

October 17, 2016

BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Dear Sirs,

Sub: Outcome of the Board Meeting

Ref: Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable requirements of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September 2015 issued by Securities and Exchange Board of India

Please be informed that the Board of Directors of Orient Paper and Industries Limited ("**Company**") at its meeting held on 17 October 2016 has considered and approved the demerger of the consumer electric undertaking of the Company into Orient Electric Limited ("**Resulting Entity**"), the wholly owned subsidiary of the Company, to be implemented in terms of the scheme of arrangement ("**Scheme**") between the Company, Resulting Entity and their respective shareholders and creditors under Sections 391 – 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 ("**Proposed Demerger**"), as recommended by the Audit Committee of the Company.

The Proposed Demerger shall be subject to the approval / sanction of the Scheme by the High Court of Orissa and such other authorities, as may be necessary.

Pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") read with sub-para 1.3 of Para A.1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September, 2015 issued by Securities and Exchange Board of India, we hereby provide the following details of the Proposed Demerger:



Orient Paper and Industries Limited
Birla Building 13th fl, 9/1 RN Mukherjee Road, Kolkata 700001, India +91 033 30573700 Email:
info@orientpaperindia.com
Registered Office: Unit VIII, Plot No 7, Bhoinagar, Bhubaneswar 751012, India www.orientpaperindia.com
CIN: L21011OR1936PLC000117

1. Brief details of the division(s) to be demerged

The Company is engaged in 2 (two) distinct lines of business namely:

- (a) manufacture and distribution of paper and paper products such as writing paper, printing paper and tissue paper (collectively referred to as the "Paper Business"); and
- (b) manufacture and distribution of consumer appliances such as fans, lighting products, home appliances and switch gears (collectively referred to as the "Consumer Electric Business").

The Consumer Electric Business of the Company is proposed to be demerged into the Resulting Entity (which is a wholly owned subsidiary of the Company) pursuant to the Scheme.

2. Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year

- (a) The turnover of the demerged division is INR 1301.83 crores (Rupees one thousand three hundred one crore eighty three lac only)
- (b) Percentage of the turnover of the demerged division to the total turnover of the Company is 71.51%

3. Rationale for demerger

- (a) The nature of risk and competition involved in each of the Paper Business and Consumer Electric Business is distinct, necessitating different management approaches and focus. Moreover, the competitive dynamics of these businesses are also different.
- (b) The separation of the Consumer Electric Business, by way of this Scheme from the Company would lead to significant benefits for both businesses including:
 - enable a dedicated management focus and to accelerate growth of the Consumer Electric Business unlocking significant value for the shareholders of the Company; and
 - access to varied sources of funds for the rapid growth of both businesses.
- (c) With a view to achieve the aforesaid growth potential, the Company proposes to re-organise and segregate, by way of the Scheme, its business, undertaking and investments in the Consumer Electric Business.

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4. Brief details of change in shareholding pattern (if any) of all entities

There are only two entities involved in the Proposed Demerger:

- (a) The Company: There shall be no change in the shareholding pattern of the Company.
- (b) The Resulting Entity: Currently, the Company holds the entire share capital of the Resulting Entity. Therefore, the Resulting Entity is a wholly owned subsidiary of the Company. As consideration for the Proposed Demerger, the Resulting Entity shall issue and allot to each shareholder of the Company (whose name is recorded in the register of members and records of the depository as member of the Company, on the record date) 1 equity share of Re. 1/- (Indian Rupee One) each of the Resulting Entity, credited as fully paid up, for every 1 equity share of Re 1 (Indian Rupee One) each held by such shareholder in the Company. Simultaneously with such issuance, in the books of the Resulting Entity, all the shares issued by the Resulting Entity to the Company shall stand cancelled and extinguished. Post the Proposed Demerger, the shareholding pattern of the Resulting Entity shall mirror the shareholding pattern of the Company.

5. In case of cash consideration – amount or otherwise share exchange ratio

As consideration for the Proposed Demerger, the Resulting Entity shall issue and allot to each shareholder of the Company (whose name is recorded in the register of members and records of the depository as member of the Company, on the record date) 1 equity share of Re 1/- (Indian Rupee One) each of the Resulting Entity, credited as fully paid up, for every 1 equity share of Re 1 (Indian Rupee One) each held by such shareholder in the Company. There shall be no cash consideration.

6. Whether listing would be sought for the resulting entity

Yes, the shares of the Resulting Entity shall be listed on BSE Limited and the National Stock Exchange of India Limited.

This information is provided in compliance with Regulation 30 of the Listing Regulations.

Thanking you,

Yours faithfully,

For **ORIENT PAPER AND INDUSTRIES LIMITED**


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