

## Tamil Nadu Newsprint & Papers Limited



**Registered & Corporate Office: No.67, Mount Road, Guindy, Chennai 600 032, India.**

**Phone : 044-22354415-16, Fax: 044-22350834**

**Contact person and Compliance Officer : Mr. A.Velliangiri (Deputy Managing Director and Company Secretary)**

**PRIVATE PLACEMENT OF 500 SECURED NON-CONVERTIBLE DEBENTURES OF Rs. 10,00,000/- EACH FOR CASH AT PAR AGGREGATING Rs. 50 CRORES WITH A GREEN SHOE OPTION FOR A FUTHER AMOUNT OF UP TO Rs. 50 CRORES**

### **GENERAL RISKS:**

For taking an investment decision, investors must rely on their own examination of the issue and the Information Memorandum including the risks involve. The Issue has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the adequacy of this Information Memorandum.

### **CREDIT RATING:**

“LAA-” (pronounced as L double AA Minus) by ICRA limited for Rs.100 crores long term NCDs indicating “high-credit-quality”.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

**LISTING:** The Debentures are proposed to be listed on the Bombay Stock Exchange Limited (“BSE” or the “Stock Exchange”)

### **REGISTRAR & TRANSFER AGENT:**

M/s Cameo Corporate Services Ltd,  
V Floor, “Subramanian Building”  
No.1 Club House Road,  
Chennai - 600 002

This schedule under SEBI guidelines dated June 6, 2008 for private placement is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the issuer.

### **SOLE BOOKRUNNER AND LEAD ARRANGER**

Standard Chartered Bank  
90, Mahatma Gandhi Road, Fort,  
Mumbai - 400 001.  
Tel. : (022) 22670224 Fax.:91-22-22651255.



**I. Name, Address & Registered Office of the Company**

Tamil Nadu Newsprint and Papers Limited, No.67, Mount Road, Guindy, Chennai 600 032, India. Phone : 044-22354415-16, Fax: 044-22350834

**II. NAME ADDRESS AND OTHER DETAILS OF DIRECTORS ON BOARD AS ON MARCH 31, 2008.**

<b>S.No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>	<b>Date of Appointment</b>
1.	Mr. Rajeev Ranjan, IAS	Chairman	X-I/II-4 SAF Games Village, Koyambedu, Chennai 600 107	22.12.09
2.	Mr. Md NASIMUDDIN, IAS	Managing Director	B-11, Tower Block, Taylors Road, Kilpauk, Chennai 600 010	21.02.08
3.	Mr. A VELLIANGIRI	Deputy Managing Director	Agastiyar Manor, Flat No.1 B 13 Raja Street T Nagar, Chennai 600 017	19.12.07
4.	Mr. R Thiagarajan. IAS	Director	2/640 'TRINITY' River View Enclave Manapakkam, Chennai 600 116	26.6.09
5.	Mr. Dayanand Kataria, IAS	Director	A3/7 SAF Games Village Koyambedu Chennai 600 107	26.06.09
6.	Mr. V R MEHTA	Director	G-12, South Extension Part II New Delhi 110 049	11.05.01
7.	Mr. V NARAYANAN	Director	Flat No.19, "The Manor" No.1 Cenotaph Second St. Teynampet CHENNAI 600 018	25.01.02

8.	Mr. R R BHANDARI	Director	HB-292, Sector-3, Flat No.8 Salt Lake Calcutta 700 091	23.03.02
9.	Mr. N KUMARAVELU	Director	Old No.AC-20, New No.AC-30 Anna Nagar CHENNAI 600 040	27.06.05
10.	Mr. D Krishnan	Director	Flat 1, Block No.6 Sreshta-Riverside 78 Wood-Creek Road, Nandambakkam Chennai 600 089	11.12.08

### **III.SUMMARY OF BUSINESS/ACTIVITIES**

#### **Business Activity**

Tamil Nadu Newsprint and Papers Limited (TNPL) was promoted by the Government of Tamil Nadu for the manufacture of newsprint and printing and writing (P&W) papers, using bagasse as the principal fibre source. The mill, located at Kagithapuram in Karur District (about 400 km south west of Chennai), with an installed capacity of 245000 tpa of Newsprint/P&W paper to meet the twin objectives of conserving the fast depleting forest resources and to promote use of annually renewable raw material.

#### **Process Description:**

##### **1.Bagasse Handling Plant**

The plant is designed to handle 3600 tonnes per day of Mill wet bagasse at 50% moisture. Bagasse received in lorries is unloaded in hydraulically operated tipping system and passed through Depithers to separate Pith and Fibre. The pith is sent to the Boilers to be used as fuel and Depithed bagasse is stored in the yard through Boom Stackers. In the Boom-stacker water is mixed with bagasse to remove the water solubles. The yard has a capacity to store 6 lakhs tonnes of bagasse. The bagasse from the storage yard is reclaimed through Dozer-Loader-conveyor system to reclaim chest. It is then washed and processed for Chemical Bagasse pulping and Mechanical Bagasse Pulping. The pith is being separated through side hill screens and sent to pith press for filtering the water and the same is sent to Power Boilers through conveyors for burning as fuel

##### **2.Pulp Mill**

The Pulp Mill consists of Hard wood pulping (HWP), Chemical Bagasse Pulping(CBP) and Mechanical Bagasse pulping. The company has a facility to lap 50 bdmt per day of surplus pulp at 60% moisture for future use and sale.

a) **Hardwood pulping:** The Eucalyptus and other tropical Hardwood logs are drawn from wood yard chipped and chips are screened and stored in the silo. The chips are fed from Silo

to Super Batch System (Digester) through a conveyor and cooked with white liquor. Pulp from the digester area is sent to the brown stock area. The pulp is screened to remove impurities and washed in several stages to remove cooking chemicals and dissolved. The pulp is further delignified in the OxyTrac™ system (two-step oxygen delignification stage) and washed in a post oxygen washing stage prior to entering the bleaching area. The pulp is bleached in the ECF - Bleach plant and stored in the towers wherefrom it is supplied to paper machines.

b) **Chemical Bagasse pulping:** The washed bagasse is fed, to twin tube continuous digesters wherein it is cooked. After cooking, the pulp is blown to a common blow tank continuously. The cooked bagasse pulp from the blow tank is washed in a three stage counter current rotary vacuum filters and stored in high density storage chest. The pulp is then cleaned in a battery of centricleaners and thickened. The thickened unbleached pulp from the pulp streets will be collected in a common LC tank and fed to a new 500 odt/d Elemental Chlorine Free bleaching (ECF) plant for bleaching. Bleached pulp is then stored towers wherefrom it is supplied to Paper machines.

c) **Mechanical Bagasse Pulping:** The washed bagasse is passed through steam tubes mixed with cooking chemicals to Thermo Mechanical Pulp (TMP) refiners where it is defibrated and refined and stored in blow tank. The pulp from the Blow tank is again refined in an atmospheric Chemi Mechanical Pulp (CMP) refiner with some more addition of chemical. The refined pulp is then screened in Heavy Duty pressure screens, then passed through Centri-Cleaners to remove the fine sand and shives. This screened pulp is bleached with Hydrogen peroxide and soup solution. After a retention of 2 hours in the reaction tower, the pulp is then neutralized with Diluted Sulphuric Acid and stored in a storage tower to be supplied to Paper Machine.

### 3. Paper Machines

The mill has 2 no. dual purpose Paper machine capable of producing Newsprint/Writing and Printing paper. The Paper Machine #1 (PM1) has a trim width of 6.8 M at a continuous operating maximum speed of 750 mts/min, while the PM2 has a trim width of 6.6 M, capable of operating at speed around 850 mts/min. The PM1 has capacity to produce either 300 tpd of Newsprint at 85% efficiency or 240 tpd of surface sized Printing and Writing Paper at 80% efficiency. PM2 has capacity to produce 305 tpd of Newsprint at 80% efficiency. The machine also incorporates several improved features to support higher percentage of weak bagasse pulp in the furnish.

Metered quantities of pulp are drawn to a blending chest for the required furnish of paper in the stock preparation plant. The stock preparation consists double disc refiners for post refining hardwood pulp and a control refiner for refining mixed stock before admitting to the paper machine. The pulp is deaerated and then pumped to the head box of the machine after centricleaning, by a pulsation free fan pump through centri screen.

The Paper Machine has a paper forming section consisting of head box and a twin wire former. The sheet formation takes place on the synthetic wire with large quantum of dewatering. The water is send to the saveall for recovery of fibres and reused in the system.

The press zone configuration is a "Trinip System" where the sheet is further dewatered to 40% consistency by application of hydraulic loads.

The paper sheet passes through a four groups of (three groups in case of PM2) steam heated dryers to achieve the desired dryness. The paper finally passes through a four roll calender stack for controlling the surface properties of paper and subsequently reeled onto jumbo rolls.

Converting, finishing and packing lines are designed for production of finished paper in reels or sheets and consists of a Winder for cutting & winding of paper to the sizes required, Rewinder for rewinding of loosely wound and rejected reels, Automatic Reel Wrapping Units and 3 Nos Sheet Cutters for conversion of printing & writing paper into sheets.

