



ORIENT PAPER & INDUSTRIES LIMITED

Registered Office :

Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012 (ORISSA)

Court Convened meeting of the Equity Shareholders	
Time	: 10.00 A.M.
Day	: Saturday
Date	: 17th day of December, 2011
Venue	: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012 (ORISSA)

1. Notice convening the Meeting of Equity Shareholders.
2. Statement under Section 393 of the Companies Act, 1956.
3. Form of Proxy.

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No 31 of 2011

In the matter of Sections 391 to 394 and Section 101 to
103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient
Paper and Industries Limited and Orient Cement Limited
and their respective shareholders

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoingar,
Bhubaneswar 751 012
Orissa, India

...Petitioner

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF
ORIENT PAPER AND INDUSTRIES LIMITED, THE PETITIONER

To,

The Equity Shareholders of Orient Paper and Industries Limited (the "Petitioner")

TAKE NOTICE that that by an Order made on 4 November, 2011 in the above Company Application, the Hon'ble High Court of Orissa has directed that a meeting of the Equity Shareholders of Orient Paper and Industries Limited, the Petitioner, be convened and held at the registered office of the Petitioner on 17 December, 2011 at 10 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Orient Paper and Industries Limited, the Petitioner, will be held at the Registered Office of the Petitioner on 17 December, 2011 at 10 A.M., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Petitioner at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr B.C. Mohanty, Advocate and failing him, Mr P. K. Dash, Advocate to be the Chairman of the said meeting.

A copy of the statement under Section 393 of the Companies Act, 1956, Attendance Slip and Form of Proxy are enclosed.

Dated this 21st day of November, 2011

B.C. Mohanty
Chairman appointed for the meeting

Registered office:
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar - 751012
Orissa, India

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No. 31 of 2011

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 and Section 101 to
103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient
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and their respective shareholders

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

...Petitioner

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 4 November, 2011 passed by the Hon'ble High Court of Orissa in the Company Application ("**Application**") referred to hereinabove, a meeting of the Equity Shareholders of Orient Paper and Industries Limited, the Petitioner, is being convened at the registered office of the Company on 17 December, 2011 at 10 A.M., for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders ("**Scheme**").
2. In this statement, Orient Paper and Industries Limited is hereinafter referred to as 'the Petitioner'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
3. The background of both the companies involved in the Scheme are as under:
 - 3.1 Orient Paper and Industries Limited:
 - 3.1.1. Orient Paper and Industries Limited (the "**Petitioner**") is an existing company for the purposes of the Act incorporated under the Indian Companies Act, 1913 on 25 July 1936 and having its registered office at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa.

3.1.2. The authorised, issued, subscribed and paid-up share capital of the Petitioner as on the date of the Application was as follows:

Authorised Capital	
75,00,00,000 Equity Shares of Re 1 each	75,00,00,000
25,00,00,000 Preference Shares of Rs 100 each	25,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-Up Capital	
19,28,66,740 fully paid-up equity shares of Re 1 each	19,28,68,340*
18,030 partly paid-up equity shares of Re 1 each	9,015
Total	19,28,77,355

*Includes Rs 1600 in respect of forfeited shares

3.1.3. The main objects of the Petitioner which are set out in the Memorandum and Articles of Association are as under:

- (i) *To carry on the manufacture of Pulp, Paper, Boards and other articles and the business of buyers, sellers, dealers, exporters of any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw material and manufactured articles.*
- (ii) *To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, Portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and by-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.*
- (iii) *To carry on the business of designing, manufacturing, processing, treating, preparing, assembling, fabricating, importing, exporting, buying, selling, trading, leasing and/or otherwise dealing in all kinds and types of electrical, mechanical, structural goods, materials, components, apparatus, devices, appliances, equipments and accessories including electrical motor, transformers, generators, accumulators, cables and wires, fans, dynamos, starters and automobile components and accessories.*

3.1.4. The Petitioner is presently engaged inter-alia in the following key businesses:

- (i) cement business;
- (ii) paper business; and
- (iii) electricals business.

3.2 Orient Cement Limited:

3.2.1. Orient Cement Limited (the "**Resulting Company**") is a company incorporated under the Act on 22 July 2011 and having its registered office at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa.

3.2.2. The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on the date of the Application was as follows:

Share Capital	Amount (Rs)
Authorised Capital	
5,00,000 equity shares of Re 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-Up Capital	
5,00,000 equity shares of Re 1 each fully paid up	5,00,000
Total	5,00,000

3.2.3. The main objects of the Resulting Company as set out in the Memorandum and Articles of Association are as under:

To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and by-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.

4. The Petitioner is now proposing a Scheme for demerger of its Cement Undertaking and transfer/vesting of the said undertaking into Orient Cement Limited through a Scheme under Section 391 to 394 and Section 101 to 103 of the Companies Act, 1956.
5. The circumstances justifying the aforesaid Scheme are *inter alia* as follows:
 - 5.1 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 the Petitioner and its subsidiary, diversification and continuous funding support through equity and debt is imperative.
 - 5.2 Therefore, it has been proposed to re-organise the businesses of the Petitioner 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.
 - 5.3 Accordingly, it is proposed to demerge the Cement Undertaking of the Petitioner into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.
 - 5.4 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 the Petitioner. Further, the demerger would facilitate the running of 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.
 - 5.5 The financial position of the Petitioner will not be adversely affected by the Scheme and post arrangement, the Petitioner will be able to meet its liabilities as they arise in the ordinary course of business. The transfer and vesting of the Cement Undertaking into the Resulting Company with effect from 1 April 2012 is in the best interest of the shareholders, creditors and all other stakeholders of the respective companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or general public at large as no sacrifice or waiver is called from them nor are their rights sought to be modified in any manner. The restructuring under this Scheme would enable focused business approach for maximisation of benefits to all stakeholders and provide an opportunity for growth.
6. The proposed arrangement was placed before the Board of Directors of the Petitioner and the Resulting Company on 27 July 2011, whereat the Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered

Accountants, an Independent Valuer, was also placed before the Boards. The Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, recommended the following share exchange ratio:

"1 fully paid Equity Share of Re 1 (Rupee One)] each of the Resulting Company shall be issued and allotted for every Equity Share of Re 1 (Rupee One) each held in the Petitioner"

7. Kotak Mahindra Capital Co Limited, a Category I Merchant Banker, has independently vetted the valuation and have furnished a 'Fairness Opinion' on the share exchange ratio recommended in the Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, from a financial point of view.
8. The Boards of Directors of the Petitioner and the Resulting Company, based on and relying upon the aforesaid Valuation Report, Fairness Opinion, and on the basis of their independent evaluation and judgment, came to the conclusion that the proposed share exchange ratio is fair and reasonable and decided to incorporate the same in the Scheme which was approved by them at their respective meetings on 27 July 2011.
9. The terms and conditions of the arrangement are set out in the proposed Scheme. The salient features of the proposed Scheme are *inter alia* as under:
 - 9.1 The Scheme envisages demerger of the Cement Undertaking of the Petitioner into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.
 - 9.2 "Appointed Date" for the Scheme will be 1 April 2012 or such other date as may be fixed or approved by the High Court of Judicature at Orissa.
 - 9.3 "Effective Date" for the Scheme shall be date on which the sanctions and approvals and the Order of the Court sanctioning this Scheme under the provisions of Section 391 to 394 of the Act and other related provisions are passed and the certified copies thereof are filed with the Registrar of Companies, Orissa in accordance with the Act and if such date is prior to the Appointed Date, then the Effective Date shall be deemed to refer to the Appointed Date as defined under this Scheme.
 - 9.4 "Record Date" means the date to be fixed jointly by the Board of Directors of the Petitioner and the Resulting Company for the purposes of determining the shareholders of the Petitioner to whom shares would be issued on demerger of the Cement Undertaking to the Resulting Company.
 - 9.5 "Cement Undertaking" means the undertaking of the Petitioner carrying on the business of manufacture, production, sale and distribution of cement comprising of *inter alia*:
 - 9.5.1. All assets and liabilities of the Petitioner pertaining to the business of manufacture, production, sale and distribution of cement;
 - 9.5.2. Notwithstanding the generality of the provisions of Clause (i) above, the Cement Undertaking shall include:
 - (i) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of the Cement Undertaking in respect of such properties and assets.
 - (ii) all assets (whether movable or immovable, real or personal, corporeal or incorporeal, leasehold or otherwise, present, future, contingent, tangible or intangible) pertaining to the business of manufacture, production, sale and distribution of cement of the Petitioner including but not limited to the captive power generating plant relating to the Cement Undertaking, plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, receivables, funds, leases, mining leases, licences, tenancy rights, premises, hire purchase and lease arrangements including mining leases, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences including prospecting licences, industrial licences, explosive licences, etc, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Petitioner with respect to the business of manufacture, production, sale and distribution of cement;
 - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, of the Cement Undertaking, comprising of:

