

PRELIMINARY INFORMATION MEMORANDUM

AND

INVITATION OF EXPRESSION OF INTEREST

FOR

PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING

OF

HINDUSTAN NEWSPRINT LIMITED (HNL)

HELD BY

HINDUSTAN PAPER CORPORATION LIMITED (HPCL)

Strategic disinvestment (With transfer of management control)



Transaction Advisor to Hindustan Paper Corporation Limited (HPCL)

March 2018

DISCLAIMER NOTICE

Resurgent India Limited (“**Resurgent**” or “**Transaction Advisor**”) has been retained as the advisor by the Hindustan Paper Corporation Limited (“**HPCL**”) for advising and managing the proposed strategic disinvestment of 100% of the shareholding of HPCL in HINDUSTAN NEWSPRINT LIMITED (hereinafter referred to as “**HNL**” or “**Company**”) pursuant to Letter of Intent (LOI) for engagement of advisor dated 16.08.2017 (aforesaid proposed strategic disinvestment hereinafter referred to as the “**Transaction**”).

This Preliminary Information Memorandum (hereinafter referred to as the “**PIM**”) has been prepared by Resurgent for the limited purposes of providing certain information on HNL for enabling recipients to be appraised of such certain basic details of HNL prior to submission of the Expression Of Interest (“**EOI**”) in respect of the Proposed Transaction. This PIM does not contain complete information in relation to the Company including details of the land, intellectual properties and legal proceedings involving the Company. Unless otherwise specified, the information contained herein is as of **March 31, 2017** and may be subject to material updates, revision or amendment. Neither GoI, HPCL, the Company nor Resurgent, undertake to update this PIM.

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The HPCL reserves the right to change the procedures for pursuing the Proposed Transaction. The issue of this PIM/ Invitation of EOI does not imply that the GoI, HPCL, Company or Resurgent are bound to select an interested party for the Proposed Transaction and the GoI, HPCL and Resurgent reserve the right to reject all or any of the Interested Parties or their EOIs without communicating any reasons whatsoever.

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This PIM has been prepared for information purposes only, without any regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation is not intended to be the basis for participating in the Proposed Transaction, and should not be construed as an offer or invitation for sale or the solicitation of an offer to buy, purchase or subscribe to any securities, if any, mentioned therein

The materials and information contained herein is made available upon the express understanding that you will use it only for the purpose set forth above.

This PIM has been prepared by Resurgent based upon information available from public sources and from the Company, believed to be reliable to assist the recipients in making their own evaluation of HNL and does not purport to all-inclusive or to contain all of the information that may be material to the recipients' decision to enter into the Proposed Transaction.

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All acts, deeds and things done or caused or intended to be done, by GOI, HPCL, the Company and Resurgent hereunder are based on and in reliance of your acceptance of the terms and conditions of this Disclaimer.

All communications in this regard shall be addressed to:

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Neither HPCL nor HNL shall be responsible in any manner to reply to such communication directly to IPs

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SECTION 1: ADVERTISEMENT

FOR INVITING EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING OF HNL HELD BY HPCL

ADVERTISEMENT

GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING IN HINDUSTAN NEWSPRINT LIMITED (“HNL” OR “COMPANY”) BY HINDUSTAN PAPER CORPORATION LIMITED (HPCL)

HINDUSTAN NEWSPRINT Limited (the “HNL”) is a Central Public Sector Enterprise (CPSE), under the administrative control of Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, Government of India.

HNL was incorporated as a wholly owned subsidiary of the Hindustan Paper Corporation limited (HPCL) on June 07, 1983 with the main objective of taking over the business of erstwhile Kerala Newsprint Project (KNP), a unit of HPCL. Registered Office of HNL is at Newsprint Nagar, District Kottayam, Kerala.

HNL, with an installed capacity of 1,00,000 tonne per annum of newsprint, produces standard newsprint grades of 42 GSM, 45 GSM and 48.8 GSM of quality, which is at par with the best available in the market.

HPCL, holding 100% of the paid up share capital of HNL, has 'in-principle' decided to disinvest 100.00% of its shareholding in HNL by way of a strategic disinvestment with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”). HPCL has also decided to hive-off 8 properties/assets (detail in “clause J: Hiving Off” of section-2 “Company Overview” of PIM), which shall be transferred to HPCL, the parent company. The same are not being offered as part of the Transaction.

HPCL has appointed Resurgent India Limited (“**Resurgent**” or “**Transaction Advisor**”) as its advisor to advise and manage the Strategic Disinvestment of HNL (“**Transaction**”).

Expression of Interest (EOI) is invited from Interested Parties (including employees of HNL as per the DIPAM guideline No.4/38/2002/DD-II Dated: 25th April 2003) having minimum net worth of Rs. 350 crores as on 31.03.2017. The complete invitation of EOI document along with Preliminary Information Memorandum (“**PIM**”) can be viewed / downloaded from following websites:

- www.resurgentindia.com; www.dipam.gov.in; www.dhi.nic.in; www.hindpaper.in; www.hnlonline.com

EOI shall be submitted physically by the IP on or before 07.05.2018 (at 1100 hours IST) at address mentioned below. Please note that the HPCL and Transaction Advisor reserve the right to accept or reject all or any of the EOIs without communicating any reason whatsoever.

Sudhir Chandi

Sr. Vice President

Resurgent India Limited

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SECTION 2: PRELIMINARY INFORMATION MEMORANDUM

FOR INVITING EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING OF HNL HELD BY HPCL

INTRODUCTION

Hindustan Newsprint Limited (HNL) is a Central Public Sector Enterprise^Σ (CPSE) under the administrative control of the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises.

HNL was incorporated as a wholly owned subsidiary of the Hindustan Paper Corporation limited (HPCL) on June 07, 1983 with the main objective of taking over the business of erstwhile Kerala Newsprint Project (KNP), a unit of HPCL. Registered Office of HNL is located at Newsprint Nagar, District Kottayam, Kerala

HNL, with an installed capacity of 1,00,000 tonne per annum of newsprint, produces standard newsprint grades of 42 GSM, 45 GSM and 48.8 GSM of quality, which is at par with the best available in the market.

HNL was a profit making company till 2008-09. Since then it has been suffering marginal losses. HNL was making profit since FY 1988-89 except for financial years 2002-03, 2009-10, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17. The sales turnover of the mill during the year 2016-17 is Rs. 337.94 crores.

HPCL, holding 100% of the paid up share capital of HNL, has 'in-principle' decided to disinvest 100.00% of its shareholding in HNL by way of a strategic disinvestment with transfer of management control ("**Strategic Disinvestment**" or "**Transaction**"). HPCL has also decided to hive-off 8 properties/assets (detail in "clause J: Hiving Off" of section-2 "Company Overview" of PIM), which shall be transferred to HPCL, the parent company. The same are not being offered as part of the Transaction.

HPCL has engaged Resurgent India Limited as Transaction Advisor for providing Advisory services and managing the disinvestment process.

Through this PIM, the Transaction Advisor is providing the Interested Parties ("**IPs**") with limited and selected information pertaining to HNL for submitting their EoI's to the Transaction Advisor, in respect of the proposed Strategic Disinvestment.

It may be noted that HNL Trade Unions have filed writ petition in High Court of Kerala against disinvestment process initiated by HPCL/Government of India. Honorable high court of Kerala has permitted to continue the process of disinvestment of HNL. However, the final implementation of the same shall only be with the leave of the court.

This PIM contains the following:

- Company overview
- Product features
- Company financials
- Accolades
- SWOT analyses

^Σ **CPSE definition:** The Public Enterprises Survey traditionally covers, besides statutory corporations, those Government companies wherein more than 50 % equity is held by the Central Government. The subsidiaries of these companies, if registered in India, wherein any CPSE has more than 50% equity are also categorized as CPSEs. (Source: Department of Public Enterprise)

COMPANY OVERVIEW

A. BACKGROUND

Hindustan Newsprint Limited (HNL) is a Central Public Sector Enterprise (CPSE) under the administrative control of the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises. HNL was incorporated as a wholly owned subsidiary of the Hindustan Paper Corporation limited (HPC) on June 07, 1983 with the main objective of taking over the business of erstwhile Kerala Newsprint Project (KNP), a unit of HPCL. Registered Office of HNL is located at Newsprint Nagar, District Kottayam, Kerala

HNL is one of the largest integrated newsprint mills in India with an installed capacity of 1,00,000 tonne per annum of newsprint. HNL produces exceptional quality newsprint for the Indian and International market, which is comparable with the best in the global market. HNL produces standard newsprint grades of 42 GSM, 45 GSM and 48.8 GSM of quality, which is at par with the best available in the market and with its state-of-the-art technology, HNL caters to the requirement of all major news dailies in the country

In 1998, HNL became one of the first newsprint manufacturers in the country to achieve the coveted ISO-9002 certification. The Quality Management System has been recertified to ISO 9001: 2000 in November 2002. HNL is also certified to ISO 14001: 1996 in October 2000 for its Environment Management System (EMS). The EMS was recertified in 2003. HNL has been awarded with Occupational Health and safety Assessment System (OHSAS 18001:2007) certification from Bureau Veritas Certification (India) Private Limited in July 2008.

Kerala State Pollution Control Board has awarded the HNL with first place among large scale industries in the year 2005 and second place in the years 2006, 2009, 2010 and 2011 in making substantial and sustained efforts in pollution control.

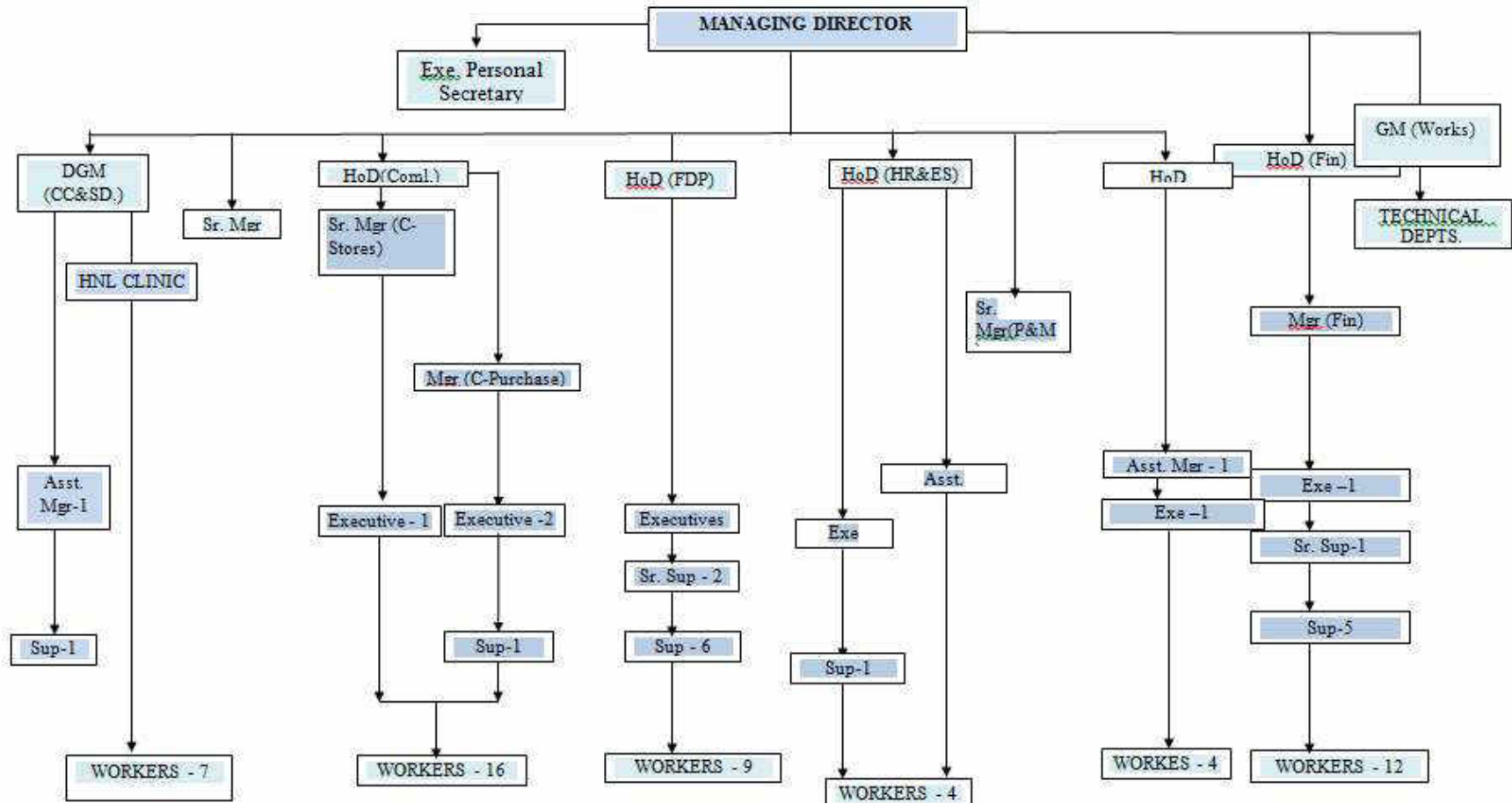
HNL meets a major portion of its requirement of fibrous raw material from the state government forest sources. Uninterrupted supply of wood, reed and bamboo is ensured by means of a long term contract entered into between HNL and Government of Kerala. HNL also enjoys a concessional pricing for the forest based raw materials supplied by the State government. Such concessional pricing may not be available post strategic sale of HNL.