The mill has installed 2 No. fully automatic ream wrapping machines with a total capacity of 150 tpd, to meet the demands of A4, Folio, A3 size papers.

#### **4. Chemical Recovery Plant**

The function of the Soda Recovery Plant is to receive weak black liquor from Pulp Mill, remove the non-cellulosic organic matter and process it to make white liquor ready for use. This section contains three operations viz., Evaporation, Recovery Boiler and Causticizing.

#### **5. Utilities**

a) **Steam:** The Pulp Mill, Soda Recovery Plant and Paper Machine need Low Pressure (LP) and / or Medium Pressure (MP) steam for process. The required steam is generated using solid fuels like coal, lignite, agro fuels, pith in varying proportion. The steam generated from the service boilers and Recovery Boiler is super heated steam and is converted to High Pressure Steam (HP Steam) by injecting water into process. The HP steam so generated has to be extracted into MP & LP steam by passing through Turbo Generators for use in process.

b) **Power:** The company has five Turbo Generators to meet its power requirements. After meeting the in-house requirements, the balance generated power is sold to TNEB at an agreed price.

c) **Water:** The company has a sanction to draw upto 16 Million Gallons per day (MGD) from River Cauvery. The water is connected from the intake wells to the water treatment plant through underground pipe lines. The water is treated and drawn for use in process, DM plant, soft water plant and colony.

d) **Effluent Treatment:** The effluent water from the process is clarified and treated in Effluent Treatment Plant (ETP) and revitalized by adding Diammonium Phosphate (DAP) and Urea and let into lagoon. The sludge from clarifier is dewatered with help of vacuum belt-filter and the filter cake is disposed of. The treated effluent water is used for irrigation by the farmers around the factory.

e) **Bio Methanation Plant:** Bio-Methanation Plant for the treatment of bagasse washing effluent has been installed during 2003-04 based on the GENL's technology viz. UASB OPITIMA process. The Optima process is based on Upflow Anaerobic Sludge Blanket (UASB) process. In UASB process the organic matter is digested, absorbed and metabolized into bacterial cell mass and in turn to bio-gas by anaerobic micro-organisms. The bio-gas generated is used in lime kiln and in power boilers as fuel substitute.

#### **Product Offering**

▶ TNPL Ultra White Maplitho

▶ TNPL Offset Printing

▶ Elegant Printing

▶ Creamwove

▶ Hi - Tech - Maplitho

▶ Copy Crown

▶ TNPL Maplitho

▶ TNPL Copier

▶ Radiant Printing

▶ Students' Favourites

TNPL brings a range of high-quality surface sized Maplitho and non-surface sized Papers to suit a range of printing processes namely Sheet-fed or Web-fed offset, digital or computer printers.

TNPL reels have an even profile and excellent reel condition, with strength properties that cope with higher machine speeds. Each product is a result of customer-focused R&D and all from environment friendly technologies and raw materials.

### **Range**

TNPL product-line features well-established brands of commercial to premium grades of Printing & Writing Papers ranging from 50 to 90GSM across four different product segment namely : Printing, Writing, Computer Stationery, Business Stationery.

The range comprises one of the widest, ready-to-use, cut-to-size branded products, tailor-made for a variety of day-to-day applications. The entire range is endorsed by World Wide Fund-I (WWF - I) as environment friendly.

### **TNPL Ultra White Maplitho**

TNPL's premium product with superior brightness and opacity. Superbly engineered to suit high-quality, high-resolution, multi-color printing. It is acid free for shade durability and delivers strong images with "near-graphic" quality offering the "extra kick" to meet the printers' demand for high-end printing applications.

Ideal for diaries, calendars, annual reports for high end segments and all kinds of high-resolution multi-color print jobs.

#### **Elegant Printing -**

A popular choice of the printing industry. It is acid free for shade durability. With a combination of high brightness and excellent surface finish it is best suited for Diaries, calendars, posters, balance sheets and quality text books. An ideal paper for varnishing.

#### **Hi-Tech Maplitho -**

Hi-bright, hi-strength, hi-stiff paper presenting a pleasant shade with improved optical properties. Packs the "Maplitho punch" without surface sizing. It is acid free for shade durability. Being economical it is said to be an ideal product for quality multi-color printing and hi-speed web offset printing.

Readily suitable for quality notebooks, diaries, calendars and annual reports.

#### **TNPL Maplitho -**

A product with entry level surface sizing provided with good bonding strength. Its enhanced surface strength is suitable for high speed single and double colour commercial offset printing. It is acid free for shade durability. Also best suited for Student Notebooks and continuous computer stationery.

#### **Radiant Printing -**

A non-surface sized, High-Bright and High-strength paper. It is very economical and customer friendly for commercial grade printing. It is acid free for shade durability.

Suitable for textbooks and brochures. Best suited for Student Notebooks and it has been

in the forefront as the popular choice for Continuous stationery fanfold.

**TNPL Offset Printing -**

Bright and endowed with superior internal bonding strength it renders good Functional properties. Its enhanced Surface strength makes it ideal for high speed commercial offset printing. It is acid free for shade durability. Also best suited for Student Notebooks and continuous computer stationery.

**Creamwove -**

A traditional product by its name but not away from quality. With its properties "it gives complete satisfaction and by its economy "it perfectly fits the consumer. It is Acid free for shade durability. This dense and strong paper has become a well established common man brand for offset printing, computer stationery, text book publishing. Ideal for Examination papers, text books.

**Copy Crown -**

Copy crown is a super bright office paper known for high opacity. Cut size, and packed using the world's best technology giving perfect dimensions.

The Copy Crown comes in attractive, compact and convenient packages. Available in A4 size 80 GSM 500 sheet packets, it is a Multi-functional paper designed to meet all the printing needs of a modern office. It is Acid free for shade durability and high permanency.

Ideally suited for Laser, Inkjet, Plain Paper fax and digital copiers for sharp contrast and image clarity. It is equally suitable for office letterheads, documentation, Digital Printing & Copying.

**TNPL Copier**

An international standard copier paper. Available in 80 GSM and 75 GSM. TNPL Copier is available in A4, A3 and Legal Sizes.

Its ability to give clear and fast copies has been well proven. Armed with excellent dimensional stability and being specially treated for curl resistance ensures "absolute copying freedom".

A widely known copier paper for high-speed copiers and laser printers. It is Acid free for shade durability.

**Classic Writing**

Packaged writing paper. Ready-to-use Academy size and cut pack in protective package. Its bright, smooth surface is excellent for writing. It is acid free for shade durability.

**Eco Friendly Exercise Notebooks**

Bright, Strong & Smooth pages encased between excellent wrappers. The durable binding and trendy designs are the best in the market. Most affordable price and popular sizes for schools and colleges are undisputable in the Notebook Market. The

sheets are acid free for shade durability.

### **Quality**

As an ISO9001:2000 company, TNPL has consistently improved its quality benchmarks, leading to high customer satisfaction and loyal off-take. The world's best-known automated, on-line sheeting and packing machinery has elevated TNPL's paper conversion to international standards.

TNPL is the only company that offers quality computer stationery reels across a wide range of grammages and sizes - Tailormade to the needs of evolving customers.

- ▶ TNPL computer stationery reels run non-stop to the core, minimizing wastage.
- ▶ Joint-free and high-diameter reels facilitate greater productivity.
- ▶ Hi-tensile and bursting strength are the brand hallmarks.
- ▶ Uniform profile, even surface, bright and smooth finish ensure quality printing.

### **Technology**

TNPL is an acknowledged leader in technology in the manufacture of paper from bagasse. It is one of the few units in the World to make paper from bagasse a sugar cane waste. The key areas of operation have been innovatively designed and developed by a competent technical team of the Company.

TNPL has two high-speed paper machines from Beloit Walmsley and Voith Paper. Together they produce 700 tonnes of paper every day. Amply supported by online process and quality control systems the Company ensures uniform and consistent quality without compromising on efficiency. The Company's endeavour has been to go for the latest technology with the objective of manufacturing best quality paper as well as making the Company environment friendly.

### **MILL DEVELOPMENT PLAN (MDP)**

The Mill Development Plan (MDP) of TNPL commissioned in June 2008, focuses on improvement of Environmental Performance of the mill. The MDP involved installation of the following key facilities, at a total capital outlay of Rs.612 Crores i.e. 133 Million US Dollars:

- ▶ A 300 tpd state-of-the-art Hardwood Pulp Line with Elemental Chlorine Free (ECF) bleaching sequence
- ▶ A 500 tpd ECF bleaching plant for Chemical Bagasse Pulp
- ▶ An integrated Chlorine-Di-Oxide Plant of 15 tpd capacity.



- ▶ A 1300 tpd Black Liquor Dry Solids (BLDS) Recovery Boiler along with a 20 MW Turbo generator.
- ▶ A Falling film Black liquor evaporator of 350 tonnes per hour (tph) water evaporation to concentrate the black liquor upto 70% solids.