- (a) the liabilities which arise out of the activities or operations of the Cement Undertaking;
 - (b) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of the Cement Undertaking; and
 - (c) so much of the amounts of general or multipurpose borrowings of the Petitioner as stand in the same proportion which the value of assets transferred of the Cement Undertaking bears to the total value of the assets of the Petitioner immediately before the Appointed Date.
- (iv) All other debts, duties, obligations and liabilities including contingent liabilities pertaining to the Cement Undertaking as a going concern for transfer to the Resulting Company.
- 9.5.3. All intellectual property rights of the Petitioner pertaining to its Cement Undertaking including patents, trademarks and copyrights;
- 9.5.4. All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Cement Undertaking of the Petitioner;
- 9.5.5. All permanent employees of the Petitioner employed in the business of manufacture, production, sale and distribution of cement;
- 9.5.6. All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to the Cement Undertaking of the Petitioner;
- 9.5.7. It is clarified that the Cement Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Petitioner Residual Entity.
- 9.6 With effect from the Appointed Date and upon the Scheme becoming effective, the Cement Undertaking, shall, pursuant to the provisions of Sections 391 to 394, all other applicable provisions of the Companies Act, 1956 and Section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, stand transferred as a going concern, to the Resulting Company, at book values as of the Appointed Date and the Cement Undertaking shall consequently vest in the Resulting Company with effect from the Effective Date for all the estate and interest of the Petitioner therein, subject however, to all the encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which also stand transferred to the Resulting Company.
- 9.7 All existing shares held by the Petitioner in the Resulting Company, i.e 5,00,000 equity shares of Re 1 each, shall stand cancelled, without any further act or deed as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the Order of the Court shall be deemed to be the Order under Section 102 of the Act for the purposes of confirming the reduction. The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name and the Resulting Company shall carry on with its current name, "Orient Cement Limited".
- 9.8 In respect of the 95,00,000 warrants issued by the Petitioner to Central India Industries Limited and 25,00,000 warrants to Shekhavati Investments & Traders Limited ("**Promoters**"), the Promoters have undertaken and committed to the Petitioner to exercise their option to convert the warrants, in their entirety, into equity shares of the Petitioner on or prior to 29 February 2012 which will be prior to the Record Date.
- 9.9 Upon the coming into effect of this Scheme, and in consideration of the demerger of the Cement Undertaking and transfer and vesting thereof with the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "**New Equity Shares**") at par on a proportionate basis to each member of the Petitioner whose name is recorded in the register of members of the Petitioner as holding equity shares on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Petitioner in the following proportion:
- "For every 1 equity share of face value of Re 1 held in the Petitioner, as on the Record Date, every equity shareholder of the Petitioner shall without any application, act or deed, be entitled to receive 1 equity share of face value of Re 1 each of the Resulting Company, credited as fully paid-up."

- 9.10 Upon the coming into effect of this Scheme, the members of the Petitioner holding partly paid up equity shares shall be issued the same number of partly paid equity shares in the Resulting Company.
- 9.11 The New Equity Shares to be issued to the members of the Petitioner shall be subject to the terms of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing equity shares of the Resulting Company in all respects including, but subject to the provisions of Section 205 of the Act, dividend (including interim dividend) for the financial year starting from the Appointed Date.
- 9.12 Upon the coming into effect of this Scheme, the Petitioner shall reduce the book value of assets and liabilities transferred to the Resulting Company from the book value of assets and liabilities of the Petitioner.
- 9.13 The value of assets of the Cement Undertaking transferred to the Resulting Company standing in the books of the Petitioner, which is represented by any revaluation carried out in the past, shall be first adjusted against revaluation reserve in the books of the Petitioner created for such purpose.
- 9.14 The value of the Cement Undertaking reduced as above shall be debited by the Petitioner to various reserves in the following order such that each reserve becomes NIL before another reserve is debited:
- (i) Capital reserve;
 - (ii) Capital Redemption reserve;
 - (iii) Securities premium reserve; and
 - (iv) General reserve.
- 9.15 The reduction of share capital in the Share Premium Account and reserves of the Petitioner, if any, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103, and other applicable provisions of the Act. The reduction of share capital under Sections 100 to 103, if any, however, shall not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act shall not be applicable.
- 9.16 Notwithstanding the above, the Board of the Petitioner is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.
- 9.17 The Petitioner Residual Entity and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by the Petitioner.
- 9.18 Pending sanction of this Scheme, the Petitioner and the Resulting Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner, affect the reorganisation of capital herein, except conversion of warrants or as may be expressly permitted under this Scheme or as may be required to give effect to this Scheme.
- 9.19 Upon the Scheme becoming effective, all employees of the Cement Undertaking of the Petitioner in service on the Effective Date shall be deemed to have become the employees of the Resulting Company without any interruption in their service as a result of the transfer of the Cement Undertaking to the Resulting Company on the same terms and conditions of employment as were with the Petitioner. On the basis of continuity of service, the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to the Cement Undertaking of the Petitioner on the Effective Date.
- 9.20 The Petitioner and / or the Resulting Company, as the case may be, shall make such applications to SEBI as required under any circular, notification, guidelines, rules and regulations issued and to be issued by SEBI and also enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges.
- 9.21 The Petitioner and the Resulting Company by their respective Boards or any persons authorised by them, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose, or make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate by them in their sole discretion.
- 9.22 The Resulting Company shall bear all the costs and expenses including any stamp duty and transfer charges arising out of or incurred in connection with and in implementing this Scheme and matters incidental thereto.
- 9.23 The Scheme is conditional and subject to:

- 9.23.1. The approval by the requisite majorities of the classes of persons, including shareholders, creditors and such other class of the Petitioner and the Resulting Company as may be directed by the Court under Section 391 of the Act.
- 9.23.2. The sanctioning of this Scheme by the Court, whether with any modifications or amendments as the Court may deem fit or otherwise.
- 9.23.3. The filing of the certified copies of the order of the Court with the Registrar of Companies of Orissa by the Petitioner and the Resulting Company.
- 9.23.4. Any other sanctions and orders as may be directed by the Court in respect of this Scheme.
10. The Petitioner Company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Petitioner has obtained the approval to the Scheme in the terms of Clause 24(f) of the Listing Agreements of Bombay Stock Exchange Limited and National Stock Exchange of India Limited *vide* their letters dated 24 October 2011 and 3 October 2011 respectively.
11. The pre-Arrangement (existing) capital structure and shareholding pattern of the Petitioner as per latest available data is as under:-

A. Pre-Arrangement capital structure/ shareholding pattern of Petitioner

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised Form	Total shareholding as a percentage of total share	
					As a percentage of (A + B)	As a percentage of (A + B+C)
A	Shareholding of Promoter and Promoter Group					
i	INDIAN					
a	Individuals/Hindu Undivided Family	6	7371250	7371250	3.8220	3.8220
b	Central Government/State Government(s)	0	0	0	0.0000	0.0000
c	Bodies Corporate	12	57458672	57458672	29.7919	29.7919
d	Financial Institutions/Banks	0	0	0	0.0000	0.0000
e	Any other (specify)	0	0	0	0.0000	0.0000
i	Trust	0	0	0	0.0000	0.0000
ii	Society	0	0	0	0.0000	0.0000
iii	Education Institutions	0	0	0	0.0000	0.0000
	Sub - Total (A) (1) :	18	64829922	64829922	33.6139	33.6139
2	FOREIGN					
a	Individuals (Non Resident Indians/Foreign Individuals)	0	0	0	0.0000	0.0000
b	Bodies Corporate	0	0	0	0.0000	0.00
c	Institutions	0	0	0	0.0000	0.00
d	Any Other (Specify)	0	0	0	0.0000	0.00
	Sub - Total (A) (2) :	0	0	0	0.0000	0.0000
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	18	64829922	64829922	33.6139	33.6139

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised Form	Total shareholding as a percentage of total share	
					As a percentage of (A + B)	As a percentage of (A + B+C)
B	Public Shareholding					
1	Institutions					
a	Mutual Funds/UTI	58	48499344	48433094	25.1467	25.1467
b	Financial Institutions/Banks	13	211430	111970	0.1096	0.1096
c	Central Government/State Government(s)	1	4000	0	0.0021	0.0021
d	Venture Capital funds	0	0	0	0.0000	0.0000
e	Insurance Companies	5	21616314	21616314	11.2080	11.2080
f	Foreign Institutional Investors	31	4850103	4850103	2.5148	2.5148
g	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000
h	Any Other (specify)	0	0	0	0.0000	0.0000
	Sub - Total (B)(1):	108	75181191	75011481	38.9812	38.9812
2	Non-Institutions					
a	Bodies Corporate*	759	25613131	25235881	13.2803	13.2803
b	Individuals					
i	Individuals Shareholders Holding Nominal Shares Capital upto Rs. 1 lacs *	19152	19542225	17413945	10.1315	10.1315
ii	Individual Shareholders Holding Nominal Share Capital in excess of Rs.1 lacs	16	3209497	2427057	1.6641	1.6641
c	Any other (Specify)					
i	Trust & Foundations	3	1390	1390	0.0007	0.0007
ii	Co-operative Societies	0	0	0	0.0000	0.0000
iii	Educational Institutions	0	0	0	0.0000	0.0000
iv	Non Resident Individual	344	824174	620574	0.4273	0.4273
v	Foreign Companies	1	1000	0	0.0005	0.0005
vi	OCB	2	3682240	3682240	1.9092	1.9092
	Sub - Total (B)(2)	20277	52873657	49381087	27.4137	27.4137
	Total Public shareholding (B) = (B)(1)+(b)(2)	20385	128054848	124392568	66.3950	66.3949
	Total (A) + (B)	20403	192884770	189222490	100	100
C	Shares held by Custodians and Against which Depository Receipts have ben issued	0	0	0	0	0
	Grand Total (A)+(B)+(C)	20403	192884770	189222490	100	100

*including 18880 partly paid up shares

B. There will be no change in the aforesaid capital structure and shareholding pattern of the Petitioner consequent to the Scheme since no new Equity Shares are to be issued or allotted under the Scheme to any person.

12. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of the Petitioner.
13. The Directors of each of the Petitioner and the Resulting Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies or to the extent the said Directors are partners, directors, members of companies, firms, association of persons, body corporate and/or beneficiary of trust that holds shares in any of the companies or to the extent they may be allotted shares in the Resulting Company as a result of the Scheme. None of the Directors of the Petitioner and the Resulting Companies are interested as a creditor.

Mr. P.K Sonthalia is the Chief Financial Officer of the Petitioner and is also a Director of Resulting Company. The Directors' shareholdings in Petitioner and the Resulting Company are as follows :

Name of Director	No. of Equity Shares held by Directors	No. of Equity Shares held in Resulting Company
Petitioner's Directors		
Mr. C.K. Birla	28,97,570	Nil
Mr. B. K. Jhawar	Nil	Nil
Mr. A. Ghosh	7,000	Nil
Mr. Michael Bastian	24,000	Nil
Mr. Manohar Lal Pachisia	36,640	1
Orient Cement's Directors		
Mr. C. K. Birla	28,97,570	Nil
Mr. Manohar Lal Pachisia	36,640	1
Mr. P. K. Sonthalia	6,500	1
Mr. P.C. Agarwala	66,440	1
Mr. Haigreve Khaitan	Nil	Nil

Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

14. In the event that the Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied with or for any reason, the Scheme cannot be implemented, the Scheme shall become null and void, and the Resulting Company shall bear all the costs, charges and expenses in connection with the Scheme, unless otherwise mutually agreed.
15. Inspection of the following documents may be had by the Equity Shareholders of the Petitioner at the Registered Office of the Petitioner up to one day prior to the date of the meeting between 11 am and 4 pm on all working days (except Saturdays, Sundays and public holidays):
- 15.1 Copy of the Order dated 4 November, 2011 of the High Court of Orissa passed in Company Application No 31 of 2011 directing the convening of the meeting of the Equity Shareholders of the Petitioner;
- 15.2 Scheme;
- 15.3 Memorandum and Articles of Association of the Petitioner and the Resulting Company;
- 15.4 The Audited Financial Statements of the Petitioner for last three financial years ended 31 March, 2011, 31 March, 2010 and 31 March, 2009;
- 15.5 The Unaudited Financial Statements of the Petitioner as on 30 September, 2011;
- 15.6 Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, on Share exchange ratio;

- 15.7 Fairness opinion issued by Kotak Mahindra Capital Co Limited, Category I Merchant Banker; and
- 15.8 Copy of No Objection letters to the Scheme received from Bombay Stock Exchange Limited and the National Stock Exchange of India Limited dated 24 October 2011 and 3 October 2011 respectively.
- 15.9 The Auditors' certificate stating compliance of accounting treatment with all the Accounting Standards specified by the Central Government.

Mr C K Birla and Mr Manohar Lal Pachisia are directors in the Petitioner as well the Resulting Company. Apart from these directors, all directors of the Petitioner are interested in the approval of the Scheme to the extent of their shareholding in the Petitioner.

A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Petitioner and/or at the office of its Advocates at 31B, Bima Vihar, Sector 6 Markat Nagar Cuttack – 753014 or One Indiabulls Centre, Tower 1, 13th Floor, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013.

Dated this 21st day of November, 2011

B.C. Mohanty
Chairman appointed for the meeting

Registered office:
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No 31 of 2011

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 and Section 101 to 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders.

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

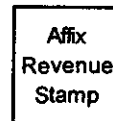
...Petitioner

FORM OF PROXY

I/ We _____, the undersigned, being the Equity Shareholder(s) of Orient Paper and Industries Limited, the Petitioner do hereby appoint Mr/ Ms _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held at the registered office of the Petitioner on Saturday the 17th day of December, 2011 at 10.00 A.M. for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and at such meeting, and any adjournment/ adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if for insert 'FOR', if against insert 'AGAINST' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary.

Signature



Dated this _____ day of _____ 2011

Name _____

Address _____

Reg Folio No _____

Client ID No _____

DP ID No _____

No of shares _____

Signatures of
Shareholder(s)

Sole / First Holder: _____

Second Holder: _____

Third Holder: _____

Signature of Proxy

Proxy: _____

Notes:

1. The Proxy must be deposited at the Registered Office of the Company at Unit VIII, Plot No 7, Bhoinagar, Bhubaneswar 751012, Orissa at least 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.
2. All alterations made in the form of Proxy should be initialed.
3. In case of multiple proxies, the proxy later in time shall be accepted.
4. Please affix revenue stamp before putting signature.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Attendance Slip at the venue of the meeting.

I hereby record my presence at the Meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 4 November, 2011 of the Hon'ble High Court of Orissa, at the registered office of the Company on Saturday the 17th day of December, 2011 at 10.00 A.M.

Name and Address of Equity Shareholder: _____
(IN BLOCK LETTERS)

Signature: _____

Reg Folio No: _____

Client ID: _____

DP ID No: _____

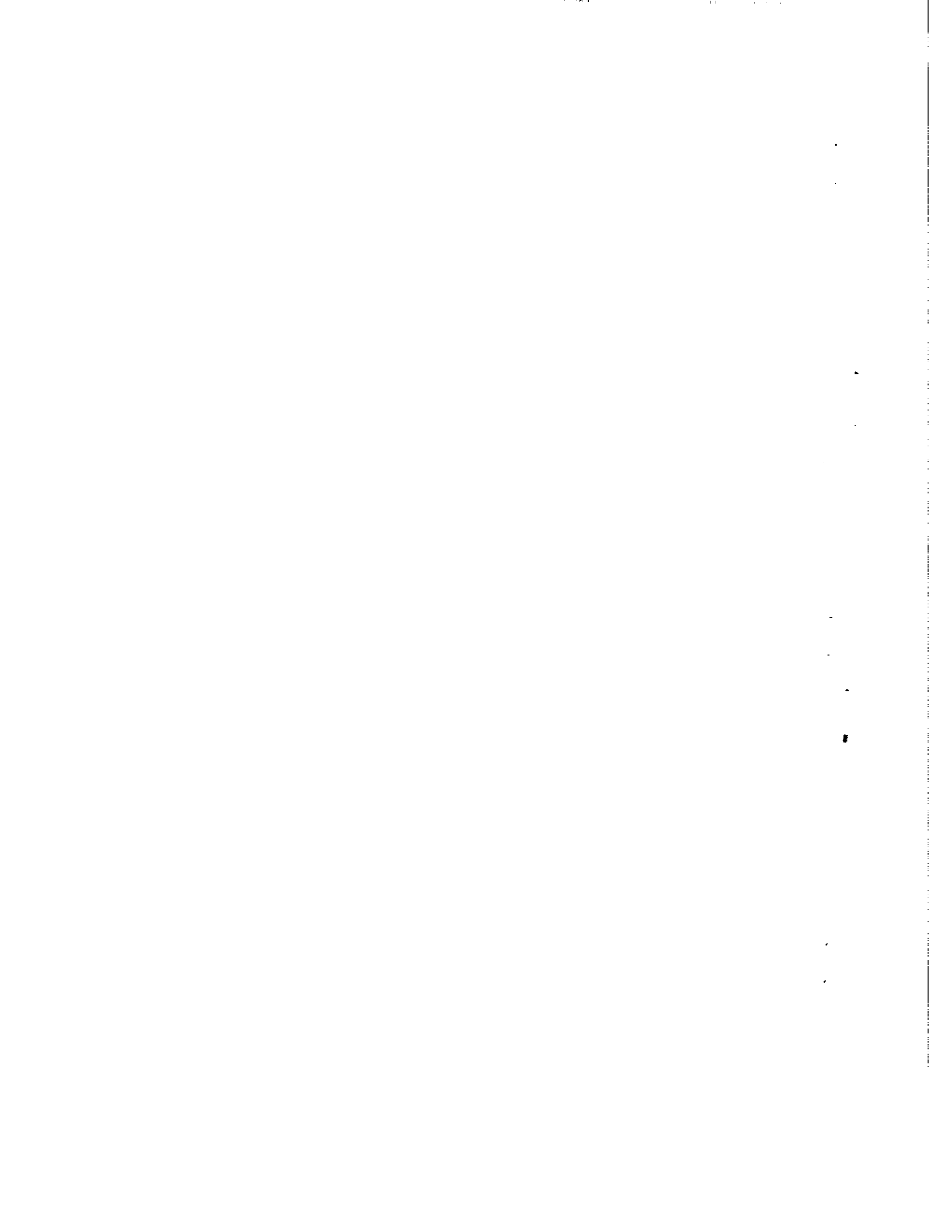
No of Shares: _____

Name of the Proxy: _____
(IN BLOCK LETTERS)

Signature: _____

NOTE:

Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.





ORIENT PAPER & INDUSTRIES LIMITED

Registered Office :

Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012 (ORISSA)

Court Convened meeting of the Secured Creditors	
Time	: 12 Noon
Day	: Saturday
Date	: 17th day of December, 2011
Venue	: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012 (ORISSA)

1. Notice convening the Meeting of Secured Creditors.
2. Statement under Section 393 of the Companies Act, 1956.
3. Form of Proxy.