To supplement the requirement of forest based raw materials, HNL has forayed into its own captive plantation of various species of pulpwood trees covering 2,669.667 hectares of land. Area under captive plantation has been leased to HNL by government of Kerala vide lease agreement dated 8th May 2006 for a period of 20 years w.e.f 7.10.2004. Such lease agreement, however, shall stand null and void once the Transaction (Strategic Sale of HNL) is complete.

As on 30th September 2017, the authorized share capital of HNL is Rs. 100 crore (10,00,00,000 Equity Shares of Rs. 10/- each) and paid up share capital is Rs. 99.99 crore (9,99,99,900 Equity Shares of Rs. 10/- each).

Manpower as on 1st February 2018 of the company is 442 permanent employees, contractual 508, Attendant trainee (to be absorbed as permanent) 27, Tenure employees 32 and contractual appointment 11 Nos. respectively.

B. ORGANISATIONAL CHART



C. PRODUCTION FACILITIES**(i). PLANT AND MACHINERY**

S. No.	Machine	Quantity	Make	Capacity	Year of Installation/ commissioning
1.	Reed and bamboo chippers	3	Pallman Chipper	20 BDMT/Hr	1982
2.	Wood Chippers	2	KMW Chipper	40 BDMT/Hr.	1982
3.	Chemical Pulp Mill	1	BHPV/HDO	100 TPD	1982
4.	Chemi-Mechanical Pulp	1	Sunds Defibrator, Sweden	228 TPD	1982
5.	Deinking Plant	1	Voith, India	100 TPD	2002
6.	Paper Machine	1	Voith, Germany	1,00,000 TPA	1982
7.	Power Boiler	3	ABB/ABL	60 TPH with 60 Kg/CM ² 450°C	1982
8.	Captive Power Plant	2	BHEL	15 MW TG & 7 MW TG	1982 2004
9.	Recovery Boiler	1	BHEL	140 TPD black liquor dry solids	1997
10.	Causticizing	1	Hindustan Dorr-Oliver Ltd.	425 m ³ per day of white liquor at 100 grams per litre.	1982
11.	Winder	1	Voith	2250 MPM	1978
12.	Lime Kiln	1	Grasim	50 TPD	1993
13.	Salvage Winder	1	Jagenberg	Max. Dia Of Rewinder -1525 MM Min. Dia Of Rewinder - 470 MM Design Web Speed- 1000 MPM	1982
14.	Roll Wrapping Machine	1	Kleinwefers	60 rolls/ Hr. (Dia 100 mm)	1978
15.	Slitting & Rewinding Machine	1	Guschky & Tonnesmann	Slitting Working Width - 1600 MM	1979
16.	CORE MAKING MACHINE -1	1	Guschky & Tonnesmann	Min. Tube Dia - 25 MM Max. Tube Dia 400 MM Min. Cut Off Length- 300 MM Max. Cut Off Length - 7200 MM	1978

(ii). MAJOR PROCESS CONTROL SYSTEMS

S. No.	System	Manufacturer
1.	DCS for Utility Plant	Yokogawa Blue Star, Bangalore
2.	DCS for Pulp Mills & Paper Machine	Yokogawa Blue Star, Bangalore
3.	Quality control System for Paper Machine	Honeywell Measurex, USA

(iii). QUALITY CONTROL

The activities of laboratory are divided into three sections.

1. Process Quality control
2. Quality control of end product including handling of non conformities & handling customer complaints
3. R&D Activities

1. Process Quality control:

All incoming raw materials (fibrous and non-fibrous) are subjected to different quality checks. Samples are drawn from each consignment and tested for different quality parameters and are accepted only if it is conforming to the laid down norms. The norms are fixed depending upon the actual usage by taking BIS/TAPPI/SCAN specifications as guidelines.

Laboratory is operating various sectional laboratories for process control. In the manufacturing process, samples are drawn round the clock at different frequencies to monitor the quality of intermediate products and also to maintain process parameters. The samples are drawn from the following sections of process.

1. Chipper house
2. Pulp mill (CP, CMP & DIP)
3. Soda recovery
4. Stock preparation
5. Paper machine
6. Utility
7. Effluent Treatment Plant

Final products (Newsprint & Writing and Printing Paper) are tested for physical, mechanical and optical properties. The test results are fed in the network (BaaN), for the accessibility of concerned for timely remedial action.

2. Quality control of Final product:

The quality of the final products (Newsprint & Writing and Printing Paper) is checked by experienced chemists in the Quality control section. The paper quality is checked for various parameters so as to maintain the quality as per the norms laid down in BIS/SCAN/TAPPI standards. The core strength is checked for each lot.

The parent roll of 6.850 m width and about 16-18 MT weight is rewound in to smaller size reels as per requirement by print media. The quality of each reel after rewinding is checked before packing. All the reels at the Re-winder are subjected to inspection for winding quality, basis weight and defects as per the following procedure.

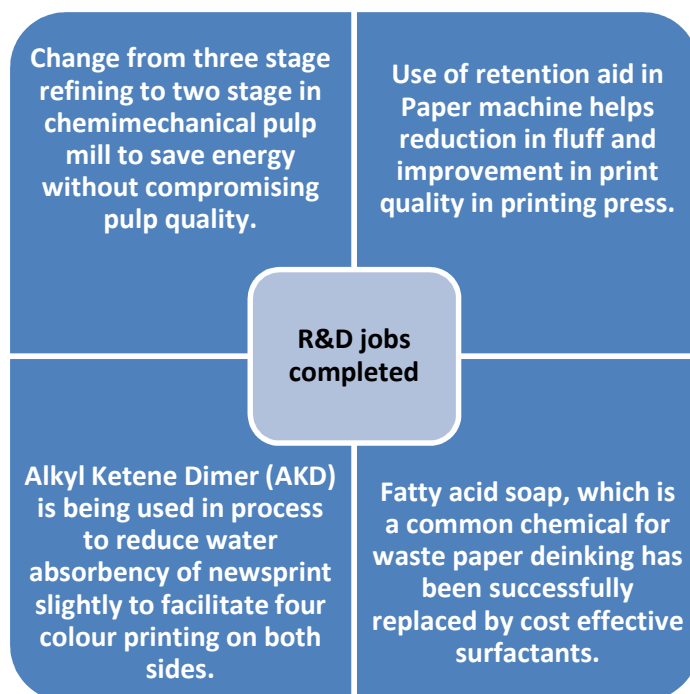
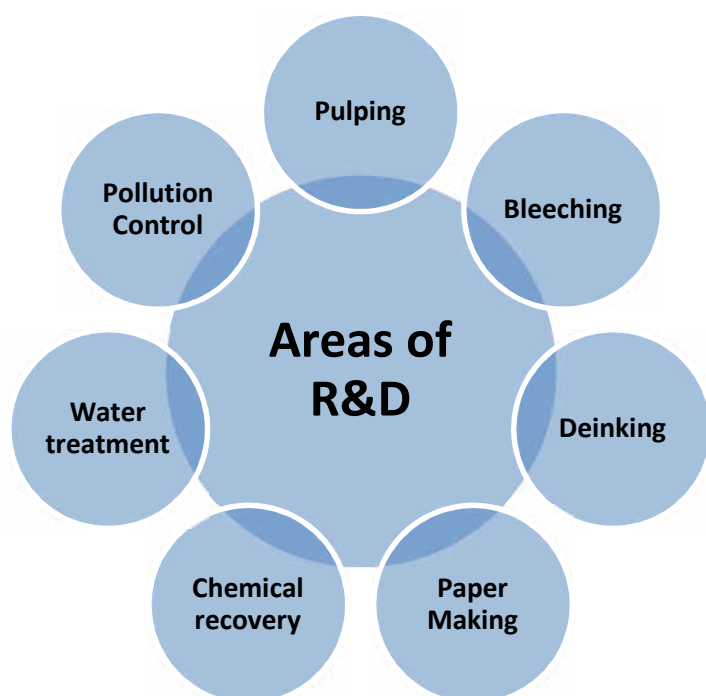
1. Random testing of Newsprint/Quality paper reels for basis weight.

2. Inspection of reels for physical condition, damage, defects and quality.
3. Inspection of reels for number of joints.
4. Reel with major defects are marked RR or RP and retained either to make smaller reels at salvage winder thereby rectifying the defect, or sent for re-pulping.
5. Maintaining a record of quality of each reel sent for packing.

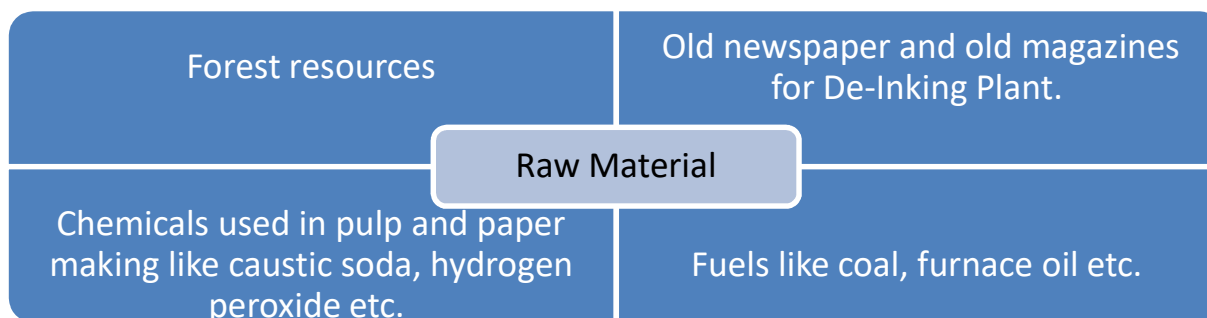
In case of any complaints from customers, the complaints are investigated and analyzed for root cause and remedial action. If required, the concerned officials visit the press to investigate the complaints and to have direct interaction with press crew to know the exact problem. All efforts are put to maintain the quality of Newsprint/Quality paper to the complete satisfaction of customers.

HNL is capable to produce writing and printing paper as per customer requirement. HNL has produced different varieties of writing and printing paper like cream wove, eco-maplitho, white printing paper etc. The raw materials used are high brightness pulps and chemicals used for the production are talc, retention aid, sizing chemical and optical brightening agent. The brightness requirement is 80% ISO or above.

3. Research & Development



(iv). RAW MATERIAL REQUIREMENT



(v). CHEMICAL, PACKAGING MATERIAL AND ENERGY REQUIREMENT

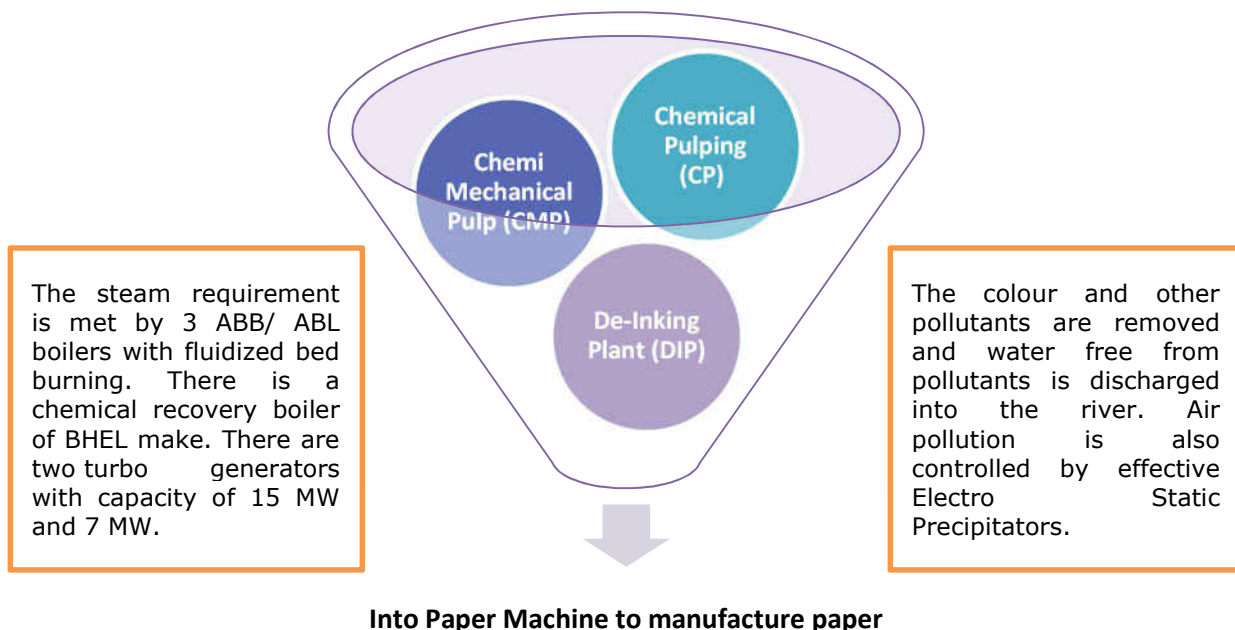
S. No.	Chemical Used	Annual Requirement (MT)
1.	Hydrogen Peroxide (50% concentration)	4,600
2.	Caustic soda lye	4,300
3.	Raw Lime Shell	7,000
4.	Chlorine	725
5.	Non-ferric Alum	1,700
6.	Ferrous chloride (for ETP)	19,000
7.	Sodium Silicate	2,700
8.	Sodium Sulphate	1,100
9.	Sulphuric Acid	450
10.	Hydrochloric Acid	150