Installation of ECF Bleaching will make the Company to become more compliant towards environmental regulations, operationally efficient besides being cost effective. Post-MDP, the paper production capacity of the mill shall be 245,000 tonnes per annum besides producing 45,000 tonnes per annum of surplus pulp for sale.

#### **MILL EXPANSION PLAN (MEP)**

TNPL has now embarked on a Mill Expansion Plan (MEP) involving capital outlay of Rs.1000 Crore i.e. 217 Million US Dollars. The project aims to increase the paper production capacity of the mill from 245,000 tonnes to 400,000 tonnes per annum utilizing the surplus pulp generated under the Mill Development Plan already implemented. The Mill Expansion Plan (MEP) involves installation of a state-of-the-art Paper Machine with a production capacity of 155,000 tonnes of fine paper per annum, backward integration of ECF Bleach plant of Chemical Bagasse Pulp and a Multi-fuel boiler with steam generation capacity of 125 tph. Under MEP, the in-house pulp production will be increased from 800 to 880 tpd.

For the MEP, TNPL has placed the orders on M/s VOITH Paper GmbH & Co., KG, Germany for supply of Paper Machine-3 and on M/s Metso Paper Sundsvall AB, Sweden for supply of equipment for backward integration of 500 OD tpd Chemical Bagasse Pulp ECF Bleach Plant.

The Commissioning for the Mill Expansion Plan is set as September 2010. This will enable TNPL to join the elite group of "1000-plus" (tpd) mills and the Company will emerge as the largest Paper Mill in a single location in India..

The MEP includes installation of equipments to address the improvement of environment performance viz. Electrostatic Precipitator (ESP) for the power boiler, additional equipments for Effluent treatment plant, Oxygen delignification & new brown stock washing equipments at a cost of Rs.126 Crores.

#### **LIFE CYCLE EXTENSION OF PAPER MACHINE #1**

The Mill has also completed the Life Cycle Extension Programme for the Paper Machine #1, in April 2009, at a cost of Rs. 82 Crore i.e. 18 Million US Dollars. The PM-1, which was installed during 1985, has been equipped with a state-of-the-art dilution control headbox, strengthening of press frames, improvements in the size press, calendar, pope reel and winder. The upgrade has resulted in improved quality of paper from this machine apart from offering a new lease of life for the machine.

TNPL has a full-fledged finishing house for automatic conversion of reels into sheets and two cut-pack lines to have finely cut and wrapped A4, A3, folio sheets. To capitalize on the growing demand for these papers, TNPL has augmented its cut-pack line capacity to 350tpd with addition of a state-of-the-art 200tpd cut-pack system from Beilomatik, Germany.

TNPL derives its strength from its dedicated in-house Research & Development (R & D) team, one of the best in the country. TNPL's customer-focused R&D has been instrumental in improving quality, ensuring consistency and introducing new products

based on market feedback and needs.

TNPL believes and invests in state of art technology. In association with CMC Ltd, TNPL has developed and deployed a comprehensive Online Integrated Information System (OIIS), which provides real time information for quick decision making.

### **Research & Development and Quality Control**

TNPL's contemporary cutting edge technology processes and equipments along with a team of dedicated trained professionals ensure that customers always get consistent quality products. State of the art 'On Online Process Control Systems' installed at various stages of manufacturing processes continuously measure and control critical parameters. R&D and QC activities are aimed towards achieving company's corporate goals.

- ▶ Sustained R&D efforts to support process for improvements in quality and trouble shooting
- ▶ Customized support to customers and provide workable solutions for specific problems
- ▶ Right kind of raw materials usage ensured through structured sampling and testing
- ▶ Effective pollution abatement measures to meet all statutory and mandatory norms which also fetch Carbon Credit benefits
- ▶ Set product norms/specifications to meet customer requirements based on national/ international standards applicable
- ▶ Appraise conformance by inspection and testing of periodic samples in one of the best equipped laboratories in the country
- ▶ Take corrective action, if necessary and sustain the standards achieved

R&D and QC department plays a pro active roll in meeting the company's environmental and quality policy.

### **Information Technology - Online Integrated Information System (OIIS)**

TNPL believes and invests in state of art technology. In association with CMC Ltd - TNPL has developed a comprehensive Online Integrated Information System (OIIS), which provides real time information for quick decision making.

The Online Integrated Information System (OIIS) using Oracle 10g-R2 Database consists of 16 modules covering most of the functions in Factory, Corporate Office and Branches. All the modules are integrated. Centralized data base is maintained at Factory. The infrastructure in the factory consists of 2 Nos. of HP Servers in Cluster as Application Server and Database Server and Storage Area Network (SAN) providing for centralized data storage based on Fibre Channel with an Automated Tape backup system. There are 5 nos. of Intel Servers to cater to the need of Firewall Server, File Server, Proxy Server, Test database Server and Backup File Server. One Itanium server is being used as Mail

Server.

The Computers in the factory are connected by Campus Area Network (CAN). The Computers in the Corporate Office are connected by Local Area Network (LAN). The Computers in Factory and Corporate Office are connected through Wide Area Network (WAN). Similarly, the Computers in the Factory, Corporate Office and Branches are connected through Virtual Private Network (VPN).

As a first step towards e-CRM (Customer Relationship Management) and e-SCM (Supply Chain Management), Marketing and Materials activities are web enabled.

TNPL maintains a Disaster Recovery System (DRS) at Bangalore for the valued data.

### **Environment**

Environment Protection and Management are integral part of TNPL's activities. TNPL has taken several measures for protecting the environment based on sustainable development. In its choice of raw materials, sources of energy, and production processes, as well as in product development, the objective is to minimize the pollution load on environment. In all its business operations TNPL takes social, ecological and economic considerations seriously.

TNPL is an unfolding saga of commitment to sustainable development. Guided by principles of environmental responsibility, TNPL manufactures and markets paper using materials and processes that help minimize waste, conserve resources and protect Earth's bio diversity. Its unfailing commitment to clean production techniques with minimum pollution load stand out as a bench mark in the industry.

Recognizing, TNPL's Commitment to preserving nature, the World Wide Fund for Nature - India (WWF) has endorsed TNPL as an Eco-conscious company and has franchised its PANDA Logo to be used on TNPL's branded products.

Through the adoption of sound ecological practices at every stage of activity, TNPL has not only brought down the pollution load but also improved the overall profitability through adoption of cleaner production technologies. Besides as a responsible corporate citizen the Company has initiated many community development activities to enhance the quality of life in and around TNPL which has brought in lot of goodwill.

- Harnessing of wind energy,
- adoption of greener technologies,
- resource conservation,
- responsible waste management and
- minimal pollution loads

The above activities make TNPL one of the most environmentally compliant mills in the world.

By using bagasse as primary raw material, TNPL preserves over 40000 acres of forest land from depletion every year.

TNPL has also been adopting multi-pronged, ecologically sound approach towards waste minimization and cost reduction through adoption of cleaner production technologies.

TNPL is accredited with ISO14001:2004 certification for an effective environmental management system.

## **TNPL EFFLUENT WATER LIFT IRRIGATION SOCIETY (TEWLIS)**

Effluent water from the process is treated in a state-of-art effluent treatment system, through an "Activated Sludge Process". The treated effluent water conforming totally to the Pollution Control Board norms is utilized for irrigating the dry barren lands around the Mill. Around 1700 acres of arid land are irrigated with the treated effluent water under TNPL EFFLUENT WATER LIFT IRRIGATION SOCIETY (TEWLIS) scheme. The main crops cultivated in the ayacut area are coconut, sugarcane, paddy and tapioca. The lands which were dry and parched earlier, are now lush green, and are a source of perennial revenue to the land owners.

## **TNPL PLANTATION PROGRAMME**

For the production of 2,45,000 MT of paper, the mill requires about 4,50,000 tons of pulpwood per annum. The current supply from the state is far behind demand. Hence, to meet the growing raw material requirement and also to sub serve the 1988 Forest Policy Guidelines of Tamil Nadu Government, TNPL has initiated Plantation programme during 2004-05 and has accelerated the pace to increase the area under pulp wood plantations.

Now the plantation programme is entering into its fifth year of operation, expanding the targets with refinement and up-gradation of technologies every year. TNPL is now deploying several innovative measures and technological advancements resulting in significant achievements in many aspects of the plantation programme.

TNPL plantation programmes comprise two approaches viz., Farm forestry and captive plantations.

### **FARM FORESTRY**

The major activities carried out in this programme are motivating the farmers on tree farming and facilitating them to raise the pulpwood plantations. Presently, development of pulpwood plantation in the land belonging to small and marginal farmers with minimum 50 acres in each village is encouraged. Under this scheme, dry land farmers in the State are encouraged to cultivate pulpwood trees.

### **CAPTIVE PLANTATION**

Captive plantations are raised in the lands belonging to the company, Government departments, Educational Institutions and in the large land holdings belonging to the participating farmers.

The land would be taken either on long term lease spanning over a period of 15 to 30 years or on revenue sharing basis. In the case of revenue sharing basis, the benefits would be shared between the company and the landowners subsequent to the harvest at an agreed ratio. Under lease rent basis, TNPL undertakes the responsibility of land development, plantation and maintenance. The entire produce raised from the lands shall be taken by TNPL.