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No 31 of 2011

In the matter of Sections 391 to 394 and Section 101 to 103
of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient
Paper and Industries Limited and Orient Cement Limited
and their respective shareholders

Orient Paper and Industries Limited
an existing Company for the purposes of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

...Petitioner

NOTICE CONVENING THE MEETING OF SECURED CREDITORS OF ORIENT PAPER AND INDUSTRIES LIMITED,
THE PETITIONER COMPANY

To,

The Secured Creditors of Orient Paper and Industries Limited (the "Petitioner")

TAKE NOTICE that that by an Order made on 4 November, 2011 in the above Company Application, the Hon'ble High Court of Orissa has directed that a meeting of the Secured Creditors of Orient Paper and Industries Limited, the Petitioner, be convened and held at the registered office of the Petitioner on 17 December, 2011 at 12 noon for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Secured Creditors of Orient Paper and Industries Limited, the Petitioner, will be held at the registered office of the Petitioner on 17 December, 2011 at 12 noon, at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the

Petitioner at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr B.C. Mohanty, Advocate and failing him Mr P. K. Dash, Advocate to be the Chairman of the said meeting.

A copy of the statement under Section 393 of the Companies Act, 1956, Attendance Slip and Form of Proxy are enclosed.

Dated this 21st day of November, 2011

B.C. Mohanty
Chairman appointed for the meeting

Registered office:
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar - 751012
Orissa, India

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No 31 of 2011

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 and Section 101 to
Section 103 of the Companies Act, 1956;

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In the matter of Scheme of Arrangement between Orient
Paper and Industries Limited and Orient Cement Limited
and their respective shareholders

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

...Petitioner

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 4 November, 2011 passed by the Hon'ble High Court of Orissa in the Company Application ("Application") referred to hereinabove, a meeting of the Secured Creditors of Orient Paper and Industries Limited, the Petitioner, is being convened at the registered office of the Petitioner on 17 December, 2011 at 12 noon, for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders.
2. In this statement, Orient Paper and Industries Limited is hereinafter referred to as ("the Petitioner"). The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
3. The background of both the companies involved in the Scheme of Arrangement are as under:
 - 3.1 Orient Paper and Industries Limited:
 - 3.1.1. Orient Paper and Industries Limited (the "Petitioner") is an existing company for the purposes of the Companies Act, 1956 ("Act") incorporated under the Indian Companies Act, 1913 on 25 July 1936 and having its registered office at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa.

3.1.2. The authorised, issued, subscribed and paid-up share capital of the Petitioner as on the date of the Application was as follows:

Particulars	(Amount in Rs)
Authorised Capital	
75,00,00,000 Equity Shares of Re 1 each	75,00,00,000
25,00,00,000 Preference Shares of Rs 100 each	25,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-Up Capital	
19,28,66,740 fully paid-up equity shares of Re 1 each	19,28,68,340*
18,030 partly paid-up equity shares of Re 1 each	9,015
Total	19,28,77,355

*Includes Rs 1600 in respect of forfeited shares

3.1.3. The main objects of the Petitioner which are set out in the Memorandum and Articles of Association are as under:

- (i) *To carry on the manufacture of Pulp, Paper, Boards and other articles and the business of buyers, sellers, dealers, exporters of any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw material and manufactured articles.*
- (ii) *To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, Portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and by-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.*
- (iii) *To carry on the business of designing, manufacturing, processing, treating, preparing, assembling, fabricating, importing, exporting, buying, selling, trading, leasing and/or otherwise dealing in all kinds and types of electrical, mechanical, structural goods, materials, components, apparatus, devices, appliances, equipments and accessories including electrical motor, transformers, generators, accumulators, cables and wires, fans, dynamos, starters and automobile components and accessories.*

3.1.4. The Petitioner is presently engaged inter-alia in the following key businesses:

- (i) cement business;
- (ii) paper business; and
- (iii) electricals business.

3.2 Orient Cement Limited:

3.2.1. Orient Cement Limited (the "Resulting Company") is a company incorporated under the Act on 22 July 2011 and having its registered office at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa.

3.2.2. The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on the date of the Application was as follows:

Share Capital	(Amount in Rupee)
Authorised Capital	
5,00,000 equity shares of Re 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-Up Capital	
5,00,000 equity shares of Re 1 each fully paid up	5,00,000
Total	5,00,000

3.2.3. The main objects of the Resulting Company as set out in the Memorandum and Articles of Association are as under:

To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and by-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.

4. The Petitioner is now proposing a Scheme of Arrangement for demerger of its Cement Undertaking and transfer / vesting of the said undertaking into Orient Cement Limited through a Scheme of Arrangement under Section 391 to 394 and Section 101 to 103 of the Companies Act, 1956.
5. The circumstances justifying the aforesaid Scheme are *inter alia* as follows:
 - 5.1 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 the Petitioner and its subsidiary, diversification and continuous funding support through equity and debt is imperative.
 - 5.2 Therefore, it has been proposed to re-organise the businesses of the Petitioner 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.
 - 5.3 Accordingly, it is proposed to demerge the Cement Undertaking of the Petitioner into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.
 - 5.4 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 the Petitioner. Further, the demerger would facilitate the running of 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.
 - 5.5 The financial position of the Petitioner will not be adversely affected by the Scheme of Arrangement and post arrangement, the Petitioner will be able to meet its liabilities as they arise in the ordinary course of business. The transfer and vesting of the Cement Undertaking into the Resulting Company with effect from 1 April 2012 is in the best interest of the shareholders, creditors and all other stakeholders of the respective companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or general public at large as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in

any manner. The restructuring under this Scheme would enable focused business approach for maximisation of benefits to all stakeholders and provide an opportunity for growth.

6. The proposed arrangement was placed before the Board of Directors of the Petitioner and the Resulting Company on 27 July 2011, whereat the Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, an Independent Valuer, was also placed before the Boards. The Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, recommended the following share exchange ratio:

"1 fully paid Equity Share of Re 1 (Rupee One) each of the Resulting Company shall be issued and allotted for every Equity Shares of Re 1 (Rupee One) each held in the Petitioner"

7. Kotak Mahindra Capital Co Limited, a Category I Merchant Banker, has independently vetted the valuation and have furnished a 'Fairness Opinion' on the share exchange ratio recommended in the Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, from a financial point of view.

8. The Boards of Directors of the Petitioner and the Resulting Company, based on and relying upon the aforesaid Valuation Report, Fairness Opinion, and on the basis of their independent evaluation and judgment, came to the conclusion that the proposed share exchange ratio is fair and reasonable and decided to incorporate the same in the Scheme which was approved by them at their respective meetings on 27 July 2011.

9. The terms and conditions of the arrangement are set out in the proposed Scheme. The salient features of the proposed Scheme of Arrangement are *inter alia* as under:

- 9.1 The Scheme of Arrangement envisages demerger of the Cement Undertaking of the Petitioner into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.

- 9.2 "Appointed Date" for the Scheme will be 1 April 2012 or such other date as may be fixed or approved by the High Court of Judicature at Orissa.

- 9.3 "Effective Date" for the Scheme shall be date on which the sanctions and approvals and the Order of the Court sanctioning this Scheme under the provisions of Section 391 to 394 of the Act and other related provisions are passed and the certified copies thereof are filed with the Registrar of Companies, Orissa in accordance with the Act and if such date is prior to the Appointed Date, then the Effective Date shall be deemed to refer to the Appointed Date as defined under this Scheme.

- 9.4 "Record Date" means the date to be fixed jointly by the Board of Directors of the Petitioner and the Resulting Company for the purposes of determining the shareholders of the Petitioner to whom shares would be issued on demerger of the Cement Undertaking to the Resulting Company.

- 9.5 "Cement Undertaking" means the undertaking of the Petitioner carrying on the business of manufacture, production, sale and distribution of cement comprising of *inter alia*:

- 9.5.1. All assets and liabilities of the Petitioner pertaining to the business of manufacture, production, sale and distribution of cement;

- 9.5.2. Notwithstanding the generality of the provisions of Clause (i) above, the Cement Undertaking shall include:

(i) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of the Cement Undertaking in respect of such properties and assets.

(ii) all assets (whether movable or immovable, real or personal, corporeal or incorporeal, leasehold or otherwise, present, future, contingent, tangible or intangible) pertaining to the business of manufacture, production, sale and distribution of cement of the Petitioner including but not limited to the captive power generating plant relating to the Cement Undertaking, plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry

debtors, deposits, provisions, advances, receivables, funds, leases, mining leases, licences, tenancy rights, premises, hire purchase and lease arrangements including mining leases, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences including prospecting licences, industrial licences, explosive licences, etc, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Petitioner with respect to the business of manufacture, production, sale and distribution of cement;

(iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, of the Cement Undertaking, comprising of:

- (a) the liabilities which arise out of the activities or operations of the Cement Undertaking;
- (b) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of the Cement Undertaking; and
- (c) so much of the amounts of general or multipurpose borrowings of the Petitioner as stand in the same proportion which the value of assets transferred of the Cement Undertaking bears to the total value of the assets of the Petitioner immediately before the Appointed Date.

(iv) All other debts, duties, obligations and liabilities including contingent liabilities pertaining to the Cement Undertaking as a going concern for transfer to the Resulting Company.

9.5.3. All intellectual property rights of the Petitioner pertaining to its Cement Undertaking including patents, trademarks and copyrights;

9.5.4. All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Cement Undertaking of the Petitioner;

9.5.5. All permanent employees of the Petitioner employed in the business of manufacture, production, sale and distribution of cement;

9.5.6. All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to the Cement Undertaking of the Petitioner;

9.5.7. It is clarified that the Cement Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Petitioner Residual Entity.

9.6 With effect from the Appointed Date and upon the Scheme becoming effective, the Cement Undertaking, shall, pursuant to the provisions of Sections 391 to 394, all other applicable provisions of the Companies Act, 1956 and Section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, stand transferred as a going concern, to the Resulting Company, at book values as of the Appointed Date and the Cement Undertaking shall consequently vest in the Resulting Company with effect from the Effective Date for all the estate and interest of the Petitioner therein, subject however, to all the encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which also stand transferred to the Resulting Company.

