



Orient Paper & Industries Limited

Regd. Office : Unit VIII, Plot No.7, Bhoinagar, Bhubneswar - 751012 (Orissa)

NOTICE

TO
THE SHAREHOLDERS,

NOTICE is hereby given that a General Meeting of the Shareholders of ORIENT PAPER & INDUSTRIES LTD. will be held on Monday, the 18th November, 2013 at 12.30 p.m. at UNIT-VIII, PLOT NO.7, BHOINAGAR, BHUBANESWAR-751012 (ORISSA) to transact the following business:

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"Resolved that Pursuant to the provisions of Article 95 of the Articles of Association of the Company and Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government and such other approvals as may be required, Shri M.L. Pachisia be and is hereby reappointed as the Managing Director of the Company for a period of 1 year with effect from 23rd September, 2013 with liberty to either party to terminate the appointment on three months' notice in writing to the other at a remuneration and on terms set out below.

I.	Salary (Basic) per month	Rs.9,50,000/- per month.
II.	Other Allowances (per month)	Rs.1,75,000/- per month.
III.	Other reimbursements/Perquisites	
a)	Housing I	Expenditure by the Company on hiring furnished accommodation for the Managing Director subject to a maximum of 60% of the basic salary.
	Housing II	Or In case Company owned furnished accommodation is provided no allowances shall be paid.
	Housing III	Or In case no accommodation is provided by the Company, the Managing Director shall be entitled to 60% of the basic salary as and by way of House Rent Allowance.
b)	Medical Reimbursement	Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year.
c)	Leave	In accordance with the rules framed by the Company.
d)	Leave Travel Assistance	Reimbursement of expenditure incurred for the Managing Director and his family subject to a maximum of one months' salary.
e)	Club Fees	Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.
f)	Personal Accident Insurance	Premium not to exceed a sum of Rs. 4000/- per annum.

- g) Contribution to Provident Fund and Superannuation/Annuity Fund will be as per Scheme of the Company.
- h) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.
- i) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.

- j) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for Private purpose shall be billed by the Company to the Managing Director. If the Managing Director engages a driver, he will be reimbursed Rs.10000/- per month on account of Driving charges.
- IV. In addition to the above, the Board may at its discretion pay to the Managing Director other allowances, benefits, perquisites and ex-gratia amount not exceeding Rs.75,00,000/- per financial year.
- V. Minimum Remuneration: The remuneration as specified at Sl. Nos. I to IV above subject to the approval of the Shareholders and such other approvals as may be required shall continue to be paid to Shri M.L. Pachisia as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the tenure of his office.
- Shri M. L. Pachisia shall, subject to superintendence, control and directions of the Board of Directors, have the management of the whole or substantially the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board."

By Order of the Board
For ORIENT PAPER & INDUSTRIES LTD.

P.K. Sonthalia
President (Finance) & CFO

Kolkata, the 3rd October, 2013

Regd.Office:

Unit:VIII,Plot No.7

Bhoinagar

Bhubaneswar-751012 (Orissa)

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant share certificates to MCS Limited, Share transfer agents of the Company for their doing the needful.
3. Members are requested to notify change in address, if any, immediately to MCS Ltd., Share Transfer Agents of the Company, quoting their folio number.
4. In view of the provisions of Section 205A of the Companies Act, 1956, the unclaimed Dividends for the Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 will be transferred to the Investor Education and Protection Fund established by the Central Government in accordance with Section 205C of the Companies Act, 1956 if the same is not claimed within a period of seven years by the Shareholders. Shareholders who have not received and/or claimed the Dividends for the above years are requested to claim the same from the Company at the earliest.

In order to reduce usage of paper as a part of our ongoing efforts to save environment, we propose to send soft copies of annual reports and other communication to those shareholders who register their email addresses with us. To support this green initiative, we request to members who have not registered their e-mail addresses, so far, to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with MCS Ltd., 77/2A, Hazra Road, Kolkata-700 029 (e-mail : mcskol@rediffmail.com), the Registrar and Share Transfer Agents of the Company. Alternatively, you let us know your e-mail address by sending an email to cosec@orientpaperindia.com. Even after opting for the soft copies, you may still request the company for hard copies of annual reports and account and other communication.

We hope you will appreciate the need for saving paper and authorise the Company to send you soft copies of the above documents by email.

Explanatory Statement as required by section 102 of the Companies Act, 2013 (Erstwhile section 173 of the Companies Act, 1956).

It may be noted that pursuant to the resolution adopted by the Remuneration Committee and the Board of Directors of the Company at their respective meetings both held on 3rd September, 2013, Shri M. L. Pachisia was re-appointed as Managing Director of the Company for a further period of one year w.e.f 23rd September, 2013 on the terms and conditions as stated in the resolution subject to the approval of the Shareholders of the Company and of the Central Government.

The information required in terms of Part II, Section II-1(C) of Schedule XIII to the Act, is given below:

GENERAL INFORMATION:

(i) Nature of industry.

The Company was incorporated on July 25, 1936. The company is inter-alia engaged in the business of manufacture of Paper and Consumer Electrical goods. The Company has five manufacturing units located at Amlai (Madhya Pradesh), Brajrajnagar (Orissa), Kolkata (West Bengal), Faridabad (Haryana) and Noida (Uttar Pradesh). The Brajrajnagar unit is non-operational since 1999.