### **TNPL CLONAL PROPAGATION AND RESEARCH CENTRE :**

TNPL has added another feather in its cap by commissioning a state-of-the art clonal production centre of capacity of 1.5 crores plants / year near the mill site. It is the largest Clonal production, research and development centre at a single location with world-class infrastructure facilities in India.

In May 2007 the establishment of Clonal Research and Development Centre was started with 8000 sq.m of fogging and misting chambers, 4000 Sq.m of hardening chamber and 10000 Sq.m open nursery with updated technological innovations on par with international standards. Provisions are made to establish various research programmes in micro and macro propagation of Eucalyptus, Casuarina and other alternative pulpwood species. Mini-gardens and breeding mini-orchards are being established in CPRC to carryout breeding and tree improvement works. This would facilitate production of preferred, site-specific clones suited to individual operational areas and reduce the cost of clones to the company and emerge as a profitable enterprise to the farmers.

TNPL has established an area of 2734 acres under captive plantation scheme and 37557 acres have been covered under Farm forestry scheme involving about 8235 farmers in 18 districts of Tamil Nadu. In total TNPL has established pulpwood plantations in about 40291 acres within a span of five years and is committed to raise plantation in about 15000 acres every year to attain the target of 1,00,000 acres by end of 2012 - 2013.

The above Plantation schemes are being implemented throughout Tamil Nadu through 10 regional offices in Karur, Manaparai, Tirunelveli, Karaikudi, Pudukottai, Namakkal, Trichy, Tanjore, Jayangondam and Panruti providing advice and technical assistance to tree growers.

#### **CLEAN DEVELOPMENT MECHANISM (CDM) PROJECT**

Clean Development Mechanism is conceptualized by United Nations Framework Convention on Climate Change (UNFCCC) in order to accomplish the Green House Gas (GHG) reduction targets of developed countries under the Kyoto Protocol, as well as to contribute to sustainable development of non-Annex Parties (host countries) to avoid the future dangerous impacts on climate change due to continuous rise of anthropogenic GHG emission.

TNPL as leader in implementing sustainable and environment friendly technology has already registered two CDM projects with UNFCCC, first under waste management sector (biogas) and second in renewable energy sector (Wind Farm) to mitigate climate change. These projects have generated 1,60,393 Certified Emission Reduction equivalent to as many tons of Carbon Di-oxide ( Co2 )(CERs) and incidentally a revenue to company of Rs.9.86 crores so far. Third project (Chemical Recovery Boiler) is under validation stage and has been published in the Designated Operational Entity (DOE) website for public comments. The project is expected to yield around 1,65,000 CERs per annum. Three more CDM projects are already identified as part of MDP and among the three projects, 13.75 MW wind energy project has been started with stake holder meet on 4th April 2008 at TNPL Wind Farm Site, Devarkulam, Tirunelveli Dt. The project is expected to generate around 28,000 CERs per annum.

#### **WIND FARM:**

TNPL has affirmed to pursue its commitment to renewable energy thereby assuring its contributions for eco-friendly society.

TNPL set up 15MW Windfarm power project at Devarkulam and Perungudi, which are backward villages of Tirunelveli District in the year 1993-94.

The initial installed capacity of 15 MW has been enhanced to 35.5 MW as of March 2007 in 5 phases with an average generation of around 5.5 crores units per annum.

#### **IV. BREIF HISTORY OF ISSUER COMPANY SINCE INCORPORATION AND CHANGES IN CAPITAL STRUCTURE**

##### **Background**

Tamilnadu Newsprint Ltd, established in 1979 by Government of Tamilnadu is now the largest producer of paper from bagasse. The manufacturing facility of the company at Kakithapuram in Karur started with a production capacity of 50,000 tonnes of Newsprint and 40,000 tonnes of Printing and Writing Paper using bagasse (a sugarcane waste) as the primary raw material with the objective to reduce the pressure on the declining forest cover in the country.

Within a short period since its inception, TNPL achieved commendable production performance/productivity levels and posted impressive operating results. With this backdrop, TNPL embarked on an expansion project, doubling the mill's capacity in 1992.

The mill commenced commercial production on the new production line in January 1996 and has, since then, established a record in manufacturing newsprint with 100% bagasse pulp furnish on a high speed paper machine for the first time in the world. With the installation of paper machine #2, the capacity of the mill had increased to 180,000 tpa.

During 2002, both the paper machines were rebuild/upgraded, resulting in a significant increase in the annual installed capacity, to 230,000 tpa.

Consistent with its environment friendly and quality conscious development policy, TNPL has completed implementation a Mill Development Plan (MDP) at a capital outlay of INR 6120MM to establish new ECF fibre lines (for both hardwood and chemical bagasse pulping streets) and chemical recovery island make them more environment-friendly. Under the MDP, the in-house Chemical Bagasse Pulp capacity was increased from 520 tpd to 800 tpd with Elemental Chlorine Free (ECF) bleaching. The MDP will enable the company to become environmentally compliant, operationally efficient, cost effective and continue to be the net exporter of energy to the State Grid and increased the paper production to 2,45,000 Mts per annum.

At the time of finalisation of the MDP, a new paper machine had not been considered, in order to match the total investment with the internal cash generation. Hence, installation of a new paper machine was contemplated to be taken up after the commissioning of MDP, and, in the interim, TNPL proposed to wet-lap the surplus pulp and sell it.

TNPL produces Newsprint and writing paper of exceptionally good quality and brightness with its technological superior plant and machinery. It has the most modern paper mill in the country with an unique bagasse procurement, storing, preserving, handling, processing and pulping system. The key areas of operation have been innovatively designed and developed by a superb technical team.

TNPL ensures uniform and consistent quality policy without compromising on efficiency. Based on the performance in the current year and the anticipated performance in future years, since the paper industry is doing well as a whole, TNPL proposes to convert the surplus wet-lapped pulp into value-added products by installing a new paper machine (PM #3) with its accessories and auxiliaries, and also backward integration of chemical bagasse bleach plant. This project is named as "Mill Expansion Plan (MEP) and is referred as MEP".

Under the Mill Expansion Plan, a state of the art new Paper Machine with a capacity of 1,55,000 tpa will be installed to increase the production capacity from 2,45,000 tpa to 4,00,000 tpa.

Energy is one of the major cost components across various sectors of economy. Realising this, TNPL has adopted energy-efficient processes and technologies that have made it one of the most power-efficient plants of its kind in India. TNPL's power requirement is met from its captive power plants. TNPL operates four turbo-generators with a capacity of 61.12 MW. Surplus power is exported to the State grid.

TNPL has established a full-fledged finishing house for automated conversion of reels into sheets and a cut-pack line to have finely cut and wrapped A4, A3, folio sheets. TNPL has to its credit, the prestigious Niryat Shree Award from FIEO and CAPEXIL and the Award for Outstanding Export Performance from the Ministry of Industries and Commerce. TNPL also enjoys the Govt. of India's "Trading House" status accorded in recognition of its consistent export performance.

### Capital Structure

As on 31 <sup>st</sup> March, 2009	Amount (Rs. In crores)
<b>1.SHARE CAPITAL</b>	
<b>a. Authorised Share Capital</b>	
13,50,00,000 Equity Shares of Rs.10/- each	135.00
<b>b. Issued</b>	
7,00,00,000 Equity Shares of Rs.10/- each	70.00
<b>c. Subscribed &amp; paid up:</b>	
6,92,10,600 Equity Shares of Rs.10 each fully paid up (Add : Shares Forfeited)	69.38
<b>Total Paid Up Capital</b>	<b>69.38</b>

### Detail of Equity Share capital

Type of Shareholders	Number of Shares held	Percentage of total Shares outstanding
Promoters Group and persons acting in concert with the promoters group	24444900	35.32%
Indian Financial Institutions, Insurance Companies, Mutual Funds, FIIs and Banks, OCB	31656025	45.74%
Bodies Corporates	3779526	5.46%
Public	8502004	12.28%
NRI	350906	0.51%
Others	477239	0.69%
<b>Total</b>	<b>69210600</b>	<b>100%</b>

## Changes in Capital Structure

Date	Type of Issue	Value (Rs.)	Number of Shares Issued	Number of Shares Outstanding
30.03.1979	Subscription to Memorandum & Articles of Association	180	18	18
31.03.1995	Before public issue	981800000	98180000	98180000
31.03.1996	After reduction of capital & public issue	696380000	69638000	69638000
31.03.2006	Capital after shares forfeited	692106000	69210600	69210600

Issue of Non Convertible Bonds - Rs.100 Crore from LIC

**PRIVATE PLACEMENT OF 500 SECURED NON-CONVERTIBLE DEBENTURES OF Rs. 10,00,000/- EACH FOR CASH AT PAR AGGREGATING Rs. 50 CRORES WITH A GREEN SHOE OPTION TO RAISE A FURTHER AMOUNT OF UP TO Rs. 50 CRORES**

### ***V.SECURITIES TO BE ISSUED AND LISTED UNDER CURRENT DOCUMENT***

Private placement of 500 secured non-convertible debentures of Rs. 10,00,000/- each for cash at par aggregating Rs. 50crores with a greenshoe option to raise a further amount of up to Rs. 50 crores

Under the purview of current document, the Company intends to raise an amount of a total Rs100 crores of Secured Redeemable Non convertible Debentures including the green shoe option. The company has a valid rating of ICRA LAA-.