9.7 All existing shares held by the Petitioner in the Resulting Company, i.e 5,00,000 equity shares of Re 1 each, shall stand cancelled, without any further act or deed as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the Order of the Court shall be deemed to be the Order under Section 102 of the Act for the purposes of confirming the reduction. The reduction would not involve a diminution

of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name and the Resulting Company shall carry on with its current name, "Orient Cement Limited".

- 9.8 In respect of the 95,00,000 warrants issued by the Petitioner to Central India Industries Limited and 25,00,000 warrants to Shekhavati Investments & Traders Limited ("**Promoters**"), the Promoters have undertaken and committed to the Petitioner to exercise their option to convert the warrants, in their entirety, into equity shares of the Petitioner on or prior to 29 February 2012 which will be prior to the Record Date.
- 9.9 Upon the coming into effect of this Scheme, and in consideration of the demerger of the Cement Undertaking and transfer and vesting thereof with the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "**New Equity Shares**") at par on a proportionate basis to each member of the Petitioner whose name is recorded in the register of members of the Petitioner as holding equity shares on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Petitioner in the following proportion:
- "For every 1 equity share of face value of Re 1 held in the Petitioner, as on the Record Date, every equity shareholder of the Petitioner shall without any application, act or deed, be entitled to receive 1 equity share of face value of Re 1 each of the Resulting Company, credited as fully paid-up."*
- 9.10 Upon the coming into effect of this Scheme, the members of the Petitioner holding partly paid up equity shares shall be issued the same number of partly paid equity shares in the Resulting Company.
- 9.11 The New Equity Shares to be issued to the members of the Petitioner shall be subject to the terms of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing equity shares of the Resulting Company in all respects including, but subject to the provisions of Section 205 of the Act, dividend (including interim dividend) for the financial year starting from the Appointed Date.
- 9.12 Upon the coming into effect of this Scheme, the Petitioner shall reduce the book value of assets and liabilities transferred to the Resulting Company from the book value of assets and liabilities of the Petitioner.
- 9.13 The value of assets of the Cement Undertaking transferred to the Resulting Company standing in the books of the Petitioner, which is represented by any revaluation carried out in the past, shall be first adjusted against revaluation reserve in the books of the Petitioner created for such purpose.
- 9.14 The value of the Cement Undertaking reduced as above shall be debited by the Petitioner to various reserves in the following order such that each reserve becomes NIL before another reserve is debited:
- (i) Capital reserve;
 - (ii) Capital Redemption reserve;
 - (iii) Securities premium reserve; and
 - (iv) General reserve.
- 9.15 The reduction of share capital in the Share Premium Account and reserves of the Petitioner, if any, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103, and other applicable provisions of the Act. The reduction of share capital under Sections 100 to 103, if any, however, shall not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act shall not be applicable.
- 9.16 Notwithstanding the above, the Board of the Petitioner is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

- 9.17 The Petitioner Residual Entity and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by the Petitioner.
- 9.18 Pending sanction of this Scheme, the Petitioner and the Resulting Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner, affect the reorganisation of capital herein, except conversion of warrants or as may be expressly permitted under this Scheme or as may be required to give effect to this Scheme.
- 9.19 Upon the Scheme becoming effective, all employees of the Cement Undertaking of the Petitioner in service on the Effective Date shall be deemed to have become the employees of the Resulting Company without any interruption in their service as a result of the transfer of the Cement Undertaking to the Resulting Company on the same terms and conditions of employment as were with the Petitioner. On the basis of continuity of service, the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Cement Undertaking of the Petitioner on the Effective Date.
- 9.20 The Petitioner and / or the Resulting Company, as the case may be, shall make such applications to SEBI as required under any circular, notification, guidelines, rules and regulations issued and to be issued by SEBI and also enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges.
- 9.21 The Petitioner and the Resulting Company by their respective Boards or any persons authorised by them, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose, or make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate by them in their sole discretion.
- 9.22 The Resulting Company shall bear all the costs and expenses including any stamp duty and transfer charges arising out of or incurred in connection with and in implementing this Scheme and matters incidental thereto.
- 9.23 The Scheme is conditional and subject to:
- 9.23.1. The approval by the requisite majorities of the classes of persons, including shareholders, creditors and such other class of the Petitioner and the Resulting Company as may be directed by the Court under Section 391 of the Act.
- 9.23.2. The sanctioning of this Scheme by the Court, whether with any modifications or amendments as the Court may deem fit or otherwise.
- 9.23.3. The filing of the certified copies of the order of the Court with the Registrar of Companies of Orissa by the Petitioner and the Resulting Company.
- 9.23.4. Any other sanctions and orders as may be directed by the Court in respect of this Scheme.
10. The Petitioner Company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Petitioner has obtained the approval to the Scheme of Arrangement in the terms of Clause 24(f) of the Listing Agreements of Bombay Stock Exchange Limited and National Stock Exchange of India Limited *vide* their letters dated 24 October 2011 and 3 October 2011 respectively.

11. The pre-Arrangement (existing) capital structure and shareholding pattern of the Petitioner as per latest available data is as under:-

A. Pre-Arrangement capital structure/ shareholding pattern of Petitioner

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised Form	Total shareholding as a percentage of total share	
					As a percentage of (A + B)	As a percentage of (A + B+C)
A	Shareholding of Promoter and Promoter Group					
I	INDIAN					
a	Individuals/Hindu Undivided Family	6	7371250	7371250	3.8220	3.8220
b	Central Government/State Government(s)	0	0	0	0.0000	0.0000
c	Bodies Corporate	12	57458672	57458672	29.7919	29.7919
d	Financial Institutions/Banks	0	0	0	0.0000	0.0000
e	Any other (specify)	0	0	0	0.0000	0.0000
i	Trust	0	0	0	0.0000	0.0000
ii	Society	0	0	0	0.0000	0.0000
iii	Education Institutions	0	0	0	0.0000	0.0000
	Sub - Total (A) (1) :	18	64829922	64829922	33.6139	33.6139
2	FOREIGN					
a	Individuals (Non Resident Indians/Foreign Individuals)	0	0	0	0.0000	0.0000
b	Bodies Corporate	0	0	0	0.0000	0.00
c	Institutions	0	0	0	0.0000	0.00
d	Any Other (Specify)	0	0	0	0.0000	0.00
	Sub - Total (A) (2) :	0	0	0	0.0000	0.0000
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	18	64829922	64829922	33.6139	33.6139
B	Public Shareholding					
1	Institutions					
a	Mutual Funds/UTI	58	48499344	48433094	25.1467	25.1467
b	Financial Institutions/Banks	13	211430	111970	0.1096	0.1096
c	Central Government/State Government(s)	1	4000	0	0.0021	0.0021
d	Venture Capital funds	0	0	0	0.0000	0.0000
e	Insurance Companies	5	21616314	21616314	11.2080	11.2080
f	Foreign Institutional Investors	31	4850103	4850103	2.5148	2.5148
g	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000
h	Any Other (specify)	0	0	0	0.0000	0.0000
	Sub - Total (B)(1):	108	75181191	75011481	38.9812	38.9812

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised Form	Total shareholding as a percentage of total share	
					As a percentage of (A + B)	As a percentage of (A + B+C)
2	Non-Institutions					
a	Bodies Corporate*	759	25613131	25235881	13.2803	13.2803
b	Individuals					
i	Individuals Shareholders Holding Nominal Shares Capital upto Rs. 1 lacs *	19152	19542225	17413945	10.1315	10.1315
ii	Individual Shareholders Holding Nominal Share Capital in excess of Rs.1 lacs	16	3209497	2427057	1.6641	1.6641
c	Any other (Specify)					
i	Trust & Foundations	3	1390	1390	0.0007	0.0007
ii	Co-operative Societies	0	0	0	0.0000	0.0000
iii	Educational Institutions	0	0	0	0.0000	0.0000
iv	Non Resident Individual	344	824174	620574	0.4273	0.4273
v	Foreign Companies	1	1000	0	0.0005	0.0005
vi	OCB	2	3682240	3682240	1.9092	1.9092
	Sub - Total (B)(2)	20277	52873657	49381087	27.4137	27.4137
	Total Public shareholding (B) = (B)(1)+(b)(2)	20385	128054848	124392568	66.3950	66.3949
	Total (A) + (B)	20403	192884770	189222490	100	100
C	Shares held by Custodians and Against which Depository Receipts have ben issued	0	0	0	0	0
	Grand Total (A)+(B)+(C)	20403	192884770	189222490	100	100

*including 18880 partly paid up shares

B. There will be no change in the aforesaid capital structure and shareholding pattern of the Petitioner consequent to the Scheme since no new Equity Shares are to be issued or allotted under the Scheme to any person.

12. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of the Petitioner.
13. The Directors of each of the Petitioner and the Resulting Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies or to the extent the said Directors are partners, directors, members of companies, firms, association of persons, body corporate and/or beneficiary of trust that holds shares in any of the companies or to the extent they may be allotted shares in the Resulting Company as a result of the Scheme. None of the Directors of the Petitioner and the Resulting Companies are interested as a creditor.