S. No.	Packaging Material Used	Annual Requirement (MT)
1.	Kraft paper	925
2.	Grey Board	575

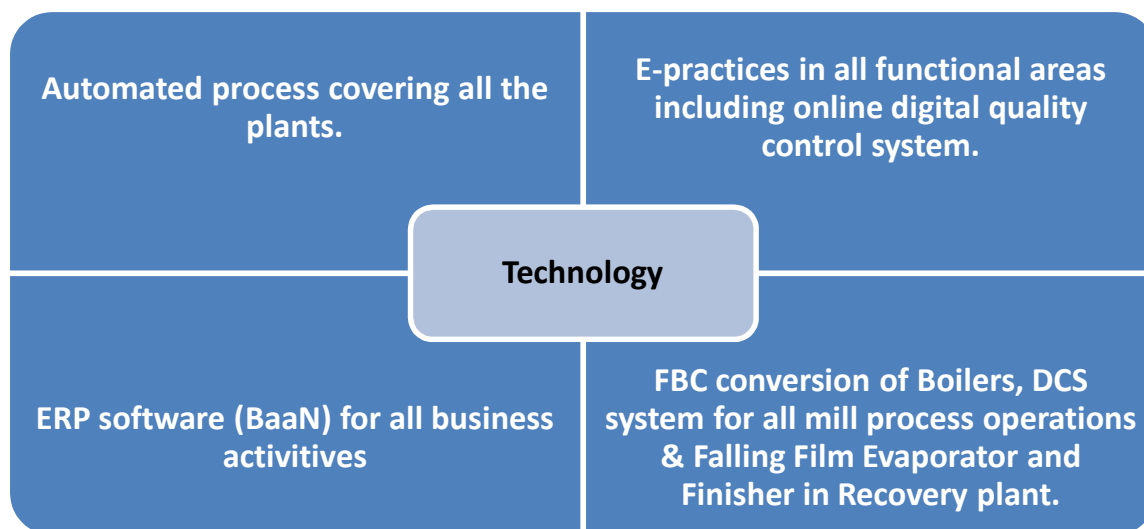
S. No.	Energy Requirement	Annual Requirement
1.	Coal (indigenous & Imported)	0.15 million MT
2.	Electricity (Purchased)	1050 lac Units
3.	Furnace Oil	2500 Kilo litre.

(vi). PROCESS

Three grades of pulp are prepared and blend together to manufacture newsprint:



(vii). TECHNOLOGY



D. MARKETING ARRANGEMENTS

Price for newsprint is fixed every month or for a quarter by Market Review and Pricing Committee (NMRPC) comprising managing director, director (finance), director (marketing), general manager (Works) and head of the marketing department. The benchmark for price fixation is the import prices during that period. Indicative parameters in arriving at the final price are quantity lifted, payment terms, and freight and payment history.

Major customers normally enter into Newsprint import contract on annual basis, but the rates are negotiated on quarterly basis.

Customers without contract are offered the list price as standard price. Discounts, if any, are offered taking into account the customer's financial status, creditworthiness and the then market conditions.

E. BOARD OF DIRECTORS as on 1st FEBRUARY 2018

S. No.	Name	Date of joining
1.	Mr. Shashi Kanth Jain, Chairman	01.09.2015
2.	Mr. Gopala Rao Rokkam, Managing Director	01.12.2016
3.	Mr. S. N. Bhattacharyya, Director	19.07.2010
4.	Smt. Ritu Pande, Nominee Director	13.12.2017
5.	Mr. Krishnapillai Radhakrishnan, Nominee Director	27.04.2017

F. HUMAN RESOURCE as on 1st FEBRUARY 2018

S. No	Type of Employee	Number of employees	
1.	Permanent	Above 55 years of Age	188
		Below 55 years of Age	254
2.	Attendant Trainee*	Grade I	15
3.	Attendant Trainee*	Grade II	12
4.	Contractual		507
5.	Tenure Employees		32
6.	Contractual Appointment		11
Total			1019

G. CAPITAL STRUCTURE as on 1st FEBRUARY 2018

Particulars	Number of Equity shares	Face Value (INR)	Total value (INR)
Authorised Share Capital			
Equity share capital	10,00,00,000	Rs. 10	Rs. 1,00,00,00,000/-
Total	10,00,00,000	Rs. 10	Rs. 1,00,00,00,000/-
Issued, subscribed and paid up share capital			
Equity share capital	9,99,99,900	Rs. 10	Rs. 99,99,99,000/-
Total	9,99,99,900	Rs. 10	Rs. 99,99,99,000/-

H. SHAREHOLDING PATTERN as on 1st FEBRUARY 2018

S. No.	Name of Shareholder	No. Of shares Held	Value per share (INR)	Total Value (INR)
1.	HPCL	9,99,99,700	Rs. 10	Rs. 99,99,97,000
2.	Mr. Shashi Kanth Jain, CMD-HPCL	100	Rs. 10	Rs. 1,000
3.	Mr. Rokkam Gopala Rao, MD-HNL	100	Rs. 10	Rs. 1,000
	Total	9,99,99,900	Rs. 10	Rs. 99,99,99,000/-

I. LAND DETAILS as on 1st FEBRUARY 2018

S. No.	Nature of Property	Location	Title	Area
1.	HNL plant & colony	Newsprint Nagar, Kottayam district	Owned	282.8673 Hectares of land.
2.	Land consisting of residential, official buildings & plantation trees for production purposes.	Bhoothathankettu Ernakulam district.	Owned	2.8770 Hectares of land
3.	Land	Kaloor, Ernakulam	Owned	1186 Sq. mt. of Land
4.	Land	Ranni, Pathanamthitta	Owned	1.8687 Hectares of land
5.	Land consisting of residential, official buildings & plantation trees for production purposes.	Vandiperiyar, Idukki	Owned	6.4923 Hectares of land
6.	Residential Flat	Mumbai-Barla	Owned	843.00 sq. ft. (Super built-up)

J. Hiving off

HPCL has decided to hive off following three (03) assets located at HNL plant & colony, Newsprint Nagar, Kottayam district, as they are not the part of core assets of HNL and will be transferred to HPCL, parent company

Land leased to Cochin Cements (P) Ltd	20 Acres
Land leased to Bharatiya Vidya Bhavan	9.51 Acres
Land leased to Kendriya Vidhalaya (KV), Kaduthuruthy	1.67 Acres

Additionally, HPCL has also decided to hive-off the following:

S. No.	Nature of Property	Location	Area
1.	Land consisting of residential, official buildings & plantation trees for production purposes.	Bhoothathankettu Ernakulam district.	2.8770 Hectares of land
2.	Land	Kaloor, Ernakulam	1186 Sq. mt. of Land
3.	Land	Ranni, Pathanamthitta	1.8687 Hectares of land
4.	Land consisting of residential, official buildings & plantation trees for production purposes.	Vandiperiyar, Idukki	6.4923 Hectares of land
5.	Residential Flat	Mumbai-Barla	843.00 sq. ft. (Super built-up)

All the above assets mentioned in this section “J: Hiving off” are not being offered as part of the Transaction.

K. AREA UNDER CAPTIVE PLANTATION as on 1st FEBRUARY 2018

S. No	Division	Total Area Allotted (In Hectares)	Area surrendered due to inclusion in Project Tiger/ heavy natural tree growth/ unsuitability and distribution to landless poor (In Hectares)	Area under litigation (In Hectares)	Area with HNL (In Hectares)
1.	Peermade	858.945	762.145	Nil	96.8
2.	Munnar and Marayoor Sandal	1427.8505	399.6035	365.480	662.767*
3.	Malayattoor	1081.600	Nil	Nil	1081.6
4.	Kottayam	409.000	56.000	Nil	353
5.	Thrissur	500.000	24.500	Nil	475.5
	Total	4277.395	1242.2485	365.480	2669.667

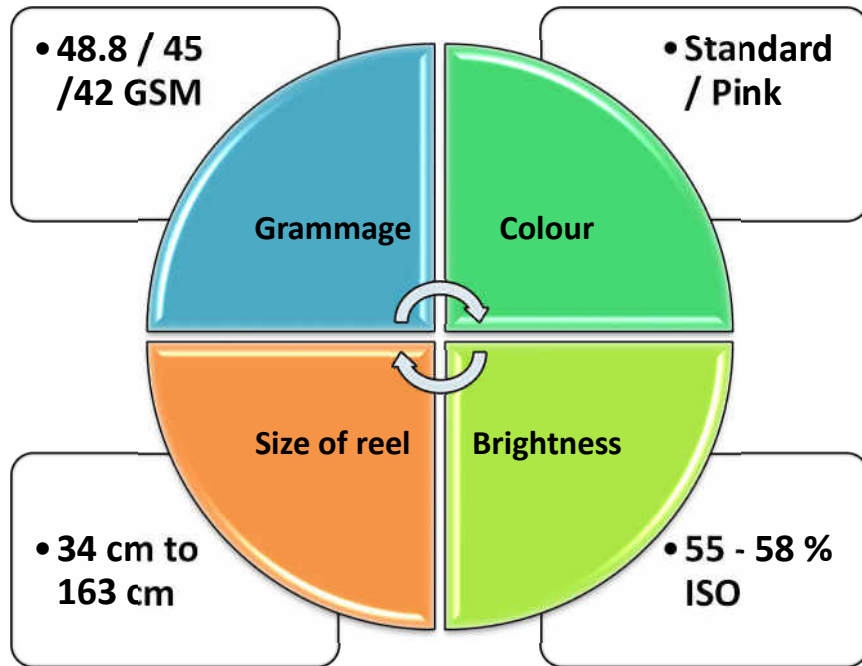
Area under captive plantation has been leased to HNL by government of Kerala vide lease agreement dated 8th May 2006 for a period of 20 years w.e.f 7.10.2004. Such lease agreement, however, shall stand null and void once the Transaction (Strategic Sale of HNL) is complete.

*0.95 Ha of land in Munnar is proposed to be handover to Kerala State Electricity Board.

L. DETAIL OF OFFICES as on 1st FEBRUARY 2018

S. No	Offices	Title
1.	Registered and head office Newsprint Nagar, Kottayam District, Kerala- 686616	Owned
2.	Munnar FDP Zonal Office, Kallar, Vattiyar P.O. Kallar, Idukki – 685 565 Ph: 04864-278025; Fax: 04864-278025	Rented
3.	Thrissur FDP Zonal Office, XV/426-Sathi Nivas, Nedumpara Road, Near Sundaram Auditorium, Cheruthuruthy P.O. Thrissur – 679531. Ph: 04884-260089; Fax: 04884- 260389	Rented
4.	Bhoothathankettu FDP Zonal Office, Bhoothathankettu, Ernakulam Dist. – 686691 Ph: 0485-2571895; Fax: 0485-2571895	Owned
5.	Vandiperiyar FDP Zonal Office, New Chappath (HPC), Vandiperiyar – 685533	Owned
6.	Kulamavu FDP Zonal Office, Edamala Town, Moolamattam P.O. Idukki- 685589. Ph: 04862-253156	Rented
7.	Pathanapuram FDP Sub Zonal Office, Nadukkunnu, Pathanapuram, Kollam Dist.- 689695 Ph: 0475-2355354	Rented
8.	Trivandrum (Liaison Office) FDP cum Liaison Office, Pranamam, CC NO.6/1284/8 Maruthamkuzhy, Kanjirampara PO, Thiruvananthapuram- 95030	Rented

PRODUCT FEATURES



FINANCIALS

A. BALANCE SHEET EXTRACT (Rs. In Lakhs)

Balance sheet	2016-17 (A)	2015-16 (A)	2014-15 (A)	2013-14 (A)	2012-13 (A)
Assets:					
Tangible assets	14,205.91	14,404.33	13,721.40	13,436.90	13,886.98
Intangible assets	1,887.33	2,123.25	2,359.17	874.57	446.13
Capital work in progress	1,277.95	1,029.29	1,075.45	1,024.34	35.48
Investment properties	17.73	17.73	17.73	0.00	0.00
Biological assets	7,879.67	4,850.39	5,861.70	0.00	0.00
Intangible assets under development	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	0.00	0.00	0.00	0.00	0.00
Long term loan & advances	1,059.41	1,093.46	938.75	935.03	1,754.07
Other non-current financial assets	8.65	8.65	8.65	0.00	0.00
Other non-current assets	224.45	200.16	183.30	0.00	0.00
Other current assets	3,458.86	5,309.86	6,246.46	3,424.14	2,966.07
Inventories	5,161.55	8,475.72	10,649.76	11,303.30	9,276.26
Trade receivables	2,027.04	2,352.25	3,611.04	2,906.06	2,656.91
Cash & cash equivalents	227.00	35.29	10.02	345.17	493.63
Short term loan & advances	1,199.30	1,780.73	1,731.25	4,698.28	3,577.28
Net Assets	477.34	393.46	475.43	0.00	0.00
Total assets	39,112.19	42,074.57	46,890.11	38,947.79	35,092.81
Liabilities:					
Long term Borrowings	889.70	545.74	166.43	0.00	0.00
Long term provisions	2398.10	922.90	67.38	68.29	76.64
Other long term liabilities	2286.56	2,177.58	2,146.13	1,470.24	1,485.77
Short term Borrowings	15,909.49	13,145.39	12,483.75	10,911.75	7,453.87
Short term provisions	1,095.82	130.90	248.32	196.13	85.40
Trade payables	5,326.64	6470.33	7,978.09	5,903.18	4,548.72
Other current financial liabilities	203.51	148.75	103.57	0.00	0.00
Other current liabilities	1,198.04	750.43	705.69	546.14	692.79
Deferred tax liability	1,562.12	2,435.64	2,416.00	2,644.83	2,656.06
Share capital	9,999.99	9,999.99	9,999.99	9,999.99	9,999.99
Reserve & surplus	(1,757.78)	5,346.92	10,574.76	7,207.24	8,093.57
Total liabilities	39,112.19	42,074.57	46,890.11	38,947.79	35,092.81

A: Audited figures.