### **CREDIT RATING**

The Debentures have been rated "LAA- (pronounced L double A Minus) by ICRA Limited for Rs. 100 crores indicating high credit quality.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

### **VI. DETAILS OF THE ISSUE SIZE**

The company proposes to mobilize through private placement of Secured Redeemable Non Convertible Debentures (NCDs) of the face value of Rs.10,00,000/- each at par aggregating Rs. 50 crores with a green shoe option of raising a further amount of up to Rs. 50 crores



## Summary Term Sheet

<b>Issuer</b>	Tamil Nadu Newsprint and Papers Ltd. ("the Issuer" / "Company")
<b>Arranger</b>	STANDARD CHARTERED BANK
<b>Instrument/ Facility</b>	Secured Redeemable Non Convertible Debenture ("Debenture")
<b>Facility Amount / Issue Size</b>	Rs. 50 crores (Rupees Fifty Crore only) with a green shoe option of raising a further amount of up to Rs. 50 crores
<b>Mode of Placement</b>	On private placement basis to all eligible investors
<b>Purpose</b>	For utilising in usual business activities of the company/ normal capital expenditure.
<b>Face Value</b>	Rs. 10,00,000 (Rupees Ten Lakhs)
<b>Market Lot</b>	1 and in multiples of 1 thereafter
<b>Issue Price</b>	At par
<b>Security</b>	Subservient charge on the fixed assets of the company (excluding the machinery which has been specifically charged to the respective lender) situated at the factory site at Kagithapuram, Karur District, Tamil Nadu. The existing term lenders are holding first charge on the assets mentioned herein. The charge proposed for the NCD facility is subservient to the existing term lenders who have first charge on the fixed assets mentioned herein. The security cover including the proposed debt (NCD) would be minimum 1.75x.
<b>Rating</b>	LAA- by ICRA
<b>Maturity</b>	The final maturity will be 5 years from the date of allotment
<b>Redemption</b>	Amortising with a moratorium period of 18 months and equal semi-annual principal payments thereafter. The final maturity will be 5 years from the deemed date of allotment.
<b>Put and Call Option</b>	NIL
<b>Coupon Rate</b>	8.75% p.a. - on semi annual basis
<b>Coupon Payments</b>	Semi Annual
<b>Interest on Application Money</b>	Interest on application money will be paid to investors at Coupon Rate for applications received, within seven (7) working days from the Deemed Date of Allotment
<b>Timing</b>	Issue Open Date: January 13, 2010 Issue Close Date: January 18, 2010 Pay in date: January 18, 2010 Deemed Date of Allotment: January 19, 2010
<b>Day Count Basis</b>	Actual/Actual
<b>Transfer</b>	Under the current regulations, no stamp duty is payable on transfer of Debentures in dematerialised form
<b>Trustees</b>	Vijaya Bank

<b>Issue of Debenture</b>	Electronic credit for Debentures shall be made within two days from the Deemed Date of Allotment of Debentures
<b>Listing</b>	On the WDM segment of the Bombay Stock Exchange Limited, Mumbai. The Issuer shall make an application for listing within 2 days from the Deemed Date of Allotment.

The Company reserves the right to change the issue programme and also accept or reject any application in part or in full without assigning any reason.

## **VII. DETAIL OF UTILISATION OF PROCEEDS OBJECTS OF THE ISSUE**

The present issue of Debenture is being made to meet the normal capital expenditure, general corporate purposes.

The Main Object Clause of the Memorandum of association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities which the company has been carrying on till date. The proceeds of this issue after meeting all expenses of the issue will be used by the company for meeting issue objectives.

## **VIII. MATERIAL CONTRACTS INVOLVING FINANCIAL OBLIGATION**

The following contracts not being contracts entered into in the ordinary course of business carried on by the company or entered into more than two years before the date of this document which are or may be deemed material have been entered or to be entered into by the company.

These material contracts, and material documents referred to hereunder, may be inspected at the Registered Office of our Company between 10.am to 4.00 pm on working days.

### **Material Contracts.**

The Company's contracts are part of normal business relationships

### **Material Documents**

- 1) Certified true copies of the Memorandum and Articles of association of the Company, as amended from time to time.
- 2) Copy of the Certificate of Incorporation dated 16<sup>th</sup> April 1979
- 3) Copy of Certificate of Commencement of Business dated 16<sup>th</sup> May 1979
- 4) Certified true copy of the resolution of the board of directors dated 22/12/2009 for issuance of debentures and empowering for other related matters.
- 5) Copies of Annual Reports of our Company for the last five financial years.
- 6) Copy of tripartite agreement dated 28<sup>th</sup> March 2002 between the Company, Cameo registrars limited and National securities depository limited.
- 7) Copy of tripartite agreement dated 8<sup>th</sup> February 2002 between the Company, Cameo registrars limited and Central depository Services (India) limited.
- 8) Consent from the Trustees to the Debenture-holders and Registrars to the Issue referred to in this Offer Document to act in their respective capacities.
- 9) Copy of letter from ICRA giving credit rating to the Debentures to be issued to the Company

## IX. DETAILS OF PAST BORROWINGS

Term Loans – Secured

as on 31-03-2009

Name of lender	Sanctioned Amount (Rs.Crores)	Outstanding Amount (Rs.Crores)	Interest Rate %	Interest Payment Date	Repayment Date
BNP Paribas	31.02	20.60	JPY LIBOR plus 75bps	22 <sup>nd</sup> February & 22 <sup>nd</sup> August	22 <sup>nd</sup> February & 22 <sup>nd</sup> August of every year.
HSBC	24.44	19.06	JPY LIBOR plus 80bps	20 <sup>th</sup> April & 20 <sup>th</sup> October	20 <sup>th</sup> April & 20 <sup>th</sup> October of every year.
SBI	65	43.52	USD 6 month LIBOR plus 125bps	Month end	Quarter end.
SBT	50	33.60	USD 6 month LIBOR plus 125bps	Month end	Quarter end.
HDFC	23.39	14.46	USD 6 month LIBOR plus 125bps	Month end	Quarter end.
Indian Bank	40	24.16	7.25	Month end	Quarter end.
Syndicate Bank	50	30	7.25	Month end	Quarter end.
Oriental Bank of Commerce	40	24	7.25	Month end	Quarter end.
UCO Bank	25	15	7.25	Month end	Quarter end.
Karur Vysya Bank	25	15.01	7.25	Month end	Quarter end.
Canara Bank	30	18.12	7.25	Month end	Quarter end.
Indian Overseas Bank	40	24.01	7.25	Month end	Quarter end.
State Bank of Patiala	25	15.10	7.25	Month end	Quarter end.
State Bank of Travancore	18	4.5	8.5	Month end	Quarter end.
State Bank of Patiala	18	7.25	6.9	Month end	Quarter end.
Syndicate Bank	12	4.80	6.9	Month end	Quarter end.

DBS Bank	136.30	117.44	8.17	Half Yearly	Half Year end
State Bank of Travancore	75	50.72	10.25	Monthly	Quarter end.

Working Capital as on 31-03-2009

Name of lender	Sanctioned Amount (Rs.Crores)	Outstanding Amount (Rs.Crores)	Interest Rate %	Interest Payment Date	Repayment Date
Cash Credit	130	24.92	11-13	Monthly	NA
HDFC	38.74	38.74	10.05	Bullet	22 <sup>nd</sup> June 2009
State Bank of India	25.36	25.36	10.60	Bullet	5 <sup>th</sup> July 2009
State Bank of Patiala	14.68	14.68	10.36	Bullet	24 <sup>th</sup> July 2009
IDBI	25.32	25.32	10.27	Bullet	8 <sup>th</sup> June 2009
HSBC	6.09	6.09	10.08	Monthly	13 <sup>th</sup> April 2009
ICICI	45	45	6.5	Monthly	24 <sup>th</sup> July 2009
ING Vysya Bank	45	45	6.5	Monthly	25 <sup>th</sup> June 2009

#### X.MATERIAL DEVELOPMENT

There are no material event/development or change at the time of issuance of this document which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities.

#### XI. DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, AT PREMIUM OR AT DISCOUNT, IN PURSUANCE OF AN OPTION.

Nil.

#### XII .DETAILS OF HIGHEST TEN HOLDERS OF EACH KIND OF SECURITIES

Top 10 shareholding as on 31<sup>st</sup> March, 2009.

