



Orient Paper & Industries Limited

9/1, R.N. Mukherjee Road
Kolkata 700 001.

Phone: 30573700 / 30410900

Cable : ORIENPAPER

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SYNOPSIS OF SCHEME OF ARRANGEMENT

Rationale as provided in the Scheme:

- (i) Orient Paper and Industries Limited ("OPIL") is presently engaged inter-alia in the key businesses of manufacture and sale of cement, paper and electricals.
- (ii) In order to effectively and efficiently cater to the independent growth plans (both through organic and inorganic means) for each of the respective businesses of OPIL and its subsidiary, diversification and continuous funding support through equity and debt is imperative.
- (iii) Therefore, it has been proposed to re-organise the businesses of OPIL and its subsidiary in such a manner as to create a pure play cement company, facilitating greater efficiency in cash management and unfettered access to cash flow generated and thereby unlocking shareholder value.
- (iv) Accordingly, it is proposed to demerge the Cement Undertaking (as defined in the Scheme) of OPIL into Orient Cement Limited in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.
- (v) The demerger of the Cement Undertaking would increase potential for further growth and diversification to achieve better synergy and optimisation of resources as well as to facilitate cost-effective fund raising and development of the various undertakings of OPIL. Further, the demerger would facilitate the running of all the undertakings with a greater and focused approach to concentrate on its operations to its greater advantage while also providing an opportunity to optimally utilise assets within its control. Lastly, the demerger would not lead to starving of any business as the management is convinced of the growth and value creation potential of all undertakings of OPIL.
- (vi) The transfer and vesting of the Cement Undertaking into Orient Cement Limited with effect from the Appointed Date (i.e., April 1, 2012) is in the interest of the shareholders, creditors and all other stakeholders of all respective companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or general public at large. The restructuring under this Scheme would enable focused business approach for maximisation of benefits to all stakeholders and provide an opportunity for growth.

Details of the Scheme:

The salient features of the Scheme are as follows:

- (a) Part II, of the Scheme provides for the mechanics of transfer, by way of demerger of the Cement Undertaking from OPIL to Orient Cement Limited and issue of shares by Orient Cement Limited.
- (b) The Appointed Date under the Scheme is April 1, 2012 or such other date as may be approved by the Court.

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





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- (c) The Scheme approved by the Court shall be effective from the Appointed Date but shall be operative from
- (d) The Scheme further provides that in consideration of the demerger of the Cement Undertaking and transfer and vesting thereof with Orient Cement Limited, for every 1 equity share of face value of Re 1 held in OPIL, as on the Record Date (as defined in the scheme), every equity shareholder of OPIL shall without any application, act or deed, be entitled to receive 1 equity share of face value of ` 1 each of Orient Cement Limited, credited as fully paid-up.
- (e) Upon the coming into effect of this Scheme, the members of OPIL holding partly paid up equity shares shall be issued the same number of partly paid equity shares in Orient Cement Limited.
- (f) Pursuant to issuance of shares in accordance with the Scheme to the shareholders of OPIL and listing of said shares with stock exchanges, the promoters of OPIL shall become the promoters of Orient Cement Limited.
- (g) Orient Cement Limited will be listed on both BSE and NSE pursuant to receipt of approval from SEBI, BSE and NSE.
- (h) There will be no reduction / change in the capital of Orient Paper & Industries Limited in terms of the Scheme of Arrangement between Orient Paper & Industries Limited and Orient Cement Limited.

For ORIENT PAPER & INDUSTRIES LTD.


(P.K. SONTALIA)
President (Finance) & CFO