B. P & L EXTRACT (Rs. In Lakhs)

Profit & Loss	2016-17 (A)	2015-16 (A)	2014-15 (A)	2013-14 (A)	2012-13 (A)
Total revenue (Net)	37,101.93	32,842.44	34,889.13	36,176.03	32,795.07
Total expenses	41,031.58	34,483.41	34,308.84	35,064.01	33,076.61
Profit before interest, dep. & tax	(3,929.65)	(1,640.97)	580.29	1,112.02	(281.54)
Interest	1,861.72	1,568.35	1,217.92	984.59	704.79
Depreciation	695.11	673.09	369.89	1,038.40	1,022.21
Profit before prior period adj, exceptional and extraordinary items and tax	(6,486.48)	(3,882.41)	(1,007.52)	(911.67)	(2,008.54)
Prior period adjustment	0.00	0.00	1.93	15.27	191.54
Extraordinary Items	0.00	0.00	0.00	0.00	0.00
Profit before tax	(6,486.49)	(3,882.42)	(1,005.59)	(896.40)	(1,817.00)
Tax expense					
Current tax	0.00	0.00	0.00	0.00	0.00
Tax adjustment for previous year	(85.74)	70.58	4.57	1.16	0.00
Deferred tax	(386.08)	407.51	-228.83	-11.23	-7.65
Profit (Loss) for the year	(6,014.67)	(4,360.51)	(781.33)	(886.33)	(1,809.35)
Other comprehensive income					
- Items that will not be reclassified to Profit or Loss	(1,577.47)	(1,255.20)	0.00	0.00	0.00
- Income tax relating to items that will not be reclassified to Profit or Loss	487.44	387.86	0.00	0.00	0.00
Total comprehensive income for the period	(7,104.70)	(5,227.85)	(781.33)	(886.33)	(1,809.35)

A: Audited figures.

ACCOLADES

A. Awards



B. Initiatives



Pollution Control

- HNL has Electro Static Precipitators (ESP) and Dust Collectors to control atmospheric pollution and to preserve the lush green vegetation of over 30,000 trees around the plant.
- United Nations Environmental Programme (UNEP) has selected HNL as the model paper mill in the Asia Pacific Region under its NIEM programme.
- HNL has bagged the Kerala State Pollution Control awards in 1997-98, 1999-2000 and 2002 for the best pollution control measures and processes adopted in the mill.
- United Nations Development Programme (UNDP) has rated HNL among the first five environment friendly paper mills.



Effluent Treatment

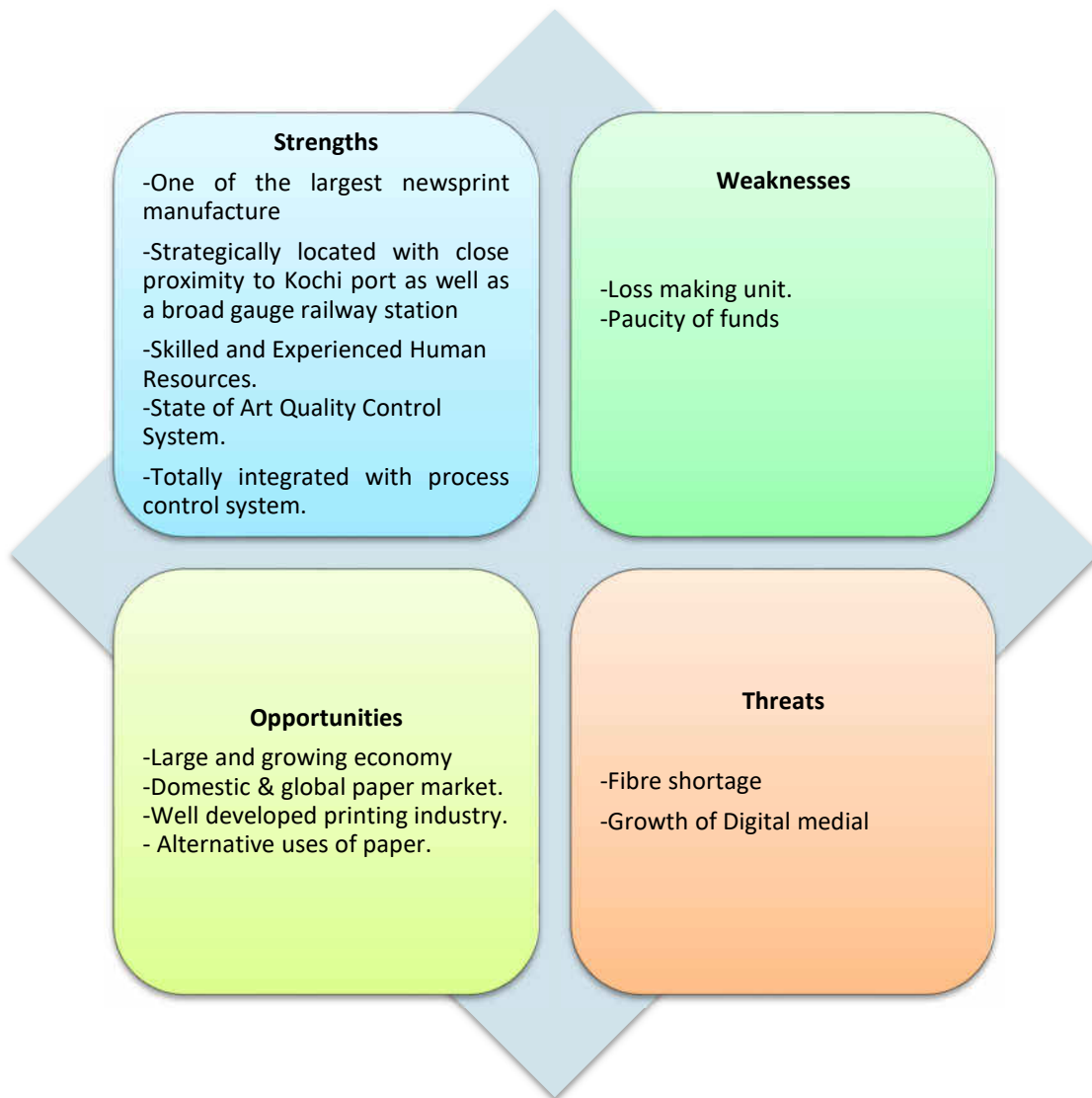
- The quality of effluent discharge meets with all the norms specified in statutory regulations / guidelines.
- The Effluent Treatment System at HNL was initially installed at a cost of Rs.46 million. It was upgraded in 1994 with an additional investment of Rs.52 million. Annually the company spends Rs.25 million for effluent treatment.
- HNL is the only mill in the country, which, in addition to meeting all parameters for effluent treatment, decolourises the effluent before discharge.
- HNL is also the first to substitute 90% of chlorine in bleaching with environment friendly Hydrogen peroxide, thereby reducing toxic discharges



Recycling

- HNL has been successful in bringing down solid waste to near zero level, by recycling / re-use of generated solid wastes.
- Entire fly ash has been utilised by an auxiliary unit for producing Portland Pozzolana cement.
- Bottom ash is used for making construction bricks.
- Lime sludge is reburned to produce the lime required in the production process.
- Chipper waste, DIP sludge and effluent sludge are utilised as secondary fuel in FBC boilers.

SWOT ANALYSES



SECTION 3: INVITATION OF EXPRESSION OF INTEREST

FOR PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING OF HNL HELD BY HPCL

1. PROPOSED TRANSACTION

Broad terms of the Transaction

HPCL, holding 100% of issued, subscribed and paid up share capital of HNL, has 'in-principle' decided to disinvest 100.00% of its shareholding through Strategic Disinvestment with transfer of management control ("Strategic Disinvestment" or "Transaction").

HPCL has engaged Resurgent India Limited as Transaction Advisor for providing advisory services and managing the disinvestment process.

The process for the proposed Transaction has been divided into two stages, namely, Stage I and Stage II.

Stage I:

Through this invitation of EOI, the Transaction Advisor is providing the Interested Parties (IP's) with instructions for submitting their EoIs to the Transaction Advisor, which would be used for prequalifying the IPs in accordance with Eligibility Criteria and Disqualification conditions detailed in this invitation of EOI. Only those IPs who prequalify in accordance with Eligibility Criteria and Disqualification conditions contained therein shall be allowed to participate in stage II subject to IP entering into a Non-Disclosure Undertaking (NDU).

Stage II:

Based on an evaluation of the EoIs submitted, IPs, if shortlisted, subject to execution of an NDU (in the format enclosed in Annexure 4), will be provided with request for proposal ("RFP"), a confidential information memorandum ("CIM") and access to data room, which shall provide further details of HNL and the Transaction in terms of the RFP. Thereafter, financial bids submitted by the shortlisted IPs as per the terms of the RFP shall be opened and the IP quoting the highest offer ("H1 Bidder") shall be the strategic buyer. The IP shall be required to deposit earnest money at Stage-II, if required by Gol. The format, requisite earnest money deposit ("EMD") and other formalities related to the RFP will be communicated in due-course.

The H1 Bidder, shall be subject to security clearance. In case of such IP being disqualified in the security clearance process, H2 bidder shall be given the opportunity to match the offer of H1 Bidder. In case H2 Bidder is not willing to match the offer of H1 Bidder then the successive bidders H3, H4, etc. will be asked to match the offer of H1 Bidder subject to security clearance of each such bidder given the opportunity to match the offer of H1 Bidder.

Note

HNL Trade Unions have filed writ petition in High Court of Kerala against disinvestment process initiated by HPC/Government of India. Honorable high court of Kerala has permitted to continue the process of disinvestment of HNL. However, the final implementation of the same shall only be with the leave of the court.

Contents of invitation to EOI

This invitation of EOI contains the following:

Section	Content
3.2	Eligibility Criteria for IP
3.3	Instruction For Submission of EOI
3.4	Conditions /Circumstances which may lead to Disqualification of IPs
Annexure: 1	Expression of Interest.
Annexure: 2	Statement of Legal Capacity.
Annexure: 3	Request for Qualification by Sole IP including each of the consortium member, if applicable, along with supporting documents.
Annexure: 4	Non-Disclosure Agreement
Annexure: 5	Power of Attorney for Sole IP or Consortium of IPs.
Annexure: 6	Consortium Agreement, if applicable.
Annexure: 7	Declaration regarding legal proceedings by Sole IP and each Consortium member, if applicable.
Annexure: 8	Declaration regarding Confidentiality.
Annexure: 9	An undertaking for lock-in of share-holding for 3 years by Sole IP.
Annexure: 10	An undertaking for lock-in of share-holding for 3 years by Consortium, if applicable
Annexure: 11	Affidavit certifying the correctness of documents
Annexure: 12	DIPAM Guidelines vide OM No. 3/9/2016-DD-II-B Dated: 28 th September, 2017 for qualifications of Bidders
Annexure: 13	Criteria for Employees participation in the Transaction
Annexure: 14	Power of Attorney for Employees Participation.
Annexure: 15	DIPAM Guidelines for bidding by employees.

2. ELIGIBILITY CRITERIA

The eligibility criteria for the Interested IPs are as follows:

- 2.1. Any private limited company or public limited company registered under Companies Act 1956 or 2013, Limited Liability Partnership (LLP) or SEBI registered Alternative Investment Fund (AIF), or a company incorporated outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all statutory approvals from GoI/FIPB/RBI etc. by themselves) either as a sole IP or as part of a consortium ("**Interested Parties**" or "IPs"). Central Public Sector Undertakings (CPSEs) & central government owned Cooperative Societies (i.e. where government ownership is 51% or more are not eligible to participate in the Transaction. (DIPAM OM No: 4(32)/2002-MoDI dated 18.09.2002).
- 2.2. EOIs by management/employees of HNL directly or independently or in consortium or JV or as SPV along with a bank, venture capitalist or a financial institution will be considered in accordance with the guidelines issued by DIPAM as per Annexure 13, 14 & 15. The employees participating through Direct Employee Participation or through Consortium Participation shall be required to incorporate an SPV prior to entering into definitive agreements.
- 2.3. IP's should have a minimum Net Worth¹ of **Rs. 350[₹] Crore** as on 31st March 2017.
- 2.4. EOIs by employees of HNL shall satisfy the minimum net worth criteria as specified in clause 2.3 for a single entity and as per clause 2.7 (a) in case of consortium, as the case may be. The net worth shall be assessed on the basis of practicing CA's certificate not older than 3 months from the date of invitation of EOI.
- 2.5. IPs should have positive PAT [^] (profit after tax) for at least 3 out of the last 5 financial years preceding the EOI Due Date.
- 2.6. IPs shall be in existence for at least 5 financial years as on 31.03.2017

2.7. Conditions for bidding by Consortium

¹**Net Worth** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation. (Source: Companies Act 2013)

For Limited Liability Partnerships (LLPs), Net Worth shall mean aggregate value of the partner contribution and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

For **SEBI registered Alternative Investment Fund (AIF)** other than LLPs and companies, Net Worth shall mean maximum permissible investment limit for that particular AIF (as per SEBI (Alternative Investment Fund) Regulations, 2012) in a single investee entity.