Mr. P.K.Sonthalia is the Chief Financial Officer of the Petitioner and is also a Director of Resulting Company. The Directors' shareholdings in Petitioner and the Resulting Company are as follows :

Name of Director	No. of Equity Shares held in Petitioner	No. of Equity Shares held in Orient Cement
Petitioner's Directors		
Mr. C.K. Birla	28,97,570	Nil
Mr. B. K. Jhwar	Nil	Nil
Mr. A. Ghosh	7,000	Nil
Mr. Michael Bastian	24,000	Nil
Mr. Manohar Lal Pachisia	36,640	1
Orient Cement's Directors		
Mr. C. K. Birla	28,97,570	Nil
Mr. Manohar Lal Pachisia	36,640	1
Mr. P. K. Sonthalia	6,500	1
Mr. P.C. Agarwala	66,440	1
Mr. Haigreve Khaitan	Nil	Nil

Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

14. In the event that the Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied with or for any reason, the Scheme cannot be implemented, the Scheme shall become null and void, and the Resulting Company shall bear all the costs, charges and expenses in connection with the Scheme, unless otherwise mutually agreed
15. Inspection of the following documents may be had by Secured Creditors of the Petitioner at the Registered Office of the Petitioner up to one day prior to the date of the meeting between 11 am and 4 pm on all working days (except Saturdays, Sundays and public holidays):
 - 15.1 Copy of the Order dated 4 November, 2011 of the High Court of Orissa passed in Company Application No 31 of 2011 directing the convening of the meeting of the Secured Creditors of the Petitioner;
 - 15.2 Scheme of Arrangement;
 - 15.3 Memorandum and Articles of Association of the Petitioner and the Resulting Company;
 - 15.4 The Audited Financial Statements of the Petitioner for last three financial years ended 31 March 2010, 31 March 2009 and 31 March 2008;
 - 15.5 The Unaudited Financial Statements of the Petitioner as on 30 September 2011;
 - 15.6 Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, on Share exchange ratio;
 - 15.7 Fairness opinion issued by Kotak Mahindra Capital Co Limited, Category I Merchant Banker; and
 - 15.8 Copy of No Objection letters to the Scheme received from Bombay Stock Exchange Limited and the National Stock Exchange of India Limited dated 24 October 2011 and 3 October 2011 respectively.
 - 15.9 The Auditors' certificate stating compliance of accounting treatment with all the Accounting Standards specified by the Central Government.

Mr C K Birla and Mr M L Pachisia are directors in the Petitioner as well the Resulting Company. Apart from these directors, all directors of the Petitioner are interested in the approval of the Scheme to the extent of their shareholding in the Petitioner.

A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Petitioner and/or at the office of its Advocates at 31B, Bima Vihar, Sector 6 Markat Nagar Cuttack – 753014 or One Indiabulls Centre, Tower 1, 13th Floor, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013.

Dated this 21st day of November, 2011

Registered office:
Unit- VIII, Plot No 7, Bhoynagar,
Bhubaneswar 751 012
Orissa, India

B.C. Mohanty
Chairman appointed for the meeting

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No of 2011

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 and Section 101 to 103
of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient
Paper and Industries Limited and Orient Cement Limited
and their respective shareholders.

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

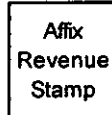
...Petitioner

FORM OF PROXY

I/ We _____, the undersigned, being the Secured Creditor(s) of
Orient Paper and Industries Limited, the Petitioner do hereby appoint Mr/ Ms _____ of
_____ and failing him/her _____ of
_____ as my/our proxy, to act for me/us at the meeting of the Secured Creditors to be held at
the registered office of the Petitioner on Saturday, the 17th day of December, 2011 at 12 noon for the purpose of
considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed
Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and at such meeting,
and any adjournment/ adjournments thereof, to vote, for me/us and in my/ our name(s)
_____ (herein, if for insert 'FOR', if against insert 'AGAINST' and in the latter case
strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied
in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary

Signature



Dated this _____ day of _____ 2011

Name _____

Address _____

Signatures of

Secured Creditor

Secured Creditor:

Signature of Proxy

Proxy:

Notes:

1. The Proxy must be deposited at the Registered Office of the Company at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar 751012, Orissa at least 48 hours before the time for holding the meeting.
2. All alterations made in the form of Proxy should be initialled.
3. In case of multiple proxies, the proxy later in time shall be accepted.
4. Please affix revenue stamp before putting signature.



ORIENT PAPER & INDUSTRIES LIMITED

Registered Office :

Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012 (ORISSA)

Court Convened meeting of the Un-Secured Creditors	
Time	: 2.00 P.M.
Day	: Saturday
Date	: 17th day of December, 2011
Venue	: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012 (ORISSA)

1. Notice convening the Meeting of Un-secured Creditors.
2. Statement under Section 393 of the Companies Act, 1956.
3. Form of Proxy.

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No 31 of 2011

In the matter of Sections 391 to 394 and Section 101 to
103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient
Paper and Industries Limited and Orient Cement Limited
and their respective shareholders

Orient Paper and Industries Limited
an existing Company for the purposes of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

... Petitioner

NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF
ORIENT PAPER AND INDUSTRIES LIMITED, THE PETITIONER COMPANY

To,

The Unsecured Creditors of Orient Paper and Industries Limited (the "Petitioner")

TAKE NOTICE that that by an Order made on 4 November, 2011 in the above Company Application, the Hon'ble High Court of Orissa has directed that a meeting of the Unsecured Creditors of Orient Paper and Industries Limited, the Petitioner, be convened and held at the registered office of the Petitioner on 17 December, 2011 at 2 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of Orient Paper and Industries Limited, the Petitioner, will be held at the registered office of the Petitioner on 17 December, 2011 at 2 P.M., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Petitioner at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr B.C. Mohanty, Advocate and failing him, Mr P. K. Dash, Advocate to be the Chairman of the said meeting.

A copy of the statement under Section 393 of the Companies Act, 1956, Attendance Slip and Form of Proxy are enclosed.

Dated this 21st day of November, 2011

B.C. Mohanty
Chairman appointed for the meeting

Registered office:

Unit- VIII, Plot No 7, Bhoinagar,

Bhubaneswar - 751012

Orissa, India

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No 31 of 2011

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 and Section 101 to
Section 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient
Paper and Industries Limited and Orient Cement Limited
and their respective shareholders

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

... Petitioner

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 4 November, 2011 passed by the Hon'ble High Court of Orissa in the Company Application ("**Application**") referred to hereinabove, a meeting of the Unsecured Creditors of Orient Paper and Industries Limited, the Petitioner, is being convened at the registered office of the Petitioner on 17 December, 2011 at 2 P.M., for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders.
2. In this statement, Orient Paper and Industries Limited is hereinafter referred to as ("**the Petitioner**"). The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
3. The background of both the companies involved in the Scheme of Arrangement are as under:
 - 3.1 Orient Paper and Industries Limited:
 - 3.1.1. Orient Paper and Industries Limited (the "**Petitioner**") is an existing company for the purposes of the Companies Act, 1956 ("**Act**") incorporated under the Indian Companies Act, 1913 on 25 July 1936 and having its registered office at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar - 751012, Orissa.

3.1.2. The authorised, issued, subscribed and paid-up share capital of the Petitioner as on the date of the Application was as follows:

Particulars	(Amount in Rs)
Authorised Capital	
75,00,00,000 Equity Shares of Re 1 each	75,00,00,000
25,00,00,000 Preference Shares of Rs 100 each	25,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-Up Capital	
19,28,66,740 fully paid-up equity shares of Re 1 each	19,28,68,340*
18,030 partly paid-up equity shares of Re 1 each	9,015
Total	19,28,77,355

*Includes Rs 1600 in respect of forfeited shares

3.1.3. The main objects of the Petitioner which are set out in the Memorandum and Articles of Association are as under:

- (i) *To carry on the manufacture of Pulp, Paper, Boards and other articles and the business of buyers, sellers, dealers, exporters of any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw material and manufactured articles.*
- (ii) *To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, Portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and by-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.*
- (iii) *To carry on the business of designing, manufacturing, processing, treating, preparing, assembling, fabricating, importing, exporting, buying, selling, trading, leasing and/or otherwise dealing in all kinds and types of electrical, mechanical, structural goods, materials, components, apparatus, devices, appliances, equipments and accessories including electrical motor, transformers, generators, accumulators, cables and wires, fans, dynamos, starters and automobile components and accessories.*

3.1.4. The Petitioner is presently engaged inter-alia in the following key businesses:

- (i) cement business;
- (ii) paper business; and
- (iii) electricals business.

3.2 Orient Cement Limited:

3.2.1. Orient Cement Limited (the "**Resulting Company**") is a company incorporated under the Act on 22 July 2011 and having its registered office at Unit-VIII, Plot No 7, Bhoingar, Bhubaneswar - 751012, Orissa.

3.2.2. The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on the date of the Application was as follows:

Share Capital	Amount in Rupees
Authorised Capital	
5,00,000 equity shares of Re 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-Up Capital	
5,00,000 equity shares of Re 1 each fully paid up	5,00,000
Total	5,00,000

3.2.3. The main objects of the Resulting Company as set out in the Memorandum and Articles of Association are as under:

To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and by-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.