S.No	Name of shareholder	No. of shares	% Shareholding
1	Governor of Tamil Nadu	24444900	35.32
2	Life Insurance Corporation of India	6891158	9.96
3	Goldman Sachs Investments (Mauritius) I Ltd.	5350570	7.73
4	Reliance Capital Trustee Co.Ltd.A/c Reliance Growth	4975510	7.19

	Fund.		
5	General Insurance Corporation of India.	2110074	3.04
6	Templeton India Equity Income Fund.	1416229	2.04
7	SBI Mutual Fund A/c Magnum Global Fund	985317	1.42
8	Birla Sun Life Trustee Company Pvt.Ltd.A/c Birla Dividend Yield Plus	860000	1.24
9	IFB Automative Private Ltd.	788260	1.13
10	CLSA (Mauritius) Limited	654226	0.95

The Company has issued Rs. 100 crores of non convertible debentures and the only subscriber to the bonds was LIC.

### **XIII. UNDERTAKING TO USE A COMMON FORM OF TRANSFER**

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form/procedure for transfer of debentures.

### **XIV. REDEMPTION AMOUNT, PERIOD OF MATURITY, YEILD ON REDEMPTION**

Tenor	Five Years
Coupon Rate	8.75% p.a. - on semi annual basis
Redemption Date	Amortising with a moratorium period of 18 months and equal semi-annual principal payments thereafter. The final maturity will be 5 years from the deemed date of allotment.
Trading	The debentures will be traded in Dematerialised form only.
Depository	NSDL/CDSL
Security	Subservient charge on the fixed assets of the company (excluding the machinery which has been specifically charged to the respective lender) situated at the factory site at Kagithapuram, Karur District, Tamil Nadu. The existing term lenders are holding first charge on the assets mentioned herein. The charge proposed for the NCD facility is subservient to the existing term lenders who have first charge on the fixed assets mentioned herein. The security cover including the proposed debt (NCD) would be minimum 1.75x.
Settlement	Payment of interest and principal will be made by way of cheque(s)/interest warrant(s)/ demand draft(s)/ credit through RTGS system.

## XV. TERMS OF OFFER

<b>Issuer</b>	Tamil Nadu Newsprint and Papers Ltd. ("the Issuer" / "Company")
<b>Instrument/ Facility</b>	Secured Redeemable Non Convertible Debenture ("Debenture")
<b>Facility Amount / Issue Size</b>	Rs. 50 crores (Rupees Fifty Crores only) with a green shoe option of raising a further amount of up to Rs. 50 crores
<b>Face Value</b>	Rs. 10,00,000 (Rupees Ten Lakhs)
<b>Market Lot</b>	1 and in multiples of 1 thereafter
<b>Issue Price</b>	Rs. 10,00,000 (Rupees Ten Lakhs)
<b>Security</b>	Subservient charge on the fixed assets of the company (excluding the machinery which has been specifically charged to the respective lender) situated at the factory site at Kagithapuram, Karur District, Tamil Nadu. The existing term lenders are holding first charge on the assets mentioned herein. The charge proposed for the NCD facility is subservient to the existing term lenders who have first charge on the fixed assets mentioned herein. The security cover including the proposed debt (NCD) would be minimum 1.75x.
<b>Rating</b>	LAA- by ICRA
<b>Maturity</b>	Final maturity will be 5 years from date of allotment
<b>Redemption Schedule</b>	Amortising with a moratorium period of 18 months and equal semi-annual principal payments thereafter. The final maturity will be 5 years from the deemed date of allotment.
<b>Put and Call Option</b>	NIL
<b>Coupon Rate</b>	8.75% p.a. - on semi annual basis
<b>Coupon Payments</b>	Semi Annual
<b>Interest on Application Money</b>	Interest on application money will be paid to investors at Coupon Rate for applications received, within seven (7) working days from the Deemed Date of Allotment
<b>Timing</b>	As shown below in the "Issue Programme"
<b>Transfer</b>	Under the current regulations, no stamp duty is payable on transfer of Debentures in dematerialised form
<b>Trustees</b>	Vijaya Bank
<b>Listing</b>	The debentures are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE)

### Issue Programme

<b>Issue open Date</b>	13th January, 2010
<b>Issue Closing date</b>	18th January 2010,
<b>Pay In Date</b>	18th January, 2010
<b>Deemed Date of Allotment</b>	19th January, 2010

The Company reserves the right to change the issue programme and also accept or reject any application in part or in full without assigning any reason.

**OTHER OFFER DETAILS:**

**Market Lot**

The market lot will be one Debenture ("Market Lot"). Since the debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures,

**Letter(s) of Allotment/ Debenture Certificate(s)/ Refund Order(s)**

**Issue of Letter(s) of Allotment**

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 15 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

**Issue of Debenture Certificate(s)**

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

**Dispatch of Refund Orders**

The Company shall ensure dispatch of Refund Order(s) by Registered Post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by the Issuer Company.

**Terms of Payment**

The full face value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) for the full face value of the Debentures applied for.

Face Value Per Debenture	Minimum Application for	Amount Payable on Application per Debenture
Rs. 10,00,000/-	1 Debentures & in multiples of 1 Debenture thereafter	Rs. 10,00,000/-

**Payment of Interest**

The interest will be payable to the Bondholders whose names appear in the List of Beneficial Owners given by the Depository to the Bank on the Record Date/ Book Closure Date. Payment of interest will be made by way of cheque(s)/ interest warrant(s)/ demand draft(s)/credit through RTGS system. In case of cheque/demand draft the same will be dispatched to the sole/ first applicant, 7 days before the due date(s) by certificate of posting at the sole risk of the applicant,

**Tax Deduction at Source (TDS)**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the payment

of interest becoming due with the Company Secretary, Tamil Nadu Newsprint and Papers Limited, 67, Mount Road, Guindy, Chennai - 600032 or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication. Tax exemption certificate/ declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Company shall send to the Debentureholder(s) a Certificate of Tax Deduction at Source.

**Tax Benefits** Under the existing provisions of the Income Tax Act, 1961 for the time being in force, the following tax benefits and deductions will be available to the Debenture holder(s) of the Company subject to the fulfillment of the requirements of the relevant provisions. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with the amendments or enactment thereto. As alternate views are also possible, the Debenture holder(s) are advised to consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Debentures, and income arising thereon

#### **I. To Resident Debenture holders**

No Income Tax will be deducted at source from interest payable on Debentures in the following cases:

- a) In case of payment of interest to a Debenture holder, who is an individual and resident in India, where the interest payment in the aggregate during the financial year does not exceed Rs. 5,000/-;
- b) Tax will be deducted at a lower rate where the Assessing Officer, on an application of any Debenture holder, issues a certificate for deduction of tax at such lower rate as per provisions of the Section 197(1) of the Income Tax Act.

In all other situations, tax would be deducted at source on each payment as per prevailing provisions of the Income Tax Act. Details on deduction of tax at source are given under para 'Tax Deduction at Source (TDS)' mentioned elsewhere in this Information Memorandum. No Wealth Tax is payable in respect of investments in Debentures of the Company.

#### **II. To other Eligible Institutions**

- a) Mutual Funds registered under the SEBI Act or regulations made there under or such other mutual fund sets up by public sector bank or public financial institution or authorised by Reserve Bank of India and notified by the Central Government will, subject to the provisions of Chapter XH-E, be exempted from income tax on all their income, including from investment in Bonds/ Debentures under the provisions of Section 10(23D) of Income Tax Act.
- b) No Wealth Tax is payable in respect of investments in Debentures of the Company.

#### **Notes:**

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2008
2. The stated benefits will be available only to the sole/ first named holder in case the Debentures are held by joint holders.

#### **Redemption**

The face value of the Debentures will be redeemed at par in case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Chennai), then the payment due shall be made on the next Business Day.



### **Payment on Redemption**

Payment on redemption will be made by cheque(s)/ warrants(s)/RTGS in the name of the Debenture holder whose name appears on the List of Beneficial owners given by Depository to the Company as on the Record Date. On the Company dispatching the redemption warrants to such Beneficiary(ies) by registered post/ courier, the liability of the Company shall stand extinguished.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such payment being made, the Company will inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Debenture holders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Company's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the date of redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

### **Effect of Holidays**

Should any of dates defined above or elsewhere in the Information Memorandum, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s).

### **List of Beneficial Owners**

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Debenture Redemption Reserve (DRR)**

As per extant circular no. 6/3/2001-CLV dated 18.04.2002 issued by the Government of India with respect to creation of Debenture Redemption Reserve, for manufacturing and infrastructure companies, the adequacy of DRR is defined at 25% of the value of debentures issued through private placement route. In terms of extant provisions of Companies Act, 1956, the Company is required to create Debenture Redemption Reserve out of profits, if any, earned by the Company. The Company shall create a Debenture Redemption Reserve ('DRR') and credit to the DRR such amounts as applicable under provisions of Section 117C of the Companies Act 1956 (as amended from time to time) or any other relevant statute(s), as applicable.

### **Notices**

All notices to the Debenture holders required to be given by the Company or the Trustees shall be published in one English and one regional language daily newspaper in Mumbai, New Delhi, Kolkata and Chennai and/ or, will be sent by post/ courier to the sole/ first allottee or sole/ first.

Beneficial Owner of the Debentures, as the case may be from time to time.

All notice(s) to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

**Joint-Holders**

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles.

