

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you, being an Eligible Shareholder of NLC India Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended and subsequent amendments thereof. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer (IDBI Capital Markets & Securities Limited) or the Registrar to the Buyback Offer (Integrated Registry Management Services Private Limited). Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.



### NLC India Limited

(Formerly Neyveli Lignite Corporation Limited)  
(A ‘Navratna’ – Government of India Enterprise)

**Registered Office:** First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai – 600 031

**Corporate Office:** Block-1, Neyveli – 607 801, Cuddalore District, Tamil Nadu

**CIN:** L93090TN1956GOI003507

**Contact Person:** Shri. K. Viswanath (Company Secretary)

**Tel:** 044 – 28364613/14, 04142-252205, **Fax:** 04142-252645/6, **Email:** investors@nlcindia.com

**Website:** www.nlcindia.com

**CASH OFFER FOR BUYBACK OF NOT EXCEEDING 14,91,41,173 (FOURTEEN CRORE NINETY ONE LAKH FORTY ONE THOUSAND ONE HUNDRED SEVENTY THREE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹10 EACH, REPRESENTING 8.89% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2016, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. FRIDAY, FEBRUARY 10, 2017 ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” PROCESS AT A PRICE OF ₹99 (RUPEES NINETY NINE ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹1476,49,76,127 (RUPEES ONE THOUSAND FOUR HUNDRED SEVENTY SIX CRORE FORTY NINE LAKH SEVENTY SIX THOUSAND ONE HUNDRED TWENTY SEVEN ONLY)**

- 1) The Buyback is in accordance with the provisions contained in Article 7 of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India etc.
- 2) The Buyback Offer size is not exceeding ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only) excluding transaction costs viz., brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc., represents 9.90% and 9.99% of the aggregate of the Company’s fully paid-up equity share capital and free reserves, as per the audited standalone financial statements and audited consolidated financial statements of the Company for the financial year ended March 31, 2016, respectively (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback).
- 3) The Letter of Offer is sent to the Eligible Shareholders as on the Record Date i.e. Friday, February 10, 2017.
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 35 of this Letter of Offer. The Tender Form is enclosed together with this Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20.27 (*Method of Settlement*) on page 40 of this Letter of Offer.
- 6) A copy of the Public Announcement, the Draft Letter of Offer and this Letter of Offer (including Tender Form) is expected to be available on the website of SEBI - <http://www.sebi.gov.in>.
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 31 of this Letter of Offer and paragraph 21 (*Note on Taxation*) on page 41 of this Letter of Offer before tendering their Equity Shares in the Buyback.

**BUYBACK OPENS ON: MONDAY, MARCH 06, 2017 BUYBACK CLOSES ON: MONDAY, MARCH 20, 2017  
(LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATIONS FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: WEDNESDAY, MARCH 22, 2017 by 5.00 P.M.)**

#### MANAGER TO THE BUYBACK OFFER



**IDBI CAPITAL MARKETS & SECURITIES LIMITED**  
(formerly known as IDBI Capital Market Services Limited)  
3<sup>rd</sup> Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021  
Contact person: Mr. Sumit Singh / Mr. Priyankar Shetty  
Tel: +91 (22) 4322 1212  
Fax: +91 (22) 22850785  
Email:nlcindia.buyback@idbicapital.com  
Website: www.idbicapital.com  
SEBI Registration No.: INM000010866  
Validity Period: Permanent Registration  
CIN: U65990MH1993GOI075578

#### REGISTRAR TO THE BUYBACK OFFER



**INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED**  
“Kences Towers” II Floor, No 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017  
Contact Person: Mr. K. Balasubramanian / Ms. N. Anusha  
Tel: 044 – 28140801 - 803  
Fax: 044 - 28142479  
E-mail: anusha@integratedindia.in  
Website: www.integratedindia.in  
SEBI Registration No.: INR000000544  
Validity Period: Permanent Registration  
CIN: U74900TN2015PTC101466

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## 1. SCHEDULE OF THE ACTIVITIES OF THE BUYBACK OFFER

<b>Activity</b>	<b>Date</b>	<b>Day</b>
Date of Board Meeting approving the proposal of the Buyback	January 31, 2017	Tuesday
Date of Public Announcement for Buyback	January 31, 2017	Tuesday
Date of publication of the Public Announcement for the Buyback	February 2, 2017	Thursday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	February 10, 2017	Friday
Date of Opening of the Buyback Offer	March 6, 2017	Monday
Date of Closing of the Buyback Offer	March 20, 2017	Monday
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share certificates by the Registrar	March 22, 2017	Wednesday
Last date of verification of Tender Forms by the Registrar	March 23, 2017	Thursday
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	March 23, 2017	Thursday
Last date of settlement of bids on the Stock Exchange	March 24, 2017	Friday
Last date of dispatch of share certificate(s) by RTA / payment to shareholders/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	March 24, 2017	Friday
Last date of extinguishment of Equity Shares	March 27, 2017	Monday