Net worth should be calculated on the basis of the audited financial statements of an IP as on 31st March 2017. In case the annual accounts of an IP for the financial year ending on 31st March 2017 are not audited then the IP shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth. For AIFs, a certificate Statutory Auditor certifying maximum permissible investment shall be submitted.

[₹]Where the financial statements are expressed in a currency other than the Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent US Dollar at the exchange rates (reference rate as set by Reserve Bank of India) prevailing on the date of EOI

[^] For the purpose of determining the profitability of the IP, consolidated audited annual accounts for the last 5 years as on 31.03.2017 shall be considered. Clause 2.5 shall not be applicable to AIFs and participating employees of HNL

- (a) Consortium of IPs (Consortium) may also participate in the Transaction. For a Consortium, the combined Net Worth of all the members of the Consortium should meet the minimum Net Worth criteria mentioned in clause 2.3 above and calculated as per clause 2.7 (e).
- (b) The Consortium shall not have more than one (1) lead member (the “Lead Member”).
- (c) The Lead Member of the Consortium shall have minimum equity contribution of 51% and minimum Net Worth of Rs. 180 crores as on 31st March 2017.
- (d) The minimum equity contribution by other IPs to qualify as a member of the Consortium should be at least 20% and each such member of Consortium shall have a minimum net worth of Rs. 70 Crores as on 31st March 2017
- (e) Net worth for the purpose in case of a consortium should be calculated as [(% equity contribution of member 1 * net worth of member 1) + (% equity contribution of member 2 * net worth of member 2) + (% equity contribution of member 3 * net worth of member 3)].
- (f) The shareholding of the SPV shall be same as the shareholding of members in consortium.
- (g) All the members will be required to lock in shares for a period of 3 years during which they cannot undertake the sale of their stake in HNL. The selected bidder shall be required to lock in its shareholding in HNL for a period of 3 years during which it cannot undertake the sale of its stake in HNL.
- (h) In case a Consortium is shortlisted in EOI process and subsequently selected as the strategic investor, it shall be required to incorporate a company (Investment Vehicle) prior to entering into definitive agreements.

3. INSTRUCTION FOR SUBMISSION OF EOI

- 3.1.** This invitation of EOI along with annexures will be uploaded on the following websites: www.resurgentindia.com, www.hindpaper.in, www.hnlonline.com.in, www.dhi.nic.in. Following receipt of invitation of EOI, IPs are required to respond in the format as detailed in this invitation of EOI along with payment of non-refundable fees of Rs. 5,00,000/- (Rupees five lacs only)
- 3.2.** The non-refundable fees of Rs. 5,00,000/- shall be deposited by the IPs either by way of a demand draft or through electronic mode in the designated account as per the details given hereunder:
- (a) Name of the Account: Resurgent India Ltd.
 - (b) Account number: 50200026623672
 - (c) IFS code: HDFC0003634
 - (d) Name of the Bank: HDFC Bank
 - (e) Branch: Unitech Business Zone, Nirvana Country, Sector-50, Gurgaon-122018, Haryana
 - (f) Swift code: HDFCINBB
- 3.3.** Subsequently, a site visit (cost of which will be borne by the IPs) may be scheduled to facilitate the shortlisted IPs in their assessment of HNL at the discretion of the HPCL/GOI. The modalities related to the visit and due diligence will be communicated to the shortlisted IPs in due course.
- 3.4.** The shortlisted IPs shall carry out their own due diligence, surveys, investigations, examination independent assessment and appraisal of HNL and the Transaction before submitting the EOI. The HPCL/HNL/Transaction Advisor or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto shall not be liable in any manner whatsoever. The IPs shall bear all costs associated with the due diligence, preparation and submission of the EOI. HNL, HPCL and Transaction Advisor shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental or consequential.
- 3.5.** IPs shall have satisfied themselves of their queries before participating in the proposed Transaction. HPCL, Transaction Advisor and HNL reserve the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this document shall be taken or read as compelling or requiring the HPCL, Transaction Advisor and/or HNL to respond to any question or to provide any clarification. No extension of any time and date referred to in this invitation of EOI shall be granted on the basis or grounds that the HPCL or Transaction Advisor or HNL have not responded to any question/ provided any clarification
- 3.6.** Details regarding the process post short-listing based on the EOIs submitted will be subsequently shared with the IPs in the RFP.
- 3.7.** Eois are liable to be rejected by HPCL/Transaction Advisor if IPs fail to meet the eligibility criteria as specified in section titled 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this invitation of EOI or for any other reason deemed fit, or even without communicating any reason whatsoever.
- 3.8.** HPCL reserves the right to withdraw from the Transaction, to accept or reject any or all EOIs at any stage of the Transaction and/modify the process or any part thereof or to vary any terms at any time without communicating any reason whatsoever. In such an event no financial obligation whatsoever shall accrue to HPCL, the Company, the Transaction Advisor or any of their respective officers, employees, advisors or agents.

3.9. At any time prior to the EOI Due Date for submission of EOI, HPCL may, for any reason, whether at its own initiative or in response to clarifications requested by any IP, modify the invitation of EOI by the issuance of addendum.

3.10. HPCL reserves the right to seek any additional documents, information, indemnities, warranties, representations or performance obligations from the IPs or any of their related entities to HPCL's sole satisfaction without any liability to the Transaction Advisor, HPCL and HNL.

3.11. Format and Signing of EOI

The IP shall provide all the information sought in this invitation of EOI. The Transaction Advisor will evaluate only those EOIs that are received in the required formats and complete in all respects.

The EOI shall be typed and signed in indelible blue ink by the authorised signatory of the IP. The IPs shall submit the EOI by mentioning the page number on each document and to be submitted in sequence specified in clause 3.12.

The EOI and all related correspondence and documents in relation to the EOI shall be in English language.

All the alterations, omissions, additions or any other amendments made to the EOI shall be initialed by the person(s) signing the EOI.

3.12. Documents comprising the EOI.

(i). The IP shall submit the EOI in hard bound. The hard bound EOI shall be submitted in one original and one copy form. The IP shall also submit a copy of complete EOI in electronic form (soft copy) in a pen drive. The EOI must be signed by a duly authorized representative of the IP. The IP shall also be required to submit a Power of Attorney (in the form enclosed in Annexure 5/14, as may be applicable, authorizing the signatory of the EOI to commit the IP.

(ii). The contents of EOI shall be as under:

S. No	Documents
1.	Demand Draft or Proof of payment (in case of online payment) of Rs. 5,00,000/- (Rupees five lakh only) towards non-refundable fees
2.	Annexure: 1- Expression of Interest for Sole IP.
3.	Annexure: 2- Statement of Legal Capacity for Sole IP.
4.	Annexure: 5- Power of Attorney for Sole IP or Consortium of IPs.
5.	Annexure: 6- Consortium Agreement, if applicable.
6.	Annexure: 7- Declaration for legal proceedings.
7.	Annexure: 8- Declaration for confidentiality.
8.	Annexure: 9- An undertaking for lock-in of share-holding for 3 years by Sole IP.
9.	Annexure: 10- An undertaking for lock-in of share-holding for 3 years by Consortium IP.
10.	Annexure: 11- Affidavit certifying the correctness of documents
11.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IP/each consortium member] is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/ _____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).
12.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs,

S. No	Documents
	stating that [IP/each consortium member] is eligible to participate in the proposed Sale in terms of guidelines issued by DIPAM vide OM No. 3/9/2016-DD-II-B Dated: 28 th September, 2017
13.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for shareholding pattern.
14.	Statutory auditor's certificate certifying the Net Worth as on 31 st March 2017 as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the annual accounts of an IP for the financial year ending 31 st March 2017 are not audited then the IP shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth.
15.	Annexure: 3- Request for Qualification by Sole IP including each of the consortium member, if applicable, along with supporting documents.
16.	Audited financial statements and annual reports for the immediately five preceding financial years.
17.	A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business.
18.	Annexure: 14- Power of Attorney for participating Employees, if applicable, including all the corresponding documents/annexures as per the criteria provided in Annexure 13.

3.13. Submission of EOI

- (i). Two sets of all the documents listed in clause 3.12 should be submitted on or before the Eoi Due Date to the Transaction Advisor in two separate sealed envelopes in the following manner:

Envelope 1: Envelope 1 should contain all the originally signed documents (as listed in clause 3.12) and should be sealed and duly superscribed as **“Private and Confidential-Expression of Interest for proposed strategic disinvestment of 100% shareholding of Hindustan New Print Ltd. held by Hindustan Paper Corporation Ltd.-Original”**.

Envelop 2: Envelop 2 should contain a copy of all the originally signed documents (as listed at clause 3.12) and should be sealed and duly superscribed as **“Private and Confidential-Expression of Interest for proposed strategic disinvestment of 100% shareholding of Hindustan New Print Ltd. held by Hindustan Paper Corporation Ltd. -Copy”**.

Both the envelopes shall clearly indicate the name and address of the IP.

Envelop 1 and Envelop 2 alongwith soft copy of documents contained therein shall then be placed in a third envelope (**“Envelop 3”**), which shall be sealed and duly superscribed as **“Private and Confidential-Expression of Interest for proposed strategic disinvestment of 100% shareholding of Hindustan New Print Ltd. held by Hindustan Paper Corporation Ltd.”** and shall clearly indicate the name and address of the IP. In addition, the Eoi Due Date should be indicated on the right hand top corner of Envelop 2.

- (ii). The envelope shall be addressed to the following officer and shall be submitted at the respective address:

Sudhir Chandi
Sr. Vice President
 Resurgent India Limited

902-903, 9th Floor, Tower-C,
 Unitech Business Zone, Sector-50,
 Nirvana Country, Gurugram-122018, Haryana
 Tel: 0124-4754550
 Mob: + 91 99113 08123
 Hnldisinvestment@resurgentindia.com

- (iii). If the envelope is not sealed and marked as instructed above, the HPCL/Transaction Advisor assumes no responsibility for the misplacement or premature opening of the contents of the EOI submitted and consequent losses, if any, suffered by the IP. Any submission made shall be rejected if it is not marked as per the instructions mentioned in this invitation of EOI.
- (iv). EOI submitted by fax, telex, or e-mail shall not be entertained and shall be summarily rejected
- (v). All enquiries related to the Transaction should be addressed to the representative of Transaction Advisor mentioned above.

3.14. Bidding schedule

Sl. No.	Event Description	Date
1.	Invitation of EOI (Advertisement)	24.03.2018
2.	Start date of receiving queries Through email: Hnldisinvestment@resurgentindia.com	24.03.2018
3.	Last date for receiving queries Through email: Hnldisinvestment@resurgentindia.com	09.04.2018
4.	Transaction Advisor response to queries latest by (To be uploaded on websites mentioned in clause 3.1 in form of FAQs)	23.04.2018
5.	Last date of submission of EOI	07.05.2018 at 1100 hours
6.	Opening of EOI	07.05.2018 at 1500 hours

HPCL, Company and the Transaction Advisor shall bear no responsibility for non-receipt of Eois/any other correspondence sent by post/e-mail/courier/fax.

3.15. Approvals

The IP shall be responsible for obtaining all the applicable approvals to complete the Transaction within a specified time limit. For the purpose of this Transaction, the IP shall ascertain the applicability and implication of all laws pertaining to the Transaction and shall ensure compliance with all the applicable laws.

3.16. Late EOIs

Submission of any EOI after the prescribed date and time at Clause 3.14 shall not be considered and the EOI shall be summarily rejected.

3.17. Substitution/ withdrawal of EOI

- a) The IP may substitute or withdraw its EOI after submission prior to the EOI Due Date. No EOI can be substituted or withdrawn by the IP on or after the EOI Due Date & Time.

- b) Restriction on change in composition of Consortium:
- (i) Any changes in the composition of the Consortium may be permitted only upto the stage of EOI Due Date after the EOI already submitted has been withdrawn and fresh EOI has been submitted upto the EOI Due Date. However, no change in the composition will be permitted after the last date of submission of EOI till the shortlisting of IPs.
 - (ii) If after short listing of IPs, a consortium IP desires a change in the consortium by inclusion/exclusion of members or if a non consortium IP desires to form a consortium by inducting new member(s), it shall have to apply for such change to the Transaction Advisor. After obtaining approval from the Department of Heavy Industry (Ministry of Heavy Industries & Public Enterprises), TA shall qualify/disqualify such a consortium subject to the eligibility criteria and the following:
 - a. The change shall be permitted only once per consortium.
 - b. No change in Lead Member shall be allowed.
 - c. Jumping from one consortium to another shall not be permitted.
 - d. Request for such modification/ withdrawal/ substitution shall be entertained only before the financial bids are received by Government. However, the last date for such request shall be specified in the Request For Proposal (RFP) document.

3.18. Continuing Requirements

The IP shall not only meet the eligibility criteria at the time of submission of EOI but shall continue to be eligible throughout the Transaction process. IP shall have the obligation to immediately notify the Transaction Advisor on its becoming ineligible any time during the process. In the event any IP or the member of Consortium getting disqualified or not meeting the eligibility criteria, such IP shall not be permitted to continue with the bidding.

3.19. Evaluation of EOI.

The Transaction Advisor will subsequently examine and evaluate all the EOIs in accordance with the provisions of invitation of EOI.