**Sharing of Information**

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

**Future Borrowings**

The Company shall be free to borrow / raise loans or avail financial assistance in whatever form, as also issue Promissory Notes / Debentures / other securities in any manner having such ranking, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may deem appropriate, without the consent of, or intimation to the Debentureholder(s)/ Trustee in this connection.

**Purchase**

The Company may, at any time and from time to time purchase Debenture(s) at a discount, at par, or at a premium, in the open market or otherwise. Such Debenture(s) may, at the option of the Company, be cancelled, held or resold at such a price and such terms and conditions as the Company may deem fit and as permitted by law.

**Security**

Debentures to be issued by the Company in pursuance of this Information Memorandum together with interest, costs, charges, remuneration of the Debenture Trustee and all other moneys payable in respect thereof shall be secured by way of creation of residual charge on certain fixed assets of the Company with an asset cover of 1.75 times of the total amount outstanding, as may be agreed between the Company and the Trustees for the Debenture Holders

The Company shall be at liberty from time to time during the continuance of the security to issue at such future dates and in such denomination as it considers advisable, further convertible and/or non-convertible debentures and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks, and/or any other persons or entities in any other form by creating further charge on the assets/properties charged/mortgaged to the Debenture Trustees in respect of the Debentures to be issued in pursuance of this Offer Document, subject to obtaining the prior written consent of the Debenture Trustee.

The security will be created by the Company as aforesaid in favour of the Trustees within 3 months or such extended period as may be permitted by the concerned statutory authorities, where required, but not exceeding 12 months, from the Date of Allotment of the Debentures on such of the assets for which the Company obtains, after all due diligence and efforts, the requisite consents and permissions applicable under the law or in accordance with the conditions of holding of such assets for creating the above mentioned charge/mortgage.

The Company shall maintain a minimum asset cover of 1.75 times of the total amount outstanding at all times.

### **Undertaking by the Issuer**

The Issuer Company undertakes that;

- a) the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;
- b) it shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed and taken within 70 working days from the date of closure of issue.
- c) the funds required for dispatch of refund orders by registered post shall be made available to the Registrar to the Issue by the Issuer Company;
- d) no further issue of securities shall be made till the securities offered through this Information Memorandum are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc;

necessary co-operation to the credit rating agency shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

### **Trustee for the Issue**

Vijaya Bank

Head office: 41/2, M.G. Road,

Bangalore - 560 111

By applying for the Debentures, the Debentureholder(s) shall without further action or deed, be deemed to have irrevocably given their consent to and authorised the Trustee or any of their agents or authorised officials to do inter alia all acts, deeds, matters and things in respect of or relating to the debentures. All the rights and remedies of the Debentureholder(s) shall vest in and shall be exercised by the Trustee without reference to the Debentureholder(s). No Debentureholder shall be entitled to proceed directly against TNPL unless the Trustee, having become so bound to proceed, failed to do so. The Trustee will endeavour to protect the interest of the Debentureholder(s) in the event of default in regard to timely payment of principal by TNPL. Main Events of defaults under the Trustee Agreement would be as follows:

### **Events of Default**

If default has occurred

- a) in the payment of principal sums of the Debentures on the due dates;
- b) in payment of any installment of interest on the Debenture(s) and such default has continued for a period of thirty days: and
- c) in the performance of any other material covenants, conditions or agreement on the part of the Company under the Debenture Trust Deed or any other deed between the Company and the Debentureholder(s) / Trustee and any other agreement and such default has continued for a period of thirty days after notice in writing thereof has been given to the Company by the Debentureholder(s)/Trustee.

Powers of the Trustee under the Trustee Agreement to be executed shall include:

### **Inspection**

The Trustee or its authorized representatives shall be entitled to carry out inspections of the Company's offices records, registers and accounts upon giving a reasonable notice in writing to the Company, to the extent such inspection is necessary for exercising any of the powers or discharging any of its duties of the Trustee hereunder. Any representative of the Trustee shall have free access at all reasonable times to the Company's premises, records,

registers and accounts and shall receive full co-operation and assistance from the Company. The cost of inspection, including traveling and other related expenses shall be borne and paid by the Company.

#### **Authority to Delegate**

The Trustee may, in the execution or exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Agreement act by any officer or officers for the time being of the Trustee and the Trustee may also, whenever it thinks it expedient, delegate to any such officer (with power to sub delegate) all or any of the Trustee's powers, authorities and discretions vested in it by this Agreement and any such delegation may be made upon such terms and conditions as the Trustee may think fit. Such delegation notwithstanding, the Trustee shall not in the absence of fraud or other gross misconduct or willful neglect be in any way responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

#### **Authority to Employ Agents**

The Trustee may, in carrying out the trust hereof, employ and pay any person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Trustee, including the receipt and payment of monies and shall be entitled to charge and be paid by the Company all professional and other charges incurred in connection therewith.

#### **Trustee may Contract with the Company**

Nothing contained in this Agreement shall preclude the Trustee or any agent of the Trustee from making any contract or entering into any arrangement or transaction with the Company in the ordinary course of business of the Trustee or from availing or providing any banking, financial or other services from or to the Company or from underwriting or guaranteeing the subscription of or placing or subscribing to or otherwise acquiring, holding or dealing with any of the stocks, shares, debentures, debenture stocks or any other securities whatsoever of the Company/or other entities / persons in which the Company may be interested.

#### **Limitation on Liability of Trustee**

1. The Trustee shall not be bound to give notice to any person of the execution of the Trustee Agreement or to seek the performance or the observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business, unless and until an event of default has occurred;
2. The Trustee shall not be bound to take any steps to ascertain occurrence of any Event of Default.
3. Notwithstanding anything contained in this Agreement, the Trustee shall not be bound to risk its own funds in carrying out or performing any of its duties and obligations hereunder and further the Trustee shall not be bound to act at the request or direction of the Debentureholder(s) under any of the provisions hereof, unless where necessary, the Trustee is put in funds or provision therefor to the satisfaction of the Trustee is made and the Trustee is indemnified to its satisfaction against all costs, charges, expenses and liability which may be incurred in complying with such request or direction.
4. With a view to facilitating any dealing under any provision of this Agreement, the Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions generally or conditionally.

5. The Trustee shall not be responsible for the monies paid by the Debentureholder(s) towards subscription to the debentures or be bound to see the application thereof.
6. The Company shall indemnify and keep indemnified the Trustee and every receiver, attorney, manager, agent or other person appointed by them hereunder in respect of all liabilities, damages, costs, actions, charges and expenses incurred, suffered or sustained by them in execution or purported execution of any powers, authorities or discretion vested in them pursuant to this Agreement.
7. The Trustee shall not be liable for anything done pursuant to this Agreement except a breach of trust knowingly and intentionally committed by it.
8. The Trustee may but shall not be obliged to, incur where appropriate or necessary cost of preservation/ protection of the Scheduled Property and all costs so incurred shall be reimbursed by the Company forthwith or on demand.
9. The Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts under the Trustee Agreement unless the Trustees shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holders, representing not less than 3/4th of the normal amount of Debentures for the time being outstanding or by a special resolution duly passed at a meeting of the Debentureholder(s) and the Trustee shall not be bound to perform, exercise or do any of such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Trustee made for providing the same by or on behalf of the Debentureholder(s) or some of them in order to provide for any costs, charges and expenses and liabilities which may be incurred in complying with such requests.

## **Retirement & Removal of Trustee**

### **Resignation**

The Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that they shall continue to act as trustee until a successor Trustee is appointed by the Company.

The Company shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity competent to act as Trustee for the Debentureholder(s) in place of the Trustee (the "Successor Trustee").

### **Removal**

The Debentureholder(s) may, for sufficient cause but, after giving not less than two months notice in writing, remove the Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their Trustee and require the Company to appoint such entity as the Successor Trustee. The Company shall within 15 days of receipt of such resolution passed by the Debentureholders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment.

### **Who can apply**

Only those investors, who have been addressed through a communication directly, are eligible to apply. No other investor can apply. The categories of the investors, to whom the communication has been directed, are:

- \* Companies and bodies corporate
- \* Commercial banks

- \* Regional Rural banks
- \* Financial Institutions
- \* Investment Institutions
- \* Mutual funds
- \* Insurance companies
- \* Provident, pension and superannuation funds
- \* Any other investor(s) authorized to invest in the debentures

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

### **Documents to be provided by investors**

Investors need to submit the following documentation, along with the application form, as applicable

- Memorandum and Articles of Association / Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money.
- Specimen signatures of the authorised signatories duly certified by an appropriate authority.
- SEBI Registration Certificate (for Mutual Funds)
- PAN

Applications, under Power of Attorney/Relevant Authority

In case of an application made under a Power of Attorney or resolution or authority, a certified true copy thereof along with Memorandum and Articles of Association and/or Bye-laws must be attached to the Application Form at the time of making the application, failing which, the Company reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

### **How to apply**

All applications for the Debenture(s) must be in the prescribed Application Form and be completed in block letters in English. Forms must be accompanied by Cheque(s)/Demand Draft(s) drawn in favour of "Tamil Nadu Newsprint and Papers." and crossed "A/c payee" only. Cheque(s)/Demand draft(s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the Banker's Clearing House. Investors may also remit the application money through RTGS (if remitted from branches of other Banks), with instructions to credit the same to the A/c No 040310003370 maintained at HDFC Bank, Corporate Branch, Chennai The branches of other Banks transferring the Application Money through RTGS to the credit of the above account, shall send the money through RTGS IFSC Code: **HDFC0000004**. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.