4. The Petitioner is now proposing a Scheme of Arrangement for demerger of its Cement Undertaking and transfer / vesting of the said undertaking into Orient Cement Limited through a Scheme of Arrangement under Section 391 to 394 and Section 101 to 103 of the Companies Act, 1956.
5. The circumstances justifying the aforesaid Scheme are *inter alia* as follows:
 - 5.1 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 the Petitioner and its subsidiary, diversification and continuous funding support through equity and debt is imperative.
 - 5.2 Therefore, it has been proposed to re-organise the businesses of the Petitioner 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.
 - 5.3 Accordingly, it is proposed to demerge the Cement Undertaking of the Petitioner into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.
 - 5.4 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 the Petitioner. Further, the demerger would facilitate the running of 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.
 - 5.5 The financial position of the Petitioner will not be adversely affected by the Scheme of Arrangement and post arrangement, the Petitioner will be able to meet its liabilities as they arise in the ordinary course of business. The transfer and vesting of the Cement Undertaking into the Resulting Company with effect from 1 April 2012 is in the best interest of the shareholders, creditors and all other stakeholders of the respective companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or general public

at large as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner. The restructuring under this Scheme would enable focused business approach for maximisation of benefits to all stakeholders and provide an opportunity for growth.

6. The proposed arrangement was placed before the Board of Directors of the Petitioner and the Resulting Company on 27 July 2011, whereat the Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, an Independent Valuer, was also placed before the Boards. The Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, recommended the following share exchange ratio:

"1 fully paid Equity Share of Re 1 (Rupee One) each of the Resulting Company shall be issued and allotted for every Equity Shares of Re 1 (Rupee One) each held in the Petitioner"
7. Kotak Mahindra Capital Co Limited, a Category I Merchant Banker, has independently vetted the valuation and have furnished a 'Fairness Opinion' on the share exchange ratio recommended in the Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, from a financial point of view.
8. The Boards of Directors of the Petitioner and the Resulting Company, based on and relying upon the aforesaid Valuation Report, Fairness Opinion, and on the basis of their independent evaluation and judgment, came to the conclusion that the proposed share exchange ratio is fair and reasonable and decided to incorporate the same in the Scheme which was approved by them at their respective meetings on 27 July 2011.
9. The terms and conditions of the arrangement are set out in the proposed Scheme. The salient features of the proposed Scheme of Arrangement are *inter alia* as under:
 - 9.1 The Scheme of Arrangement envisages demerger of the Cement Undertaking of the Petitioner into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.
 - 9.2 "Appointed Date" for the Scheme will be 1 April 2012 or such other date as may be fixed or approved by the High Court of Judicature at Orissa.
 - 9.3 "Effective Date" for the Scheme shall be date on which the sanctions and approvals and the Order of the Court sanctioning this Scheme under the provisions of Section 391 to 394 of the Act and other related provisions are passed and the certified copies thereof are filed with the Registrar of Companies, Orissa in accordance with the Act and if such date is prior to the Appointed Date, then the Effective Date shall be deemed to refer to the Appointed Date as defined under this Scheme.
 - 9.4 "Record Date" means the date to be fixed jointly by the Board of Directors of the Petitioner and the Resulting Company for the purposes of determining the shareholders of the Petitioner to whom shares would be issued on demerger of the Cement Undertaking to the Resulting Company.
 - 9.5 "Cement Undertaking" means the undertaking of the Petitioner carrying on the business of manufacture, production, sale and distribution of cement comprising of *inter alia*:
 - 9.5.1 All assets and liabilities of the Petitioner pertaining to the business of manufacture, production, sale and distribution of cement;
 - 9.5.2 Notwithstanding the generality of the provisions of Clause (i) above, the Cement Undertaking shall include:
 - (i) all properties and assets, whether moveable or immovable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of the Cement Undertaking in respect of such properties and assets.
 - (ii) all assets (whether movable or immovable, real or personal, corporeal or incorporeal, leasehold or otherwise, present, future, contingent, tangible or intangible) pertaining to the business of manufacture,

production, sale and distribution of cement of the Petitioner including but not limited to the captive power generating plant relating to the Cement Undertaking, plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, receivables, funds, leases, mining leases, licences, tenancy rights, premises, hire purchase and lease arrangements including mining leases, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences including prospecting licences, industrial licences, explosive licences, etc, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Petitioner with respect to the business of manufacture, production, sale and distribution of cement;

- (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, of the Cement Undertaking, comprising of:
 - (a) the liabilities which arise out of the activities or operations of the Cement Undertaking;
 - (b) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of the Cement Undertaking; and
 - (c) so much of the amounts of general or multipurpose borrowings of the Petitioner as stand in the same proportion which the value of assets transferred of the Cement Undertaking bears to the total value of the assets of the Petitioner immediately before the Appointed Date.
- (iv) All other debts, duties, obligations and liabilities including contingent liabilities pertaining to the Cement Undertaking as a going concern for transfer to the Resulting Company.

- 9.5.3. All intellectual property rights of the Petitioner pertaining to its Cement Undertaking including patents, trademarks and copyrights;
- 9.5.4. All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Cement Undertaking of the Petitioner;
- 9.5.5. All permanent employees of the Petitioner employed in the business of manufacture, production, sale and distribution of cement;
- 9.5.6 All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to the Cement Undertaking of the Petitioner;
- 9.5.7. It is clarified that the Cement Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Petitioner Residual Entity.
- 9.6 With effect from the Appointed Date and upon the Scheme becoming effective, the Cement Undertaking, shall, pursuant to the provisions of Sections 391 and 394, all other applicable provisions of the Companies Act, 1956 and Section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, stand transferred as a going concern, to the Resulting Company, at book values as of the Appointed Date and the Cement Undertaking shall consequently vest in the Resulting Company with effect from the Effective Date for all the estate and interest of the Petitioner therein, subject however, to all the encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which also stand transferred to the Resulting Company.

- 9.7 All existing shares held by the Petitioner in the Resulting Company, i.e 5,00,000 equity shares of Re 1 each, shall stand cancelled, without any further act or deed as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the Order of the Court shall be deemed to be the Order under Section 102 of the Act for the purposes of confirming the reduction. The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name and the Resulting Company shall carry on with its current name, "Orient Cement Limited".
- 9.8 In respect of the 95,00,000 warrants issued by the Petitioner to Central India Industries Limited and 25,00,000 warrants to Shekhavati Investments & Traders Limited ("**Promoters**"), the Promoters have undertaken and committed to the Petitioner to exercise their option to convert the warrants, in their entirety, into equity shares of the Petitioner on or prior to 29 February 2012 which will be prior to the Record Date.
- 9.9 Upon the coming into effect of this Scheme, and in consideration of the demerger of the Cement Undertaking and transfer and vesting thereof with the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "**New Equity Shares**") at par on a proportionate basis to each member of the Petitioner whose name is recorded in the register of members of the Petitioner as holding equity shares on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Petitioner in the following proportion:
- "For every 1 equity share of face value of Re 1 held in the Petitioner, as on the Record Date, every equity shareholder of the Petitioner shall without any application, act or deed, be entitled to receive 1 equity share of face value of Re 1 each of the Resulting Company, credited as fully paid-up."
- 9.10 Upon the coming into effect of this Scheme, the members of the Petitioner holding partly paid up equity shares shall be issued the same number of partly paid equity shares in the Resulting Company.
- 9.11 The New Equity Shares to be issued to the members of the Petitioner shall be subject to the terms of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing equity shares of the Resulting Company in all respects including, but subject to the provisions of Section 205 of the Act, dividend (including interim dividend) for the financial year starting from the Appointed Date.
- 9.12 Upon the coming into effect of this Scheme, the Petitioner shall reduce the book value of assets and liabilities transferred to the Resulting Company from the book value of assets and liabilities of the Petitioner.
- 9.13 The value of assets of the Cement Undertaking transferred to the Resulting Company standing in the books of the Petitioner, which is represented by any revaluation carried out in the past, shall be first adjusted against revaluation reserve in the books of the Petitioner created for such purpose.
- 9.14 The value of the Cement Undertaking reduced as above shall be debited by the Petitioner to various reserves in the following order such that each reserve becomes NIL before another reserve is debited:
- (i) Capital reserve;
 - (ii) Capital Redemption reserve;
 - (iii) Securities premium reserve; and
 - (iv) General reserve.
- 9.15 The reduction of share capital in the Share Premium Account and reserves of the Petitioner, if any, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103, and other applicable provisions of the Act. The reduction of share capital under Sections 100 to 103, if any,

however, shall not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act shall not be applicable.

- 9.16 Notwithstanding the above, the Board of the Petitioner is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.
- 9.17 The Petitioner Residual Entity and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by the Petitioner.
- 9.18 Pending sanction of this Scheme, the Petitioner and the Resulting Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner, affect the reorganisation of capital herein, except conversion of warrants or as may be expressly permitted under this Scheme or as may be required to give effect to this Scheme.
- 9.19 Upon the Scheme becoming effective, all employees of the Cement Undertaking of the Petitioner in service on the Effective Date shall be deemed to have become the employees of the Resulting Company without any interruption in their service as a result of the transfer of the Cement Undertaking to the Resulting Company on the same terms and conditions of employment as were with the Petitioner. On the basis of continuity of service, the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Cement Undertaking of the Petitioner on the Effective Date.
- 9.20 The Petitioner and / or the Resulting Company, as the case may be, shall make such applications to SEBI as required under any circular, notification, guidelines, rules and regulations issued and to be issued by SEBI and also enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges.
- 9.21 The Petitioner and the Resulting Company by their respective Boards or any persons authorised by them, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose, or make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate by them in their sole discretion.
- 9.22 The Resulting Company shall bear all the costs and expenses including any stamp duty and transfer charges arising out of or incurred in connection with and in implementing this Scheme and matters incidental thereto.
- 9.23 The Scheme is conditional and subject to:
 - 9.23.1. The approval by the requisite majorities of the classes of persons, including shareholders, creditors and such other class of the Petitioner and the Resulting Company as may be directed by the Court under Section 391 of the Act.
 - 9.23.2. The sanctioning of this Scheme by the Court, whether with any modifications or amendments as the Court may deem fit or otherwise.
 - 9.23.3. The filing of the certified copies of the order of the Court with the Registrar of Companies of Orissa by the Petitioner and the Resulting Company.
 - 9.23.4. Any other sanctions and orders as may be directed by the Court in respect of this Scheme.
10. The Petitioner Company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Petitioner has obtained the approval to the Scheme of Arrangement in the terms of Clause 24(f) of the Listing Agreements of Bombay Stock Exchange Limited and National Stock Exchange of India Limited *vide* their letters dated 24 October 2011 and 3 October 2011 respectively.