3.20. Rejection of EOI

- (i) Notwithstanding anything contained in this invitation of EOI, the HPCL reserves the right to reject any or all EOIs on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.
- (ii) The HPCL may also annul the EOI process and/or reject all EOIs at any time without any liability or any obligation for such acceptance, rejection or annulment, and without communicating any reasons thereof. In the event that the HPCL rejects or annuls all the EOIs, it may, in its discretion, invite fresh EOIs hereunder.
- (iii) The HPCL reserves the right not to proceed with the EOI Process at any time, without notice or liability, and to reject any EOI without communicating any reasons.

3.21. Validity of EOI

The EOIs shall be valid for a period of not less than 180 (one hundred and eighty) days from the EOI Due Date. The validity of EOIs may be extended at the discretion of the HPCL.

3.22. Confidentiality

Information relating to the examination, clarification, evaluation and recommendation for the IPs shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the HPCL in relation to, or matters arising out of, or concerning the EOI process. The Transaction Advisor will treat all information, submitted as part of the EOI, in confidence and will require all those who have access to such material to treat the same in confidence. The Transaction Advisor shall not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the GoI or as may be required by law or in connection with any legal process.

3.23. The completed forms, “Annexures” of the EOI shall be considered as part of the contract documents in the case of successful bid.

3.24. All financial statements or data to be derived therefrom referred herein shall mean on a consolidated basis and where consolidated financial statements are not required to be prepared by the entity, such financial statements or data derived therefrom shall mean on a standalone basis.

3.25. The detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IP hereunder shall continue to have effect in addition to its obligations under the definitive agreements.

3.26. Any condition or qualification or any other stipulation contained in the invitation of EOI shall render the EOI liable to rejection as a non-responsive EOI.

3.27. The documents including this invitation of EOI and all attached documents are and shall remain or become the properties of the HPCL and are transmitted to the IPs solely for the purpose of preparation and the submission of an EOI in accordance herewith. IPs shall not use such documents/information for any purpose other than for preparation and submission of their EOI.

3.28. A draft of the Non-Disclosure Undertaking (NDU) has been provided in Annexure 4. Shortlisted IPs shall be required to execute the NDU before they can be provided with CIM, access to data room and the RFP.

3.29. The IPs shall provide certificates, undertakings, Earnest Money Deposit (EMD) or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in Stage II as may be informed by the HPCL.

3.30. Unless otherwise specified, a certified true copy (duly verified by a notary) of the supporting documents shall be submitted.

3.31. The HPCL, HNL and the Transaction Advisor shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the invitation of EOI including any error or mistake therein or in any information or data given by the Transaction Advisor.

- 3.32.** The HPCL and the Transaction Advisor reserve the right to verify all statements, information and documents submitted by the IP in response to the EOI and the IP shall, when so required by the HPCL/Transaction Advisor, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the HPCL/Transaction Advisor shall not relieve the IP of its obligations or liabilities hereunder nor will it affect any rights of the HPCL/Transaction Advisor thereunder.
- 3.33.** Disinvestment of entire shareholding in HNL by HPCL will be subject to applicable statutory and regulatory restrictions and approval requirements.
- 3.34.** Governing Law / Jurisdiction: The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.

4. DISQUALIFICATIONS

1. HPCL/Transaction Advisor shall not consider for the purpose of qualification, any EOI which has been found to be incomplete in content or attachments or authenticity including not being accompanied by the non refundable fee.
2. Without prejudice, HPCL / Transaction Advisor reserves the right to disqualify any IP and exclude its EOI from further consideration for any of the following reasons including without limitation those listed below:
 - a. Misrepresentation/false statement is made by the IP or any member of a Consortium in the EOI, at any stage of the Transaction, whether in the EOI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - b. If the EOI submitted by the IP is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the invitation of EOI.
 - c. Failure by IP/ any Consortium member to provide necessary and sufficient information required to be provided in the EOI.
 - d. Submission of EOI in respect of any IP/ Consortium, where such IP or member had already submitted an EOI or is a member of another Consortium, which has already submitted an EOI in which case, all such EOIs shall be rejected.
 - e. The IPs not satisfying the eligibility and requisite qualification criteria specified in this invitation of EOI and hence not eligible.
 - f. GoI is not satisfied with the sources of funds/ownership structure of the IP.
 - g. Failure by the IP to comply with any reasonable requests of HPCL and/or the Transaction Advisor in relation to the Transaction.
 - h. If it is discovered at any time that an IP and/or its Promoters are subjected to winding up/insolvency/bankruptcy or other proceedings of a similar nature.
 - i. Any information regarding or in connection with the IP which becomes known that is detrimental to the national integrity, national security and/or public interest and/or national interest and/or Transaction and/or the interests of HNL and/or HPCL.
 - j. Initiation or existence of any legal proceedings, by or against the IP in respect of HNL, which proceeding may be prejudiced by the participation of the IP in the selection process or the Transaction. For example, inspection by an IP of case files of the Company of matters filed against that IP.
 - k. The IP or if the IP is a Consortium then any member of such Consortium or their respective Promoters or parent companies or subsidiaries who does not satisfy the requirements of qualification or is disqualified under the Government of India office memorandum No. 3/9/2016-DoD-II-B dated: 28th September, 2017, (refer Annexure 12).
 - l. Non fulfillment of any other condition as listed in the EOI including breach of Non-Disclosure Undertaking.
 - m. In regard to matters relating to the national security and national integrity, any charge-sheet by any Governmental Authority / conviction by a court of law for an offence committed by the IP or any of

the members of the IP in case of a Consortium or by any of their respective sister concerns or any of their Promoters, Promoter Group and directors would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons. The term 'Promoter' shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the term 'promoter group' shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

"Governmental Authority" means (a) the government of India or the government of any state or other political subdivision thereof in India; (b) any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or (c) any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).

- n. Any condition or qualification or any other stipulation inserted by the IP contained in the Eoi shall render the Eoi liable to rejection.
- o. IPs or promoters or promoter group or directors of such IPs which are otherwise covered in section 2 above but are:
 - i. debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by any Governmental Authority;
 - ii. appearing in the RBI list of Wilful Defaulters;

"Wilful Defaulter" means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

- p. If the IP does not satisfy any of the requirements as may be issued by HPCL by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any conditions of disqualifications the Eoi submitted by such IP shall be disqualified.
- q. All entities that have been debarred/ banned/ blacklisted by any Governmental Authority, from time to time.
- r. IPs which are otherwise covered in section 2.1 above but are:
 - (i) Erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI;
 - (ii) Prohibited or restricted from investing HNL under the Foreign Exchange Management Act, 1999 or any regulations made thereunder and including the provisions of the Consolidated FDI Policy. It being clarified that sectors where government approval is required will not be considered as 'restricted' from investing.

"OCBs" mean a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held directly or indirectly by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to

undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulation Act, 1999.

- s. If IPs, directly or indirectly, communicate with any officer/employee of HPCL or HNL either before or after submission of its EOI.
 - t. If IPs, directly or indirectly, disclose the intent/willingness to participate as an Interested Party (IP) in EOI process to any officer/employee of HPCL or HNL at any time from the date of issue of this invitation of EOI.
3. If any information becomes known after the IP has been qualified to receive the CIM/access to data room and RFP or at any stage of the Transaction, which information would have entitled HPCL /Transaction Advisor to reject or disqualify the EOI of relevant IP, HPCL /Transaction Advisor reserves the right to reject the IP at the time or at any time after such information becomes known to HPCL /Transaction Advisor. Where such party is a consortium, HPCL /Transaction Advisor may disqualify the entire Consortium, even if it applied to only one member of the Consortium.
 4. If any of the members of the Consortium are disqualified, all the members of the Consortium shall automatically stand disqualified.
 5. In addition to the eligibility of the IP being a sole IP, each of the members of Consortium and the Consortium as a whole must be eligible, as per criteria mentioned in this invitation of EOI, on the date of submission of the EOI and must continue to be eligible throughout until the consummation of the Transaction.
 6. Any of the outstanding indebtedness of IP availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IP and includes all such indebtedness availed by any of the entities where the IP holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IP.
 7. HPCL /Transaction Advisor determination that one or more of the events specified in Clauses 1, 2, 3, 4, 5 and 6 of section 4 has occurred shall be final and conclusive.

SECTION 4: ANNEXURES TO INVITATION OF EOI

ANNEXURE 1: EXPRESSION OF INTEREST

(To be typed on the letterhead of the IP/Lead Member of Consortium submitting the Eoi)

Reference No. _____

Date _____

To,
Mr. Sudhir Chandi
Sr. Vice President
Resurgent India Limited
903-904, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 100% STAKE HELD BY HINDUSTAN PAPER CORPORATION LIMITED (HPCL) IN HINDUSTAN NEWS LIMITED (“HNL”)

Sir,
This is with reference to the advertisement dated ***** (“**Advertisement**”) inviting Expression of Interest (EOI) for Sale of such number of shares representing hundred percent (100%) of the equity share capital of HNL, a company registered under the Companies Act, 1956 having its registered office at Newsprint Nagar, District Kottayam, Kerala. (“**Strategic Disinvestment**”)

As specified in the advertisement, we have read and understood the contents of the Preliminary Information Memorandum (PIM) and the invitation of Expression Of Interest and are desirous of participating in the Strategic Disinvestment, and for this purpose confirm and undertake as follows:

1. We propose to submit our EOI in individual capacity as _____ (insert name of interested party)

OR[®]

We have formed/propose to form a consortium comprising of [_____] members (“**Consortium**”) as follows:

- a. [●] holding [●] % shareholding in the Consortium;
 - b. [●] holding [●] % shareholding in the Consortium; and
 - c. [●] holding [●] % shareholding in the Consortium.
2. We understand that 100 % equity stake of HNL is proposed to be divested and we are interested in bidding for the same. We believe that we/our consortium/proposed consortium satisfy the eligibility criteria set out in relevant section of invitation of EOI including the guidelines for qualification of bidders seeking to acquire stake in Public Sector Enterprise through the process of disinvestment issued by GoI vide DIPAM OM No. 3/9/2016-DoD-II-B dated: 28th September, 2017. We certify that in regard to matters other than

[®] Strike off whichever is not applicable.

security and integrity of the country, we have not been convicted by a Court of law or indicted or adverse orders passed by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which relates to a grave offence that outrages the moral sense of the community.

3. We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government of India or convicted by a Court of law for any offence committed by us or by any of our sister concerns.
4. We further certify that no investigation by a regulatory authority is pending either against us or against our sister concerns or against our CEO or any of our directors/ managers/employees.
5. We undertake that in case due to any change in facts or circumstances during the pendency of the Disinvestment process, we are attracted by the provisions of the disqualifications in terms of the subject guidelines, we would intimate the Transaction Advisor immediately.
6. The statement of Legal Capacity and Request For Qualification as per formats indicated hereinafter, duly signed by us/respective members, who jointly satisfy the eligibility criteria, are enclosed.
7. We shall be glad to receive further communication on the subject.

Sincerely

_____ (Signature of Authorised Signatory for and on behalf of IP/Consortium)
_____ (Name of Authorised Signatory)
_____ (Designation of Authorised Signatory)
_____ (Name of the Interested Party)

Enclosure:

1. Statement of Legal Capacity
2. Request For Qualification

ANNEXURE 2: STATEMENT OF LEGAL CAPACITY

(To be typed on the letterhead of the IP/each member of consortium submitting the Eoi)

Reference No. _____

Date _____

To,
Mr. Sudhir Chandi
Sr. Vice President
Resurgent India Limited
903-904, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR DISINVESTMENT OF 100% STAKE HELD BY HINDUSTAN PAPER CORPORATION LIMITED (HPCL) IN HINDUSTAN NEWS LIMITED (“HNL”)

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“**Eoi**”) for strategic disinvestment of such number of shares representing hundred percent (100%) of the equity share capital of HNL, a company registered under the Companies Act, 1956 having its registered office Newsprint Nagar, District Kottayam, Kerala (“**Strategic Disinvestment**”). We have read and understood the contents of the Preliminary Information Memorandum (PIM) and the invitation of Expression Of Interest (EOI) and pursuant to this hereby confirm that:

1. We satisfy the eligibility criteria laid out in invitation of EOI.

OR[®]

We, the members of Consortium (constitution of which has been described in the Expression of Interest), jointly satisfy the eligibility criteria as laid out in invitation of EOI and we have agreed that _____ (insert member’s name) will act as the Lead Member of the consortium.

2. We/our consortium/proposed consortium have agreed that [●] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the EOI (“**Representative**”). Further, the authorised signatory is vested with requisite powers to furnish such letter and Request for Qualification and authenticate the same.