(ii) Date or expected date of commencement of commercial production.

The Company is in operation since the year 1936.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(iv) Financial performance based on given indicators.

(Rs. in crores)

As per Audited Financial Results for the year	2010-11	2011-12	2012-13
Paid up Capital	19.29	20.49	20.49
Reserve & Surplus	760.11	928.01	287.54
Profit & Loss Account	105.05	170.07	130.44
Revenue from Operations	1979.97	2490.64	1269.52
Other Income	16.67	22.29	17.67
Total Revenue	1996.64	2512.93	1287.19
Total Expenses	1787.13	2194.59	1332.51
Profit before Taxation	209.51	318.34	(45.32)
Tax Expenses/(Income) including Deferred Tax	66.41	106.07	(13.08)
Managerial Remuneration	1.96	2.90	2.66

(v) Export performance and net foreign exchange collaborations.

Earned: Rs. 10837.77 Lacs during the year 2012-13.

Used: Rs. 83.67 Lacs during the year 2012-13.

Net Foreign Exchange Earned: 10754.10 lacs as on 31.03.2013.

(vi) Foreign investments of collaborators, if any.

Nil.

INFORMATION ABOUT THE APPOINTEE:

(i) Background details.

Shri M.L. Pachisia, is a Commerce Graduate. He has over 50 years experience. Shri M.L. Pachisia was appointed as a whole time Director of the Company designated as Executive Director for a period of 5 years w.e.f 23.09.1997. Subsequently, he was re-designated as the Managing Director of the Company and from time to time re-appointed upon expiry of his term. Shri M.L. Pachisia is highly experienced and controls the affairs of the Company as a whole. He has successfully and in a sustained way contributed significantly towards improvement in performance of the Company leading to its successful turn around.

(ii) Past remuneration.

Shri M.L. Pachisia, Managing Director, received the following remuneration in the last three years.

	2010-11 (Rs.)	2011-12 (Rs.)	2012-13 (Rs.)
Salary & Allowances	98,40,000	1,12,33,333	1,36,20,000
Contribution to:			
Provident Fund	10,08,000	11,17,600	13,68,000
Superannuation Fund	12,60,000	13,97,000	17,10,000
Perquisites	75,33,874	1,52,92,169	99,49,989
Total	1,96,41,784	2,90,40,102	2,66,47,989

(iii) Recognition or awards.

Shri M. L. Pachisia, Managing Director, has been instrumental in getting various awards for the Company.

(iv) Job profile and his suitability.

Shri M. L. Pachisia has rich experience of over 50 years in managing and administering diverse type of businesses and controls the affairs of the company as a whole.

(v) Remuneration proposed.

As stated in the resolution to be adopted.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Shri M.L. Pachisia holds 36640 equity shares of the Company. He does not have any other pecuniary relationship directly or indirectly with Company. He does not have any relationship with the managerial personnel of the Company.

OTHER INFORMATION:

(i) Reasons for loss or inadequate profits.

Orient Paper and Industries Limited ("OPIL") was engaged inter-alia in the key business of manufacture and sale of cement, paper and electricals. In order to effectively and efficiently cater to the independent growth plans for cement business, it was proposed to de-merge the Cement Undertaking of OPIL into Orient Cement Limited in compliance with the provisions of Section 391 to Section 394 and other relevant provisions of the Act. Accordingly, the Honourable High Court of Orissa vide its Order dated July 27, 2012 read with Order dated February 23, 2013 sanctioned the Scheme of Arrangement amongst OPIL and Orient Cement Limited. The Company has made profit till 2011-12 due to very profitable performance of the Cement and Electrical business. However, the Paper business in recent years have been facing stiff challenges, since Indian Paper Industry has been passing through a very difficult phase due to huge cost increases and depressed market conditions. In addition, the Company had problems in functioning of its aging Captive Power Plant, which led to losses during the year 2012-13. Post demerger of Cement undertaking w.e.f. 01-04-2012, the Company's financial results for 2012-13 had a loss of Rs. 32.24 Crores.

(ii) Steps taken or proposed to be taken for improvement.

The Company has taken several initiatives and drawn up strategies for the two business divisions, Electricals and Paper businesses to turn the company into profit making. Some of the initiatives the company has taken, includes:

- We commissioned a new 55 MW captive power plant in December, 2012 in the Company's paper plant at Amlai, M.P. This is not only helping us to overcome the bottleneck of steam and power availability but also resulting in significant cost reduction.
- Our new 250 mn gallon water reservoirs are now fully operational, which is already helping us avoid any water shortage related shutdown.
- In order to ensure long-term raw material security, we have steadily increased our plantation initiatives using especially developed clones.
- Launched a wide range of Electrical/Household Electrical Appliances.
- The Company has decided to set up a LOW VOLTAGE SWITCHGEAR PROJECT with a capacity of 2 million Poles of MCB's at the Company's Electricals Division at Noida at an estimated capital outlay of Rs. 25 crores.

Accordingly, your Directors recommend the Special resolution stated in the notice for approval of the Members. Shri M.L. Pachisia is deemed to be concerned or interested in the resolution, which pertains to the remuneration to be paid to him. No other Director is in any way concerned or interested in the resolution.