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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

Chief General Manager
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CFD/ PC/17549/2013
July 17, 2013

Shri Pramod Agarwal, IAS
Joint Secretary
Department of Disinvestment,
Ministry of Finance
Government of India
407, Block No.14, CGO Complex, Lodi Road,
New Delhi 110 003

Dear Sir,

Sub: <u>Proposal for Neyveli Lignite Corporation (NLC) seeking relaxation from Institutional Placement Programme (IPP) for meeting minimum public shareholding (MPS) requirement</u>

1. This is with reference to your letter dated July 17, 2013 on the captioned subject.

2. In this regard, based on the facts of the case as stated in your aforesaid letter, it has been decided to accede to your following requests:

   i. to disclose in the IPP offer document that preference will be given in allotment to QIBs belonging to the state Governments in the states where generating units of NLC are located in terms of regulation 91F(2)(c) of SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009 (ICDR).

   ii. to treat QIBs belonging to Government of Tamil Nadu as separate QIBs and not belonging to the same group or who are under same control, for the purpose of allotment in the proposed IPP.

   iii. to allow minimum number of allottees in the proposed IPP to be less than 10 in line with the extant provisions on minimum number of allottees in Qualified Institutions Placement (QIP). However, the proposed IPP shall be subject to the pricing provisions as applicable to QIP.

   iv. to allot more than 25% of the offer size to only a single investor in the proposed IPP subject to the allotment of 50% to that investor. In case of excess allocation from the limit prescribed under regulation 91H (1) of ICDR, the shares allotted to that investor shall be subject to lock in as per regulation 78(2) of ICDR.

v. to relax regulation 91G(2)(a) of ICDR to allow NLC to give preference to the QIBs belonging to the state Governments in the states where generating units of NLC are located above Mutual Fund and Insurance Companies in the proposed IPP.

3. The acceptance of your request is under SEBI circular No. CIR/CFD/DIL/11/2012 dated August 29, 2012, solely for the purpose of achieving minimum level of public shareholding as required under Securities Contracts Regulations (Rules), 1957 and it shall not be treated as a precedent.

4. NLC is also advised to intimate the contents of this letter to the stock exchanges in accordance with clause 36 of Listing Agreement.

5. Further, NLC is advised to comply with the requirement of minimum public shareholding as mandated under the SCRR within the stipulated timeline (i.e. by August 08, 2013) and intimate SEBI of the same.

6. This letter is being issued with the approval of the competent authority.

Yours faithfully,

V. S. Sundaresan

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