Seshasayee
Paper and
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PRESS RELEASE

Seshasayee Paper and Boards Limited (SPB) has successfully completed negotiations for acquiring the recently established paper mill of Subburaj Papers Private Limited near Tirunelveli in Tamil Nadu. Against SPB's present capacity of 115000 tonnes that is fully utilized, the new paper mill would bring in a ready capacity of 60000 tonnes per annum that could be enhanced to 90000 tonnes with marginal investment.

Subburaj Papers Private Limited had set up the paper mill two years back based on eco-friendly secondary fibre. Subburaj Group decided to exit from Paper and approached SPB for outright divestment. The lending Banks welcoming SPB's entry have since approved a one-time settlement of their debts.

SPB along with its associates would be acquiring, 100% of Equity Shares of Subburaj Papers. Total investment, including for proposed expansion, would be in the order of Rs.250 crores. The mill located in Tirunelveli in Tamilnadu is nearer to Tuticorin port and would provide future platform for SPB's growth plans.

SPB plans to operate the acquired outfit as a separate corporate entity for the present and would decide on merger option at an appropriate time.

For Seshasayee Paper and Boards Limited

(V PICHAI)
Director (Finance) & Secretary

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