



IDBI Capital Markets & Securities Ltd.
(formerly known as IDBI Capital Market Services Limited)
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Ref: No. Inv Bk/CMG/AD/2016-17/147

Strictly Private & Confidential

Date: October 17, 2016

The Board of Directors
Orient Paper & Industries Limited
Birla Building
9/1 R. N. Mukherjee Road
Kolkata - 700 001

For ORIENT PAPER & INDUSTRIES LTD.

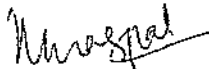

(R. P. DUTTA)
Company Secretary
ACS No. 14337

Dear Members of the Board:

Please find enclosed herewith, the Fairness Opinion as required pursuant to our Engagement Letter dated October 07, 2016.

Yours truly,

For IDBI Capital Markets & Securities Limited





Name: Monica Nagpal
Designation: Sr. Vice President

Enclosed: a/a





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Date: October 17, 2016

The Board of Directors

Orient Paper & Industries Limited

Birla Building

9/1 R. N. Mukherjee Road

Kolkata – 700 001

Dear Members of the Board:

Engagement Background

We understand that the Board of Directors of Orient Paper & Industries Limited is considering the demerger of "consumer electric division" of Orient Paper & Industries Limited (the "Demerged Company" or "OPIL") into a wholly owned subsidiary in the name of Orient Electric Limited (the "Resulting Company") through a Scheme of Arrangement under section 391-394 of the Companies Act, 1956 and other applicable provisions of the Companies Act 2013 (to the extent applicable).

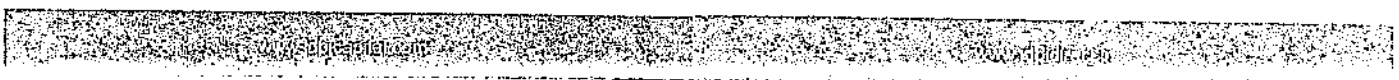
The scheme envisages demerger of the "consumer electric division" (the "Demerged Undertaking") of OPIL into Resulting Company as per terms and conditions more fully set forth in the scheme of Arrangement to be placed before the Board of their approval.

Orient Paper & Industries Limited has appointed NDA & Associates, Chartered Accountants ("NDA" or the "Valuer") to prepare a valuation report ("Valuation Report") and recommend a fair Entitlement ratio for distribution of equity shares of OPIL to the equity shareholders of Resulting Company. As per the Valuation Report dated October 17, 2016, the Valuer has recommended that in consideration of the demerger of the "consumer electric division" of Demerged Company into the Resulting Company pursuant to the draft Scheme of Arrangement, for every 1 (one) equity share of the face value of Re. 1/- each held by the shareholders of Demerged Company, the Resulting Company shall issue and allot 1 (one) equity share of the face value of Re. 1/- each fully paid up (hereinafter referred to as the "Share Entitlement Ratio").

In connection with the aforesaid, you requested our Fairness Opinion (the "Opinion") as of the date hereof, as to the fairness of the Share Entitlement Ratio to the Equity Shareholders of the Demerged Company. The scope of this Opinion includes commenting on the fairness of the Share Entitlement Ratio

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(Wholly Owned Subsidiary of IDBI Bank Limited)



recommended by the Valuer and not on the fairness or the economic rationale of the Scheme of Arrangement per se or the valuation methods used by the Valuer or the historical and projected financial statements relied upon for the same by the Valuer.

This Opinion is addressed to the Board of Directors of OPIL. Further, this Opinion is subject to the scope, limitations, assumptions, exclusions and disclaimers detailed herein and in Appendix A and the same has been issued as per the requirements of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 (collectively the "SEBI Circulars"). As such the Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This Opinion has been issued only for the purpose of facilitating the Scheme of Arrangement in terms of the abovementioned SEBI Circulars and should not be used for any other purpose.

Source of Information

In arriving at the Opinion set forth below, we have relied upon the accuracy and completeness of all information and documents provided to us by the Company and/or their other advisors, including:

1. Valuation Report dated October 17, 2016 prepared by the Valuer (a draft was shared with us before issuance of the final Valuation Report)
2. Memorandum & Articles of Association of OPIL & Resulting Company
3. The Draft Scheme of Arrangement prepared by M/s Khaïtan & Co; which inter alia provides for:
 - a. The consumer electric business of the Demerged Company will be transferred to the Resulting Company.
 - b. Resulting Company is a 100% subsidiary of OPIL.
 - c. On the record date, all shareholders of the Demerged Company will be entitled to receive shares in the Resulting Company.
 - d. The Resulting Company will issue one equity share for every one equity share held by the shareholders of OPIL.
 - e. On and from the Effective Date, all the equity shares issued by the Resulting Company to the Demerged Company shall stand cancelled.
 - f. OPIL will retain all the undertakings, business and activities which are not exclusively related to or utilized by the consumer electric business.
4. The current shareholding pattern of OPIL
5. Audited Annual Accounts of OPIL for the financial years 2014-15 and 2015-16 as provided to us by the management of OPIL and limited review financial information for September 30, 2016
6. Other information, explanations and representations provided by the management of OPIL and/or its other advisors




Conclusion

Based upon and subject to the contents of this document (including the Appendix A), our work as described herein, to the best of our knowledge and belief, we are of the opinion that, as of the date hereof, the Share Entitlement Ratio, as recommended by NDA, is fair in relation to the proposed draft Scheme of Arrangement, from a financial point of view.


