

15th September 2016

The Secretary
Bombay Stock Exchange Limited.
Corporate Relationship Department, 1st floor
New Trading Ring, Rotunda Building P.J. Tower
Dalal Street, Fort, Mumbai-400001
Scrip no. 502420

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza., C-1, Block G, 5th floor
Bandra Kurla Complex
Bandra (E) Mumbai-400051
Scrip no. ORIENTPPR

Sub: Outcome of board meeting

Dear Sir/ Madam,

Pursuant to regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we hereby inform you that at the meeting of the board of directors held today:

1. Decided to raise capital through rights issue of equity shares of the Company for an amount aggregating to Rs. 50 crores at a ratio, price, record date and other matters to be fixed at a later date, subject to necessary approvals;
2. Accorded in-principle consent of the Board for vertical demerger of consumer electric business of the Company into a wholly owned subsidiary (to be incorporated), subject to the final approval of the Board of the proposed terms of the demerger.

A copy of the press release issued by the Company in this regard is attached herewith.

The meeting commenced at 11am and concluded at 1 pm..

Thanking you,
Yours faithfully,
For ORIENT PAPER & INDUSTRIES LTD.



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

Press Release

The Board of Orient Paper & Industries Limited (OPIL) at its meeting held on September 15, 2016 approved the issuance of fresh equity in the form of a Rights Issue aggregating Rs. 50cr. The board also gave its in-principle approval for the vertical demerger of its consumer electric division.

For the purpose of the Rights Issue, the Board has appointed a committee of directors to finalise, in consultation with the lead manager(s) and other advisors the letter of offer including the ratio and price at which the shares are to be offered on rights basis and take such other actions as may be necessary to obtain such approvals from all relevant authorities as required. Proceeds from the Rights Issue shall be used to reduce debt of OPIL and for general corporate purposes.

For the purpose of demerger, the Board has appointed a committee of executives ("Demerger Committee") to formulate and recommend to the Board at its next meeting a scheme of arrangement for the demerger in consultation with the merchant bankers and legal advisors.

The in-principle decision to demerge the electric division is to facilitate both paper and consumer electric businesses to focus on their core competencies and to pursue their independent strategies. The timing of the demerger coincides with the improvement in OPIL's Paper business performance and sustained steady performance of the consumer electric business.

The Demerger Committee appointed to formulate the demerger scheme will work on various aspects of the scheme including consultations with various stakeholders such as statutory auditors, lenders, legal counsel, independent valuer, merchant banker, etc. and present the final scheme to the Board.

OPIL operates a paper plant with a manufacturing capacity of about 85,000 tonnes per annum in writing and printing and Tissue paper segments at Amlai (Madhya Pradesh) and is in the process of expanding its tissue paper capacity by further 25000 tons per year, which is expected to be commissioned shortly.

OPIL is also a leading player in consumer electric products with strong presence in fans. Other products include lightings, appliances and switch gears. As a part of its growth strategy, OPIL is focussing on increasing its market presence in all consumer electric products.

For the year ending March 31, 2016, OPIL reported a total income of Rs 1,838 cr with PBIDT of Rs. 117 cr.

The Board has appointed HDFC Bank Limited as Financial Advisor and Khaitan & Co as Legal Counsel for the Transactions.

Orient Paper and Industries Limited

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CIN:121011OR1936PLC000117