11. The pre-Arrangement (existing) capital structure and shareholding pattern of the Petitioner as per latest available data is as under:-

A. Pre-Arrangement capital structure/ shareholding pattern of Petitioner

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised Form	Total shareholding as a percentage of total share	
					As a percentage of (A + B)	As a percentage of (A + B+C)
A	Shareholding of Promoter and Promoter Group					
I	INDIAN					
a	Individuals/Hindu Undivided Family	6	7371250	7371250	3.8220	3.8220
b	Central Government/State Government(s)	0	0	0	0.0000	0.0000
c	Bodies Corporate	12	57458672	57458672	29.7919	29.7919
d	Financial Institutions/Banks	0	0	0	0.0000	0.0000
e	Any other (specify)	0	0	0	0.0000	0.0000
i	Trust	0	0	0	0.0000	0.0000
ii	Society	0	0	0	0.0000	0.0000
iii	Education Institutions	0	0	0	0.0000	0.0000
	Sub - Total (A) (1) :	18	64829922	64829922	33.6139	33.6139
2	FOREIGN					
a	Individuals (Non Resident Indians/Foreign Individuals)	0	0	0	0.0000	0.0000
b	Bodies Corporate	0	0	0	0.0000	0.00
c	Institutions	0	0	0	0.0000	0.00
d	Any Other (Specify)	0	0	0	0.0000	0.00
	Sub - Total (A) (2) :	0	0	0	0.0000	0.0000
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	18	64829922	64829922	33.6139	33.6139
B	Public Shareholding					
1	Institutions					
a	Mutual Funds/UTI	58	48499344	48433094	25.1467	25.1467
b	Financial Institutions/Banks	13	211430	111970	0.1096	0.1096
c	Central Government/State Government(s)	1	4000	0	0.0021	0.0021
d	Venture Capital funds	0	0	0	0.0000	0.0000
e	Insurance Companies	5	21616314	21616314	11.2080	11.2080
f	Foreign Institutional Investors	31	4850103	4850103	2.5148	2.5148
g	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000
h	Any Other (specify)	0	0	0	0.0000	0.0000
	Sub - Total (B)(1):	108	75181191	75011481	38.9812	38.9812

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	No. of Shares held in dematerialised Form	Total shareholding as a percentage of total share	
					As a percentage of (A + B)	As a percentage of (A + B+C)
2	Non-Institutions					
a	Bodies Corporate*	759	25613131	25235881	13.2803	13.2803
b	Individuals					
i	Individuals Shareholders Holding Nominal Shares Capital upto Rs. 1 lacs *	19152	19542225	17413945	10.1315	10.1315
ii	Individual Shareholders Holding Nominal Share Capital in excess of Rs.1 lacs	16	3209497	2427057	1.6641	1.6641
c	Any other (Specify)					
i	Trust & Foundations	3	1390	1390	0.0007	0.0007
ii	Co-operative Societies	0	0	0	0.0000	0.0000
iii	Educational Institutions	0	0	0	0.0000	0.0000
iv	Non Resident Individual	344	824174	620574	0.4273	0.4273
v	Foreign Companies	1	1000	0	0.0005	0.0005
vi	OCB	2	3682240	3682240	1.9092	1.9092
	Sub - Total (B)(2)	20277	52873657	49381087	27.4137	27.4137
	Total Public shareholding (B) = (B)(1)+(b)(2)	20385	128054848	124392568	66.3950	66.3949
	Total (A) + (B)	20403	192884770	189222490	100	100
C	Shares held by Custodians and Against which Depository Receipts have ben issued	0	0	0	0	0
	Grand Total (A)+(B)+(C)	20403	192884770	189222490	100	100

*including 18880 partly paid up shares

B. There will be no change in the aforesaid capital structure and shareholding pattern of the Petitioner consequent to the Scheme since no new Equity Shares are to be issued or allotted under the Scheme to any person.

12. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of the Petitioner.
13. The Directors of each of the Petitioner and the Resulting Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies or to the extent the said Directors are partners, directors, members of companies, firms, association of persons, body corporate and/or beneficiary of trust that holds shares in any of the companies or to the extent they may be allotted shares in the Resulting Company as a result of the Scheme. None of the Directors of the Petitioner and the Resulting Companies are interested as a creditor.

Mr. P.K Sonthalia is the Chief Financial Officer of the Petitioner and is also a Director of Resulting Company. The Directors' shareholdings in Petitioner and the Resulting Company are as follows :

Name of Director	No. of Equity Shares held in Petitioner	No. of Equity Shares held in Orient Cement
Petitioner's Directors		
Mr. C.K. Birla	28,97,570	Nil
Mr. B. K. Jhawar	Nil	Nil
Mr. A. Ghosh	7,000	Nil
Mr. Michael Bastian	24,000	Nil
Mr. Manohar Lal Pachisia	36,640	1
Orient Cement's Directors		
Mr. C. K. Birla	28,97,570	Nil
Mr. Manohar Lal Pachisia	36,640	1
Mr. P. K. Sonthalia	6,500	1
Mr. P.C. Agarwala	66,440	1
Mr. Haigreve Khaitan	Nil	Nil

Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

14. In the event that the Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied with or for any reason, the Scheme cannot be implemented, the Scheme shall become null and void, and the Resulting Company shall bear all the costs, charges and expenses in connection with the Scheme, unless otherwise mutually agreed.
15. Inspection of the following documents may be had by Unsecured Creditors of the Petitioner at the Registered Office of the Petitioner up to one day prior to the date of the meeting between 11 am and 4 pm on all working days (except Saturdays, Sundays and public holidays):
 - 15.1 Copy of the Order dated 4 November, 2011 of the High Court of Orissa passed in Company Application No 31 of 2011 directing the convening of the meeting of the Unsecured Creditors of the Petitioner;
 - 15.2 Scheme of Arrangement;
 - 15.3 Memorandum and Articles of Association of the Petitioner and the Resulting Company;
 - 15.4 The Audited Financial Statements of the Petitioner for last three financial years ended 31 March 2010, 31 March 2009 and 31 March 2008;
 - 15.5 The Unaudited Financial Statements of the Petitioner as on 30 September 2011;
 - 15.6 Valuation Report of M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants, on Share exchange ratio;
 - 15.7 Fairness opinion issued by Kotak Mahindra Capital Co Limited, Category I Merchant Banker; and
 - 15.8 Copy of No Objection letters to the Scheme received from Bombay Stock Exchange Limited and the National Stock Exchange of India Limited dated 24 October 2011 and 3 October 2011 respectively.
 - 15.9 The Auditors' certificate stating compliance of accounting treatment with all the Accounting Standards specified by the Central Government.

Mr C K Birla and Mr M L Pachisia are directors in the Petitioner as well the Resulting Company. Apart from these directors, all directors of the Petitioner are interested in the approval of the Scheme to the extent of their shareholding in the Petitioner.

A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Petitioner and/or at the office of its Advocates at 31B, Bima Vihar, Sector 6 Markat Nagar Cuttack – 753014 or One Indiabulls Centre, Tower 1, 13th Floor, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013.

Dated this 21st day of November, 2011.

Registered office:
Unit- VIII, Plot No 7, Bhoingar,
Bhubaneswar 751 012
Orissa, India

B.C. Mohanty
Chairman appointed for the meeting

In the Hon'ble High Court of Orissa, Cuttack
Original Jurisdiction

Company Application No of 2011

In the matter of Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 and Section 101 to 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and their respective shareholders.

Orient Paper and Industries Limited
a Company incorporated under the provisions of the
Companies Act, 1956 having its registered office at
Unit- VIII, Plot No 7, Bhoinagar,
Bhubaneswar 751 012
Orissa, India

...Petitioner

FORM OF PROXY

I/ We _____, the undersigned, being the Unsecured Creditor(s) of Orient Paper and Industries Limited, the Petitioner do hereby appoint Mr/ Ms _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors to be held at the registered office of the Petitioner on Saturday the 17th day of December, 2011 at 2.00 P.M. for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed Scheme of Arrangement between Orient Paper and Industries Limited and Orient Cement Limited and at such meeting, and any adjournment/ adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if for insert 'FOR', if against insert 'AGAINST' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary

Signature

Affix Revenue Stamp

Dated this _____ day of _____ 2011

Name _____

Address _____

Signatures of

Secured Creditor Secured Creditor: _____

Signature of Proxy Proxy: _____

Notes:

1. The Proxy must be deposited at the Registered Office of the Company at Unit-VIII, Plot No 7, Bhoinagar, Bhubaneswar 751012, Orissa at least 48 hours before the time for holding the meeting.
2. All alterations made in the form of Proxy should be initialled.
3. In case of multiple proxies, the proxy later in time shall be accepted.
4. Please affix revenue stamp before putting signature.