Sincerely

_____ (Authorised Representative and Signatory for and on behalf of IP/Consortium)

_____ (Name of the Person)

_____ (Designation of Authorised Signatory)

_____ [®] Strike off whichever is not applicable.

ANNEXURE 3: FORMAT FOR REQUEST FOR QUALIFICATION

(To be typed on the letterhead of the IP submitting the Eoi)
(To be submitted by IP/each member of the consortium)

Reference No. _____

Date _____

To,
Mr. Sudhir Chandi
Sr. Vice President
Resurgent India Limited
903-904, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

S. No.	Particulars	Details
1.	Name of the interested Party/ Member of Consortium	
	Constitution	
2.	i. Public Limited Company ii. Private Limited Company iii. Limited Liability Partnership (LLP) iv. SEBI Registered Alternate Investment Fund (AIF)	
3.	If the interested party is a foreign company, specify list of statutory approvals from GoI/ RBI/ FIPB applied for/ obtained/ awaited, if any	
4.	Memorandum and Articles of Association/Document of Constitution, as may be applicable to the Interested Party / member of Consortium	
5.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Party is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/ _____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).	
6.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Party does not attract disqualification vide Office Memorandum No. 3/9/2016-DoD-II-B dated : 28th September, 2017 issued by DIPAM (Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment).	
7.	Basis of eligibility for participation in the process (please mention basis and attach supporting documents):	
8.	Details of Shareholding pattern of the IP including the details establishing ultimate beneficial owner of the IP.	
9.	Audited Annual Reports of immediately preceding five financial years (including audited financials with profit and loss statement, balance sheet and cash flow statement and the annual report). In case the annual accounts of an IP for the financial year ending on 31 st March 2017 are not audited then the IP shall submit a certificate from Statutory Auditor certifying the Net Worth	

	as at close of such financial year along with the methodology used for calculating such Net Worth Notes: i. In the case, the financial year of any IP is different than April to March every year; the net worth shall be calculated as on date the latest financial year of such IP ends.	
10.	Equity contribution of member in the Consortium (if applicable)	
11.	Nature of business/products dealt with	
12.	A profile containing information on Company/Group's area of operations, capability of the IP, as demonstrated in its past track record, to run its own business.	
13.	List of board of directors along with an overview of the IP's senior management and organization structure including effective place of management of business of IP certified by the company secretary of the IP	
14.	Summary of the roles and responsibilities of the directors and key management personnel of the IP certified by the company secretary of the IP	
15.	Brief write up of the IP's of their international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership along with copy of audited financial statements of immediately preceding financial year.	
16.	The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IP, together with the names of the principal individual advisors at those companies and firms.	
17.	Date & Place of incorporation	
18.	Date of commencement of business	
19.	Full address including phone No., fax No., email address and web address	
	i. Registered Office	
	ii. Head Office	
	iii. Branches	
20.	Detail of Contact Person	
	i. Name	
	ii. Designation	
	iii. Company	
	iv. Address	
	v. Telephone Number	
	vi. E-Mail Address	
vii. Fax Number		
21.	Salient features of financial performance for the last three years	
22.	Statutory Auditor's certificate certifying the Net Worth as on 31st March 2017 as defined in the Eligibility criteria along with methodology for calculation of Net Worth.	
23.	Statutory Auditor's certificate certifying the outstanding indebtedness of IP availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IP and includes all such indebtedness availed by any of the entities where the IP holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IP	
24.	An affidavit certifying the correctness of documents submitted in the EOI as per the format provided in Annexure-11	

25.	Please provide details of all contingent liabilities that, if materialised, would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the Company, or other similar business combination or sale.	
26.	A detailed statement showing contractual disputes and litigation/ arbitration in the recent past along with parties and amount involved in such disputes and litigation/ arbitration.	
27.	A statement showing pending litigations that, if decided against the IP, shall disqualify the IP in terms of prescribed eligibility criteria and extant Government instructions on disinvestment.	

Sincerely

Authorised Signatory
For and on behalf of the (IP/Consortium)

Note: Please follow the order adopted in the format provided. If the Interested IP/ member of Consortium is unable to respond to a particular question/ request, the relevant number must nonetheless be set out with the words 'No response' against it.

ANNEXURE 4: NON DISCLOSURE UNDERTAKING

[ON RS. 1000 STAMP PAPER]

This **NON DISCLOSURE UNDERTAKING** ("**Undertaking**") is made on this [●] day of [●], 2017.

BY

[●] a company incorporated under the Companies Act, [1956/2013] bearing corporate identification number or Limited Liability Partnership or SEBI Registered AIF and having its registered office at [●] (the "**IP**");

IN FAVOUR OF:

Hindustan Paper Corporation Limited at 75-C, Park Street, Kolkata-700016 (the "**HPCL**");

Hindustan Newsprint Limited, a company incorporated under the Companies Act, 1956, having its office at Newsprint Nagar P.O. - 686 616, Kottayam District, Kerala, India. India (the "**HNL**"), which expression shall unless repugnant or contrary to the context or meaning thereof include its successors and assigns; and

The Entities whose names and particulars listed in Schedule 1 (hereinafter referred to as "**Advisors**")

WHEREAS:

- A. The IP along with Consortium Members (as defined hereinafter) has submitted an Expression of Interest for participation in the proposed Strategic Disinvestment by Hindustan Paper Corporation Limited ("**HPCL**") of 100 percent of the equity shares of the Company held in HNL (the "**Transaction**") and has been shortlisted as a "Qualified Interested Party"; and
- B. In the context of the IP's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IP to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IP hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. In this Undertaking (including the recitals);

"**Advisors**" means, collectively, Resurgent India Limited, Asset Valuer and M/s. Crawford Bayley & Co.

"**Confidential Information**" means and includes any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of HNL, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of HNL and new businesses (if any) proposed to be undertaken by HNL, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to

licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to HNL's operations prepared by external consultants which are proprietary to the HNL or the DHI or the Administrative Ministry), and any information memorandum /or draft /final offer document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

- (a) Information which the IP can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of the HPCL and/or HNL on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means the IP and all other Consortium Members acting in concert with the IP intending to directly or indirectly participate in the Transaction.

"Consortium Members" means the members of any existing Consortium, formed by the IP for purposes of the Transaction and shall include members who have submitted the Statement of Legal Capacity in the form specified in the invitation of Expression Of Interest announcement by the Administrative Ministry for participation in disinvestment of HNL in respect of the Transaction as part of any existing consortium.

"**Disclosing Party**" means the Advisors, HPCL, HNL, the Administrative Ministry, the GOI, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"**Governmental Authority**" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"**Receiving Party**" means the IP, Consortium Members and/or their respective Representatives, whether jointly or severally.

"**Representative(s)**" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

"**Person**" means any individual, company (including HNL and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision).

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without HNL's as well as the HPCL's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the IP wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party. The Receiving Party shall not reveal their identity and/or contact any member of HNL, HPCL or the Administrative Ministry /DIPAM. The IP shall particularly ensure that the interests of HNL, HPCL or Advisors or GOI are not adversely affected
4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the IP's execution of this Undertaking, the IP, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The IP agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or Representative of the IP or Representative of Consortium Member will be informed and advised in writing by the IP of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the IP and/or Representative of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance therewith. The IP agrees that the Confidential Information shall not, without HNL's as well as the HPCL's prior written consent, be disclosed by the IP and/or each such

Consortium Member and/or Representative of the IP and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the IP or each such Consortium Member or Representative of the IP or Representative of Consortium Member other than in connection with an evaluation of the Transaction.

The IP recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to HNL and the HPCL if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The IP acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The IP, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of HPCL, HNL and the Advisors. The IPs, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein.

Notwithstanding any agreement or undertaking, the IP agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Consortium Member and/or Representative of the IP and/or the Representative of Consortium Member and shall indemnify and hold HPCL , HNL, and the Advisors harmless (including provisions of clause 6 and 15 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom. In case of Consortium, the IP agrees that for the purpose of this Confidentiality Undertaking, the liability of the IP shall be joint and several with each of the Consortium Members.

5. Except as permitted by Clause 4 herein and except as expressly permitted by a definitive share purchase agreement, if any, entered into by the IP, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of HNL, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information. Except with the prior written consent of HNL and HPCL, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.
6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the IP hereby jointly and severally indemnifies and agrees to hold the Advisors, HPCL and HNL indemnified and harmless (without prejudice to Clause 15 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.

7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, HPCL and HNL with prompt written notice of such request so that the Advisors, HPCL or HNL may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the IP's legal counsel (reasonably acceptable to the Advisors, HPCL and HNL), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
8. The confidentiality obligations contained in this Undertaking may at the discretion of HPCL, HNL and the Advisors, be amended, modified or superseded upon the IP and the Consortium Members and/or any company formed and promoted by them executing definitive agreements, but shall be without prejudice to any of the Advisors', HPCL's or HNL's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

The IP agrees that HPCL reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the IP and/or to reject any or all proposals made by the IP with regard to the Transaction. HPCL may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the IP in connection with its evaluation of the Transaction.

9. HPCL and/or HNL may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by HPCL and/or HNL, or after the decision of the IP to not proceed with the Transaction as specified in Clause 8 above, (i) the IP (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisors, HPCL or HNL request or give prior written consent to the IP's request, the IP will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by the IP in writing to each of the Advisors, HPCL and HNL (such confirmation must include a list of the destroyed materials). The IP acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking and the terms of the Undertaking shall survive such termination.

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of HPCL or HNL regarding the business, operations, prospects or finances of HNL, without the Advisors' prior written consent, unless otherwise agreed to in an executed shareholders' agreement entered into in connection with the purchase by the IP and the Consortium Members and/or any company formed and promoted by them, of equity shares of HNL. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by HPCL and/or HNL for any discussions, the Receiving Party will do so or meet HPCL and/or HNL only after duly informing the Advisors in writing.
11. HPCL reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the IP or HPCL to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, HPCL or HNL to enter into an agreement or an understanding, or prohibits the Advisors, HPCL or HNL from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
12. For a period of 1 (one) year from the date of this Undertaking or till the completion of the Transaction, whichever is later, the Receiving Party shall not, directly or indirectly, solicit for employment or hire any employee of HNL.
13. The IP understands, acknowledges and agrees that HPCL, the Advisors and HNL retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the IP's use of the Confidential Information. The IP also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither HPCL nor the IP will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.
14. The IP hereby indemnifies and agrees to hold the, GoI, Advisors, HPCL and HNL indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for

any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the IP also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, HPCL or HNL will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, HPCL and/or HNL.

15. The IP understands, acknowledges, confirms and agrees that each of HPCL, HNL and the Advisors are beneficiaries under this Undertaking. The IP further agrees and confirms that each of HPCL, HNL and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
16. The IP agrees that no failure or delay by the Advisors/HPCL / HNL in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
17. The terms of this Undertaking may be varied only with HNL's and HPCL's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
18. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
19. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by telex, cable or facsimiles as follows.

If the notice is to the Transaction Advisor, to:

Designated Official
Resurgent India Limited
903-904, Unitech Business Zone, Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana – 122018
P +91-124-4754550
Email: HNLdisinvestment@resurgentindia.com

With a copy to:

Designated Official
Hindustan Newsprint Limited (HNL),
Newsprint Nagar P.O. - 686 616, Kottayam District, Kerala, India.

AND

Designated Official
Hindustan Paper Corporation Limited (HPCL)
75-C, Park Street, Kolkata-700016

If the notice is to HNL, to:

Designated Official of HNL, at the address given hereinabove

With a copy to:

HPCL at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the HPCL, to:

HPCL, at the address given hereinabove

With a copy to:

Designated Official of HNL, at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the IP:

Name:

Designation:

Organisation name and address:

Tel no.

fax no.:

E-mail address:

Any of the IP, HPCL, HNL or the Advisors may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the IP on the date and year first hereinabove written.

Witnessed by: (Name of IP)

Name: By:

Address: Name:

Title:

Schedule 1

[x]

ANNEXURE 5: POWER OF ATTORNEY-SOLE IP/CONSORTIUM

Power of Attorney for signing of Eoi

To all to whom these presents shall come, We..... (name of the entity) having our registered office at _____ (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with us/ the Lead Member of our Consortium and holding the position of, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares held by Government of India including but not limited to signing and submission of all applications and providing information/ responses to GoI/HPCL/Transaction Advisor and generally dealing with Transaction Advisor/HNL/HPCL/GoI in all matters in connection with or relating to or arising out of our application for qualification for the Transaction as defined in the invitation of EOI dated ** issued by Resurgent India Limited.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but defined shall have the meaning ascribed to such terms in the Eoi.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....

(Signature, name, designation and address)

In the presence of:

1.

2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

- 1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.*
- 2. The IP should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the IP.*
- 3. For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by IPs from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostile certificate.*

ANNEXURE 6: FORMAT FOR CONSORTIUM AGREEMENT

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)

THIS Consortium Agreement ("**Agreement**") executed on this _____ day of _____ Two thousand _____ between

1. M/s [insert name of Lead Member] _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-1**", which expression shall include its successors, executors and permitted assigns);
2. M/s _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-2**", which expression shall include its successors, executors and permitted assigns); and
3. M/s _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-3**", which expression shall include its successors, executors and permitted assigns),

for the purpose of submitting response to Advertisement dated ___ inviting Expression of Interest for strategic disinvestment of equity stake of 100% in HNL.

WHEREAS, each Member individually shall be referred to as the "**Member**" and all of the Members shall be collectively referred to as the "**Members**" in this Agreement.

WHEREAS, Hindustan Paper Corporation Limited (HPCL) had invited EOI via advertisement dated _____;

WHEREAS the Instructions for submitting EOI stipulates that in case EOI is being submitted by a Consortium of IPs, the Members of the Consortium will have to submit a legally enforceable Consortium Agreement in a format specified in invitation of EOI.