Over and above the aforesaid Terms and Conditions, the said Debenture(s) shall be subject to the Terms and Conditions incorporated in the Summary Termsheet, Terms and

Conditions to be incorporated in the Debenture Certificate to be issued to the allottees (if held in physical form) and/or the Debenture Trust Deed / Trustee Agreement and all other applicable laws / guidelines.

#### **Notices**

All notices to the Debentureholder(s) required to be given by the Company or the Trustee shall have and shall be deemed to have been given if published in one English and one Hindi language daily National newspaper in Mumbai and may, at the sole discretion of the Company or the Trustee, but without any obligation, be sent by ordinary post to the original sole/first allottees of the Debenture(s) or if notification and mandate has been received by the Company, pursuant to the provisions contained herein above, to the sole/first transferees.

All notices to be given by the Debentureholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by Registered Post/Courier or by hand delivery to the Registrars to the Issue or to such persons at such address as may be notified by the Company from time to time.

#### **XVI. DISCOUNT ON THE OFFER PRICE**

The debentures are being issued at the face value and not at discount to offer price.

#### **XVII DEBT EQUITY RATIO**

<b>PARTICULARS</b>	<b>31<sup>st</sup> March 2009</b>	<b>Post Debenture Issue</b>
Share Capital (Rs. In crs)	69.38	69.38
Reserves & Surplus (Rs. In crs)	594.94	594.94
Net worth (Rs. In crs)	664.32	664.32
-		
Secured long term Loans (Rs. In crs)	581.35	681.35
Debt (Rs. In crs)	581.35	681.35
Debt/Equity Ratio	0.88:1	1.03:1

#### **XVIII. SERVICING BEHAVIOUR OF THE EXISTING DEBTS**

The company is discharging all its liabilities in time and would continue doing so in future as well. The company has been paying regular interest and on redemption repaying the bank.

#### **XIX. PERMISSION AND CONSENT FROM THE CREDITORS.**

The Company does not require any consent t from the existing charge holders for creation of security for the Debentures on a residuary basis.

#### **XX. NAME OF DEBENTURE TRUSTEE.**

Vijaya Bank  
Head office: 41/2, M.G. Road,  
Bangalore - 560 111

The Company has appointed Vijaya Bank to act as Trustees for the Debenture holders.

**XXI. RATING RATIONALE ADOPTED BY RATING AGENCIES,**

"LAA-" (pronounced as L double A Minus) by ICRA Limited for Rs. 100 crores long term NCDs indicating high credit quality. The rated instruments carry low credit risk

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

**XXII LISTING OF DEBENTURES.**

The Company shall get the debentures listed on the WDM segment of the Bombay Stock Exchange.

**XXIII. TERM SHEET**

Issuer	Tamil Nadu NewsPrint & Papers Ltd.
Issue Size	Rs. 50 Crores (Rupees Fifty Crores only) with a green shoe option of raising a further amount of up to Rs. 50 crores
Instrument	Secured Redeemable Non Convertible Debentures
Issuance	Only in Dematerialised form
Put/Call Option	Nil
Face Value	Rs. 10,00,000 each
Issue Price	At Par
Interest on Application Money	Interest on application money will be paid to investors at Coupon Rate for applications received, within seven (7) working days from the Deemed Date of Allotment
Interest Payment	Semi Annual
Record Date	The 'Record Date' for the Debentures shall be 15 days prior to each interest payment and/ or principal repayment date.
Listing	The debentures are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE)
Rating	LAA- by ICRA to be read as (L double A Minus)
Trustee	Vijaya Bank
Tenor	Five years
Coupon Rate	8.75% p.a. - on semi annual basis
Redemption Schedule	Amortising with a moratorium period of 18 months and equal semi-annual principal payments thereafter. The final maturity will be 5 years from the deemed date of allotment.
Minimum Subscription	1 debentures of Rs. 10,00,000 each and in multiple of 1 thereafter.
Trading	The Debentures will be traded in Dematerialised form only
Depository	NSDL/CDSL
Security	Subservient charge on the fixed assets of the company (excluding the machinery which has been specifically charged to the respective lender) situated at the factory site at Kagithapuram, Karur District, Tamil Nadu. The existing term lenders are holding first charge on the assets mentioned herein. The charge proposed for the NCD facility is subservient to the existing term lenders who have first charge on the fixed assets mentioned herein. The security cover



	including the proposed debt (NCD) would be minimum 1.75x.
Settlement	Payment of interest and principal will be made by way of cheque(s)/ interest warrant(s)/ demand draft(s)/credit through RTGS system

\*Subject to TDS at applicable rate.

### Issue Programme

Issue Open Date	January 13, 2010
Issue Closing Date	January 18, 2010
Pay In Date	January 18, 2010
Deemed Date of Allotment	January 19, 2010

The Company reserves the right to change the issue programme and also accept or reject any application in part or in full without assigning any reason.

Trustee for the Issue

Vijaya Bank

Head office: 41/2, M.G. Road,

Bangalore - 560 111

**FOR TAMIL NADU NEWSPRINT AND PAPERS LTD.**

(Authorised Signatory)

Place: Chennai

Date: January 10, 2010

## APPLICATION FORM

Tamil Nadu Newsprint and Papers Ltd



Registered Office: 67, Mount Road, Guindy, Chennai 600 032

Tel No: 044-22354415-16, Fax: 044-22350834

Website: www.tnpl.com

Dear Sirs,

Having read and understood the contents of the Information Document / Disclosure Document dated January 10, 2010, we apply for allotment of the Debentures to us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name(s) on the Register of Debenture holder(s). We bind ourselves to the terms and conditions as contained in the Information Document / Disclosure Document.

**(Please read carefully the instructions on the next page before filling this form)**

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque Demand Draft/RTGS details	Date	Cheque/Demand Draft drawn on

Applicant's Name & Address in full (please use capital letters)

		Pin Code:
Telephone:	Fax:	Email:

Status: Banking Company ( ) Insurance Company ( ) Others ( ) - please specify

Name of Authorised Signatory	Designation	Signature

Details of Bank Account

Bank Name & Branch			
Nature of Account		Account No.:	

Depository Details

DP Name			
DP ID		Client ID	

(\* We understand that in case of allotment of debentures to us/our Beneficiary Account as mentioned above would be credited to the extent of debentures allotted.

Taxpayers PAN or GIR No.	IT Circle/Ward/District	() Not Allotted	
Tax Deduction Status	( ) Fully Exempt	( ) Tax to be deducted at Source	( ) Yes ( ) No

(Tear here)

**ACKNOWLEDGEMENT SLIP**

Application No: \_\_\_\_\_

Date: \_\_\_\_\_

Received \_\_\_\_\_ From \_\_\_\_\_

Rs. \_\_\_\_\_/- By cheque /Demand Draft / RTGS No

\_\_\_\_\_ drawn on Tamil Nadu Newsprint and Papers Ltd. towards application for \_\_\_\_\_ Debentures. (Cheques /Demand Drafts are subject to realization)

For all further correspondence please contact: Tamil Nadu Newsprint and Papers Ltd, 67, Mount Road, Chennai 600032, Tel: 044-22354415-16, Fax: 044-22350834

## INSTRUCTIONS

1. You must complete application in full in BLOCK LETTERS IN ENGLISH.
2. Your Signatures should be made in English or in any of the Indian languages
3. Application forms duly completed in all respects, together with Cheques/Pay Order/Demand Draft, must be lodged at the Tamil Nadu Newsprint and Papers Ltd. head office.
4. The Cheque(s)/Demand Draft(s) should be drawn in favour of "Tamil Nadu Newsprint and Papers Ltd." and crossed "A/c payee" only. Cheque(s)/Demand draft(s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the Banker's Clearing House. Investors may also remit the application money through RTGS (if remitted from branches of other Banks), with instructions to credit the same to the A/c No.040310003370 maintained at HDFC Bank, Corporate Branch, Chennai.
5. The branches of other Banks transferring the Application Money through RTGS to the credit of the above account, shall send the money through RTGS IFSC Code: **HDFC0000004**
6. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
7. As a matter of precaution against possible fraudulent encashments of interest warrants due to loss/misplacement, you are requested to mention the full particulars of the bank account, as specified in the application form.
8. Interest warrants will then be made out in favour of the bank for credit to your account. In case the full particulars are not given, cheques will be issued in the name of the applicant at their own risk.
9. Tamil Nadu Newsprint and Papers Ltd in the "Acknowledgement Slip" appearing below the Application Form will acknowledge receipt of applications. No separate receipt will be issued.
10. You should mention your Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.
11. The application would be accepted as per the terms of the issue outlined in the Information Document / Disclosure Document.