissue	0.50 (0.37)	- (-)	- (-)	- (-)	0.50 (0.37)	(–)
– Origami	1.42 (0.51)	_ (_)	_ (_)	- (-)	1.42 (0.51)	(<u>-</u>)
- Origami Industries	0.38 (-)	_ (_)	- (-)	- (-)	0.38 (-)	(-)
- Others	0.04 (-)	- (-)	- (-)	- (-)	0.04 (-)	- (-)
– Total	2.34 (0.88)	_ (_)	- (-)	_ (_)	2.34 (0.88)	(-)

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

Related party disclosure:

(b) Aggregated Related Party Disclosures as at and for the year ended 31st March 2010 (Transaction have taken place on arm's length basis)

(Rs. in lacs)

	Key Mar	Enterprises owned by Key Management Personnel or their relatives		Key Management Personnel		Total	
	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	Transaction Value	Balance Outstanding as on 31.03 2010	
Remuneration							
- Mr. M.L. Pachisia	-	-	154.02	-	154.02	-	
	(-)	(-)	(127.28)	(-)	(127.28)	(-)	
– Mr.B Pandey	_	-	39.68	-	39.68	-	
	(-)	(-)	(34.58)	(0.92)	(34.58)	(0.92)	
- Mr.N K Thusu (Upto 31-05-09)	_	_	5.32	-	5.32	-	
	(-)	(-)	(32.44)	(-)	(32.44)	(-)	
– Mr. S.B. Bhaiya	_	_	54.05	_	54.05	-	
	(-)	(-)	(43.33)	(-)	(43.33)	(-)	
– Mr.M.C.Gautam	_	_	41.96	_	41.96	-	
	(-)	(-)	(29.01)	(1.49)	(29.01)	(1.49)	
– Mr.B.S.Gilra	-	_	12.25	_	12.25	-	
	(-)	(-)	(4.91)	(0.20)	(4.91)	(0.20)	
– Mr.V. Kishore	_	_	29.96	_	29.96	_	
	(-)	(-)	(0.15)	(0.15)	(0.15)	(0.15)	
- Total	_	_	337.24	-	337.24	-	
	(-)	(-)	(271.70)	(2.76)	(271.70)	(2.76)	

18. Details of Research Cost

(Rs. in lacs)

	2009-2010	2008-2009
Revenue Expenditure	143.02	127.78

19. Details of Expenditure on Expansion/New Projects:

(Pending Allocation):-

(a) Pre-operative & Trial Run Expenses:

	2009-2010	2008-2009	
Raw Materials Consumed	137.14	27.91	
Stores & Chemicals Consumed	7.28	7.16	
Power & Fuel	118.77	50.38	
Rent & Hire Charges	20.21	12.69	
Salary & Wages	237.85	245.36	
Contribution to Provident & Other Funds	9.86	13.46	
Employees Welfare Expenses	15.97	14.73	
Insurance	60.06	43.30	
Rates & Taxes	0.13	0.34	
Packing, Freight & Forwarding charges	3.80	0.10	
Project Consultancy charges	0.09	15.47	
Interest on Fixed Loans	885.99	1512.97	
Commission on Sales	0.19	_	
Miscellaneous Expenses	328.64	302.30	
	1825.98	2246.17	

SCHEDULE 24 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

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

(a) Pre-operative & Trial Run Expenses (Contd.):

(Rs. in lacs)

	2009-2010	2008-2009
Less:		
Sales of Finished Goods	225.98	3.97
Work in Progress Stock of CFL Plant as on 14th March, 2009	_	4.79
Work in Progress Stock of Cement Plant as on 8th September, 2009	387.54	_
Stocks of Tissue Paper Plant as on 31st August, 2009:		
Finished Goods	65.21	21.56
Work in Progress	5.72	6.73
	684.45	37.05
Total	1141.53	2209.12
(b) Add:Balance brought forward from previous year	2381.01	247.94
(c) Less: Allocated to Fixed Assets during the year	(3191.06)	(76.05)
(d) Balance carried to Balance Sheet	331.48	2381.01

20. In case of assets given on lease

Operating Lease:

The Company has leased out certain buildings on operating lease. The lease term is for 1-3 years and thereafter renewable. There is escalation clause in the lease agreement. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancelable.

In case of assets taken on lease

Operating Lease:

Certain office premises, depots etc are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancelable.

(Rs. in lacs)

	For the year ended 31st March, 2010	
Lease payments made for the year	597.35	411.95
Contingent rent recognized in Profit & Loss Account	Nil	Nil

- 21. With respect to the subsidiary company namely OPI Export limited, in terms of the Order dated 20th July, 2006 of Hon'ble High Court of Delhi granting permission to the Receiver appointed by the Court to handover the possession of the flats to respective buyers, the Company had received possession of its flats at 20A, Friends Colony, New Delhi on 20th July, 2006. Thereafter, a review application filed by the builder, against the said order was also dismissed. Conveyance of the premises has not yet been signed. A suit has been filed against the owner and the builder for specific performance for signing the conveyance which is pending.
- 22. Figures in brackets are for previous year and previous year's figures have been regrouped and readjusted wherever necessary. Further, the current year's figures being inclusive of figures of chemical division for the full year as against part of the year included in previous year, are not comparable with the previous year's figures.

Signatures to Schedules '1' to '24'

As per our report of even date.

For S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Raj Agrawal

a Partner

Membership No. 82028

New Delhi

Dated: May 4, 2010

S. L. Saraf Secretary

P. K. Sonthalia President (Finance) and CFO

C. K. Birla Chairman

M. L. Pachisia Managing Director

Corporate information

Board of Directors

Shri C.K. Birla (Chairman)

Shri B.K. Jhawar

Shri P.K. Sen

Shri A. Ghosh

Mr. Michael Bastian

Shri M.L. Pachisia - Managing Director

Board Committees

Audit Committee

Shri A. Ghosh

Shri B.K. Jhawar

Shri P.K. Sen

Mr. Michael Bastian

Shareholders/ Investors Relation Committee

Shri P.K. Sen

Mr. Michael Bastian

Shri M.L. Pachisia

Remuneration Committee

Shri B.K. Jhawar

Shri P.K. Sen

Mr. Michael Bastian

Committee of Directors

Shri M.L. Pachisia

Shri B.K. Jhawar

Shri P.K. Sen

Auditors

M/s S.R. Batliboi & Co. Chartered Accountants 22, Camac Street, Block 'C', 3rd floor, Kolkata – 700 016.

Registered Office

Unit – VIII, Plot No. 7 Bhoinagar, Bhubaneshwar – 751 012 (Orissa).

Mills

- Brajrajnagar, Orissa
- Amlai, Madhya Pradesh
- Devapur, Andhra Pradesh
- Kolkata, West Bengal
- Faridabad, Haryana
- Jalgaon, Maharashtra

Share Transfer Agents

MCS Limited

77/2A Hazra Road, Kolkata – 700 029.



Orient Paper and Industries Limited

Registered office:

Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneshwar 751 012 (Orissa)

Principal office:

9/1 R. N. Mukherjee Road, Kolkata 700 001. Email ID: cosec@orientpaperindia.com