All the terms used in capitals in this Agreement but not defined herein shall have the meaning as per EOI

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

In consideration of the above premises and agreements all the Members in this Consortium do hereby mutually agree as follows:

1. We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s _____), shall act as the Lead Member as defined in the EOI for self and on behalf of Member-2, _____, Member-3 and to submit the EOI;
2. We have formed consortium comprising of _____ members as follows:
 - (i). _____ (Insert name)/% of Shareholding in the Consortium

(ii). _____(Insert name)/% of Shareholding in the Consortium

(iii). _____(Insert name)/% of Shareholding in the Consortium

3. We undertake that after the submission of the EOI, the composition of the Consortium shall be maintained for a period of 3 (three) years, if it is shortlisted as the successful IP.
4. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
5. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations. It is clarified that each Member shall be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
6. The Lead Member, on behalf of the Consortium, shall inter alia be responsible for liaising with any authority or persons as required.
7. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.
8. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
9. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
10. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
11. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by HPCL.
12. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EOI.
13. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EOI except with prior written consent of HPCL.
14. This Agreement
 - (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
 - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and

- (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of HPCL.

IN WITNESS WHEREOF, the Members have, through their authorized representatives, executed these present on the Day, Month and Year first mentioned above.

For M/s _____ **[Member 1]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

For M/s _____ **[Member 2]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

For M/s _____ **[Member 3]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

[Signature and stamp of Notary of the place of execution]

ANNEXURE 7: DECLARATION FOR SOLE IP/CONSORITUM

(To be forwarded on the letterhead of the sole IP /each member of the Consortium submitting the Eoi)

DECLARATION

1. We solemnly declare that we or our Director(s), CEO or principal officers are not convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country.

Grave offence for this purpose shall include

- a) What constitutes "Fraud" under the provisions of the SEBI Act, 1992 and any of the regulations, rules, circulars, notifications, etc. made thereunder
 - b) SEBI orders on the IP casting doubt on the ability of the IP to hold the stake in HNL
 - c) Any conviction by a court of law
 - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by court of law.
2. We further declare that we or our associate companies have not been issued a chargesheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
 3. We further declare that we, our associate company, our Director(s), CEO, principal officers, employees are not under any investigation pending before any regulatory authority or other authority.
 4. We declare that complete information as required is provided in the EOI and and/or Statement of Legal Capacity.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

In case any IP is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/investigating agency, status/outcome etc. with supporting/relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

ANNEXURE 8: DECLARATION

(To be forwarded on the letterhead of the sole IP /each member of the Consortium submitting the Eoi)

DECLARATION

1. We solemnly declare and undertake not to, directly or indirectly, communicate with any officer/employee of HPCL or DHI or HNL either before or after submission of our EOI.
2. We further declare that we shall not, directly or indirectly, disclose our intent/willingness to participate as an Interested Party (IP) in EOI process to any officer/employee of HPCL or DHI or HNL at any time from the date of issue of this EOI.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

ANNEXURE 9: UNDERTAKING FOR SOLE IP

(To be forwarded on the letterhead of the sole IP)

1. We solemnly declare and undertake to lock-in our entire shareholding in the Company that we may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.

We further declare and undertake not to dilute our shareholding below 51% in the Company that we may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.

2. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
3. We further declare that we shall not dispose off any land and building appurtenant thereto, that is owned by the Company, for a period of 3 (three years) from the date of completion of the Transaction.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

ANNEXURE 10: UNDERTAKING FOR CONSORTIUM

(To be forwarded on the letterhead of each Consortium Member)

1. We undertake to lock-in entire shareholding in the Company that Investment Vehicle, duly incorporated by the Consortium, may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
2. We undertake that we shall not change our stake in the Investment Vehicle, duly incorporated by the Consortium, for a period of 3 (three) years from the date of the completion of the Transaction.

We undertake not to dilute shareholding in the Company below 51% that that Investment Vehicle may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.

3. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
4. We further declare that we shall not dispose of any land and building appurtenant thereto, that is owned by the Company, for a period of 3 (three years) from the date of completion of the Transaction.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

ANNEXURE 11: AFFIDAVIT FOR CERTIFICATION OF DOCUMENTS

(To be duly executed and adequate stamp duty to be paid by the Interested Bidder/ Members of Consortium with respect to this document.)

AFFIDAVIT

I, [name] aged [age] years, resident of [address] working as [designation] an Authorised Signatory on behalf of [name of the Interested Party] (“Interested Party (IP)”) hereby state on solemn affirmation or oath as under:

1. I am the [designation of the deponent] of the Interested Party. I am conversant with the facts and circumstances surrounding the subject of this affidavit [and have been authorised to depose to the same pursuant to the power of attorney dated [date] issued pursuant to [particulars of corporate approval]. I am filing this affidavit to place on record verification of facts and documents in connection with the bidding process concerning strategic disinvestment of [●]
2. I state that I have reviewed the contents of the PIM and EOI and the requirements of each of them in relation to the strategic disinvestment of [●] and also the terms and conditions thereof.
3. I state that all documents and information submitted with the EOI of [insert name of the IP] has been personally verified and has also been verified by the concerned authority within [insert name of the IP]

[Insert separate paragraphs for each information/ document physically submitted with the Transaction Advisor, in a chronological sequence].

4. I state that each of the documents submitted is true, correct and complete in all respects and that nothing has been concealed in the information submitted as mentioned above.
5. I understand that in case of any untrue, incomplete or incorrect information is submitted, the EOI/Bid submitted by [insert name of the IP] shall be liable to be disqualified.
6. I state that, in the event [insert name of the IP] are attracted by any of the disqualifications or any other factor which makes us ineligible in terms of the PIM during the pendency of the process of Strategic Disinvestment.
7. I state that, in the event of any change in the information or documents submitted by [insert name of the IP], we the [insert name of the IP] shall immediately notify the Advisor along with the copy of all the relevant documents.
8. This Affidavit has been provided by me and on behalf of [insert name of the IP] for the purpose of confirming the correctness, completeness and validity of all documents and information submitted by [insert name of the IP] in relation to strategic disinvestment of [●].

Solemnly affirmed and verified on this [day] day of [month] [year] at [place].

Before me

(Signature of Deponent)

[particulars of notarisation]

Name, Designation & Address of Deponent

Name, Designation & Address

ANNEXURE 12: DIPAM GUIDELINES FOR QUALIFICATION OF BIDDERS

No. 3/9/2016-DoD-II-B
Government of India
Department of Investment & Public Asset Management
Block 14, CGO Complex
New Delhi.

Dated: 28th September, 2017

OFFICE MEMORANDUM

Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification/ disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- (a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. 'Grave offence' is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government. 'Grave Offence' would include the below noted cases:
- a. Only those orders of SEBI are to be treated as coming under the category of 'Grave Offences' which directly relate to 'Fraud' as defined in the SEBI Act and / or regulations.
 - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.
 - c. Any conviction by Court of Law.
 - d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- (b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government/ conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies Act, 2013 would result in disqualification. The decision in

regard to the relationship interse between the concerns, would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/ persons.

- (c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.
- (d) Any bidder, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- (e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- (f) Before disqualifying a concern, a Show Cause Notice as to why it should not be disqualified, would be issued to it and it would be given an opportunity to explain its position.
- (g) These criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the Eoi, is pending against them. In case any investigation is pending in case which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the Eoi against the bidder or the concern in which the bidder has substantial interest or against its CEO or any of its Directors/ Managers, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be filed along with EOI.

sd/-

(Aseem kumar Jha)

Under Secretary to the Government of India

ANNEXURE 13: CRITERIA FOR EMPLOYEES PARTICIPATION IN THE TRANSACTION

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (“Employee Guidelines”) which is annexed as Annexure 15, employees of HNL (“Employees”) are permitted to participate in the Transaction as IPs either (a) directly and independently (“Direct Employee Participation”) or (b) by forming of a consortium (“Employee Consortium”) and subject to the following:

1. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall necessarily comply with each of the applicable conditions and provisions of the Employee Guidelines.
2. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be subject to the same terms and conditions, process, instructions, criteria’s, disqualifications, etc. which are applicable to other IPs in this PIM/EOI and shall ensure compliance of the same. In case of any conflict between the terms and conditions, process, instructions, criteria’s, disqualifications, etc. and the Employee Guidelines, the Employee Guidelines shall apply.
3. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be required to provide such additional documents, confirmation, undertakings and information as the TA may require so as to evaluate the EOI (including eligibility criteria) submitted by such Employees or Employee Consortium.
4. GOI/HPCL and TA may provide for such further clarifications, conditions, criteria’s as it may deem necessary for the purposes of Employees to participate.
5. Subject to paragraph 7, the forms and format to be submitted by the Employees, in case in of Direct Employee Participation shall be the same as that of a sole/individual bidder mentioned in this document.
6. Subject to paragraph 7, the forms and format to be submitted by the Employees and consortium members of Employee Consortium, in case of employees participating through an Employee Consortium, shall be the same as that of a consortium bidder.
7. In the forms and format, the details of the interested bidder shall be provided in the following format:

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN/TAN
(1)	(2)	(3)	(4)	(5)	(6)	(7)

8. Each form and EOI submitted by Employees (whether as Direct Employee Participation or Employee Consortium) shall be accompanied by a duly executed Power of Attorney where Employees forming part of such participation shall appoint one participating Employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of the other participating Employee. The format of the Power of Attorney is annexed as Annexure 14.

ANNEXURE 14: POWER OF ATTORNEY FOR EMPLOYEES PARTICIPATION

(TO BE STAMPED ON Rs. 1000 STAMP PAPER AND NOTARIZED)

Special Power of Attorney

To all to whom these presents shall come, I son/daughter/wife of and presently residing at being presently employed with [●], having employee code [●] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name).....son/daughter/wife of and presently residing at _____, who is presently employed with [●]

NOW KNOW YE MEN ALL AND THESE PRESENTS WITNESSETH I, [●], do hereby irrevocably nominate, constitute and appoint ----- as my true and lawful attorney (hereinafter referred to as the “Attorney”) to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares held by Hindustan Paper Corporation Limited (HPCL) in HNL including but not limited to signing and submission of all applications, participate in conferences, if any and providing information/ responses to HPCL/Advisor and generally dealing with HPCL/Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction as defined in the EOI dated [●] issued by the Resurgent India Limited.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but defined shall have the meaning ascribed to such terms in the EOI.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....
(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted
Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

1. *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the*

same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.

- 2. Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder. § For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostle certificate.*

ANNEXURE 15: DIPAM GUIDELINES FOR EMPLOYEES BID

No.4/38/2002/DD-II
Government of India
Ministry of Disinvestment

Block No. 14, CGO Complex
Lodi Road, New Delhi
Dated: 25th April 2003

OFFICE MEMORANDUM

Subject: – Guidelines for management-employee bids in strategic sales

1. Employee participation and protection of employee interests is a key concern of the disinvestment process. The practice of reserving a portion of the equity to be disinvested for allocation to employees, at concessional prices, has been adopted in a number of cases. It is necessary and expedient to evolve and lay down guidelines to encourage and facilitate management-employee participation in strategic sales and thus to acquire controlling stakes and manage disinvested public-sector undertakings. The undersigned is directed to state that Government has, therefore, decided to lay down the following guidelines for evaluating employee/management bids: -
 - (i) The term 'employee' will include all permanent employees of a PSU and the whole-time director on the board of the PSU. A bid submitted by employee or a body of employee will be called an "employee bid".
 - (ii) At least 15% of the total number of the employees in a PSU or 200 employees, whichever is lower, should participate in the bid.
 - (iii) An employee bid would be exempted from any minimum turn over criterion but will be required to qualify in terms of the prescribed net worth criterion. They will be required to follow the procedures prescribed for participation by Interested Parties in the process of strategic sales including, but not limited to, filling the expression of the interest along with all details, as applicable to other investors, furnishing of bank guarantee for payment of the purchase price etc.
 - (iv) Employees can either bid directly and independently or, for the purpose of meeting the financial criteria the like net worth, can form a consortium or bid through a joint venture (JV) or a special purpose vehicle (SPV), along with a bank, venture capitalist or a financial institution. However, employees will not be permitted to form consortia with other companies
 - (v) If the bidding entity of the employees is a consortium, JV or SPV, employees must have a controlling stake and be in control of the bidding entity.
 - (vi) If the bid is submitted through a consortium, JV or SPV, employees must contribute at least 10% of the financial bid.
 - (vii) If the employees form a consortium, the consortium partners would be prohibited from submitting individual's bids independently
 - (viii) If it is not highest bid, the employee bid shall be considered only if the said bid is within 10% of the highest bid.

- (ix) The employee bid shall, subject bid fulfilling the conditions above, have the first option for acquiring the shares under offer provided they match the highest bid being equal to or more than the reserve price.
 - (x) If the employee bid is not the highest bid and there are more than one employee bids within the 10% band, the highest of the employee bids will have precedence for purchase at the highest bid. If such employee bidder is unwilling or unable to match the highest bid, the option will pass on to the next highest employee bid and so on till all the employee bids, within the 10% band, are exhausted.
 - (xi) In the event of no employee bidder, within the 10% band, being willing or able to match the highest bid, the shares under offer will be sold to the highest bidding entity.
 - (xii) There will be a lock in period of three years for the shares disinvestment by the Government.
2. All the bidders for the management-employee buy-outs will also have to satisfy the provisions of the 'Guidelines for qualification of bidders seeking to acquire stakes in Public sector Enterprise through the process of disinvestment' issued vide the then Department of Disinvestment's Office Memorandum No. 3/9/2016-DoD-II-B I dated: 28th September, 2017 or as amended subsequently along with other qualification criterion as generally applicable and not specifically excluded herein.

sd/-

(T.S. Krishnamachari)

Deputy Secretary to the Government of India