Yours truly,

For IDBI Capital Markets & Securities Limited



Name: Monica Nagpal
Designation: Sr. Vice President

For ORIENT PAPER & INDUSTRIES LTD.



(R. P. BUTTA)
Company Secretary
ACS No. 14337



APPENDIX A

Scope Limitations and Disclosures

In rendering our Opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data whether publicly available or provided to or otherwise reviewed by or discussed with us, and upon the understanding that the management of OPIL and its other advisors are not aware of any relevant information relating to OPIL and Resulting Company that has been omitted or that remains undisclosed to us that would make the information or data examined by, provided to, reviewed by or discussed with us inaccurate or misleading in any respect or that would otherwise be relevant in arriving at our Opinion.

The terms of engagement were such that for arriving at the Opinion we were entitled to rely upon the information provided by the Companies and their other advisors without detailed enquiry. Our work does not constitute an audit, due diligence or certification of the historical or projected financial statements including the working results of the Companies or their businesses referred to in this Opinion. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. We assume no responsibility whatsoever for any errors in the information furnished by the Companies and/or their other advisors and their impact on the present exercise.

We have relied upon and have not independently verified or validated, nor do we express any opinion on, the financial, market, technical or operating projections and other information or data provided to us, or the management's views on the future businesses, operations and prospects or any underlying assumptions with respect thereto. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the facilities/assets and liabilities of the Companies and we neither express any opinion with respect thereto nor accept any responsibility therefore.

We have not made any independent valuation or appraisal of the assets or liabilities of the Companies or any of their subsidiaries, nor have we been furnished with any such appraisals. We have not conducted or prepared a model for any asset valuation or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies in that regard. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

Neither IDBI Capital Markets & Securities Limited nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which this Opinion has been issued. In no circumstances however, will IDBI Capital or its affiliates, partners, directors, shareholders, managers, employees or agents of any of them accept any responsibility or liability including any pecuniary or financial liability to any third party and in the unforeseen event of any such responsibility/liability being imposed on IDBI Capital or its associates/affiliates, directors or employees by any third party, OPIL shall indemnify them in accordance with the Engagement Letter dated October 07, 2016.



We are not legal, taxation or actuarial advisors and accordingly, our Opinion should not be construed as certifying the compliance with the provisions of any law including company or taxation laws or any legal, regulatory including all SEBI regulations, accounting or taxation implications or issues. We understand that the Company would obtain such advice as deemed necessary from qualified professionals.

We do not express any opinion as to the price at which shares of the Demerged Company and/or the Resulting Company may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective shareholders.

We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which the Company is or may be a party or are or may be a subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which the Companies are or may be a party or are or may be a subject. No investigation as to the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. We have not evaluated the solvency or fair value of the Demerged Company and/or the Resulting Company under either the laws of India or other laws relating to bankruptcy, insolvency or similar matters.

Our Opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date thereof. We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company as contemplated in the draft Scheme provided to us and is not valid for any other purpose. In arriving at our Opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of their assets, nor did we negotiate with any party in this regard. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

Our Opinion also does not address any matters other than expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We were not requested to, and we did not, participate in the negotiation of the terms of the Arrangement, its feasibility or otherwise and we did not provide any advice or services in connection with the Arrangement other than the delivery of this Opinion. We express no view or opinion as to any such matters. We also express no view as to, and our Opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees to any parties of the Arrangement, or any class of such persons, relative to the Share Entitlement Ratio. We express herein no view or opinion as to any terms or other aspects of the Scheme of Arrangement (other than the Share Entitlement Ratio to the extent expressly stated herein).



IDBI Capital Market Services Ltd will receive a fee in connection with the delivery of this Opinion. The fee for our services is not contingent upon the nature of Opinion provided to OPIL. The fee for our services is not contingent upon the results of the proposed Arrangement. In addition, OPIL has agreed to reimburse certain of our expenses and to indemnify us against liabilities arising out of our engagement. This Opinion is subject to the laws of India. We and/or our affiliates in the past may have provided, and may currently or in the future provide, investment banking, commercial banking and other financial services to the Companies and their affiliates unrelated to the proposed Arrangement. We may have received or in the future may receive compensation for the rendering of the aforementioned services. In the ordinary course of our businesses, we and our affiliates may invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in debt, equity or other securities or financial instruments (including derivatives, bank loans or other obligations) of OPIL and/or Resulting Company and/or their respective affiliates, holding companies and group companies.

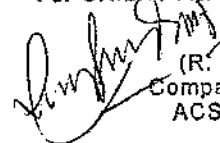
In no circumstances shall the liability of IDBI Capital Markets & Securities Limited, its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to IDBI Capital as fees for this Opinion.

Distribution of this Opinion

It is understood that this Opinion is for the benefit and use of the Board of Directors of OPIL (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed Arrangement and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of OPIL. This Opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; and (ii) as required to be disclosed by OPIL pursuant to the listing agreements between OPIL and the stock exchanges and the SEBI Circulars (the "Purpose").

It is understood that this Opinion is solely for the Purpose, and should not be relied on by anybody to whom this Opinion is not addressed. If this Opinion is used by any person other than to whom this Opinion is addressed, or other than for the Purpose, then we will not be liable for any consequences thereof. Neither this Opinion nor its contents may be referred to quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. The receipt of this Opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, not to constitute such person our client.

For ORIENT PAPER & INDUSTRIES LTD.



(R. P. DUTTA)
Company Secretary
ACS No. 14337