## 2 DEFINITION OF KEY TERMS

*This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.*

<b>Term</b>	<b>Description</b>
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on January 31, 2017 approving the proposal for the Buyback Offer
Board/ Board of Directors/ Director(s)	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof)
BSE	BSE Limited
Buyback/ Buyback Offer/Offer/ Buyback Offer Size	Buyback of not exceeding 14,91,41,173(Fourteen Crore Ninety One Lakh Forty One Thousand One Hundred Seventy Three Only) Equity Shares at a price of ₹99(Rupees Ninety Nine Only) per Equity Share for an aggregate consideration not exceeding ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only), on a proportionate basis, from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars
Buyback Committee/Committee	The Buyback Committee of the Board, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated January 31, 2017
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback Closing Date	Monday, March 20, 2017
Buyback Opening Date	Monday, March 6, 2017
Buyback Regulations	Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time
CDSL	Central Depository Services (India) Limited
Clearing Corporation / ICCL	Indian Clearing Corporation Limited
Company/NLC India/ "we"	NLC India Limited ( <i>formerly, Neyveli Lignite Corporation Limited</i> ), unless the context states otherwise
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable)
Companies Act, 2013	The Companies Act, 2013, as amended (to the extent notified)
Company's Broker	IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited)
Depositories	Collectively, NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE
DIN	Director Identification Number
Draft Letter of Offer/ Offer Document/ DLoF	The draft letter of offer dated February 8, 2017 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in

<b>Term</b>	<b>Description</b>
	relation to the Buyback as specified in Schedule III of the Buyback Regulations
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
Equity Shares/ Shares	Fully paid-up equity shares of face value ₹10 each of the Company
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Friday, February 10, 2017
Escrow Account	The escrow account titled "NLC India Ltd Escrow A/c for Buy-back of shares" opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	State Bank of India
Escrow Agreement	The escrow agreement dated February 16, 2017 entered into between the Company, Escrow Agent and the Manager
FCNR	Foreign Currency Non Resident account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
GoI	Government of India
HUF	Hindu Undivided Family
Income Tax Act	Income Tax Act, 1961, as amended
Letter of Offer	Letter of Offer dated March 1, 2017 to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
LTCCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buyback Offer / IDBI	IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited)
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs
NRE	Non Residents External
NRI	Non Resident Indian
NSE	The National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹99 (Rupees Ninety Nine Only) per Equity Share, payable in cash
PAN	Permanent Account Number
Promoter	President of India acting through Ministry of Coal, Government of India
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated January 31, 2017, published in all editions of the Financial Express (English National daily), Jansatta (Hindi daily) and Chennai edition of Makkal Kural (Tamil daily) on February 2, 2017
Ratio of Buyback	The ratio of the Buy-back: (i) in case of Small Shareholders, 1 Equity

<b>Term</b>	<b>Description</b>
	Share for every 1 Equity Share held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, 79 Equity Shares for every 990 Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, February 10, 2017
RTGS	Real Time Gross Settlement
Registrar to the Buyback Offer/ Registrar	Integrated Registry Management Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Friday, February 10, 2017
STCG	Short-term Capital Gains
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Stock Exchange	BSE
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations

### 3 DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of this Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited) has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited) has furnished to SEBI a due diligence certificate dated February 8, 2017 in accordance with Buyback Regulations which reads as follows:

*“We have examined various documents and materials contained in the annexure to the Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement dated January 31, 2017 and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:*

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer.*
- *All the legal requirements connected with the said Buyback offer including SEBI (Buy Back of Securities) Regulations, 1998, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”*

The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoter/ Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ mis-representation, the Promoter/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 1956 (or any re-enactment or replacement thereof), Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

Promoter/ Board of Directors also declare and confirm that funds borrowed from the banks and financial institutions will not be used for the Buyback.

#### **Disclaimer for U.S. Persons:**

The information contained in this Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

#### **Disclaimer for Persons in other foreign countries:**

This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

#### **Forward Looking Statement:**

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in

interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

#### 4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Tuesday, January 31, 2017. The extracts of the minutes of the Board Meeting are as follows:

**“RESOLVED THAT** pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the **“Companies Act”**), and in accordance with Article 7 of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the **“Buyback Regulations”**), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions and sanctions of Securities and Exchange Board of India (**“SEBI”**), Ministry of Corporate Affairs/ Registrar of Companies, Tamil Nadu (the **“ROC”**) and/ or other authorities, institutions or bodies (the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **“Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy back by the Company of its fully paid-up equity shares of Rs.10/- each not exceeding 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) equity shares (representing 8.98% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹99/- (Rupees Ninety Nine only) per equity share (the **“Buy Back Offer Price”**) payable in cash for an aggregate consideration not exceeding ₹. 1491,00,00,100/- (Rupees One Thousand Four Hundred Ninety One Crore and One Hundred only) (the **“Buyback Offer Size”**) which is not exceeding 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016 from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations (hereinafter referred to as the **“Buyback”**).

**RESOLVED FURTHER THAT** the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and subsequent amendments thereof.

**RESOLVED FURTHER THAT** such Buyback may be made out of the Company’s free reserves and / or such other sources as may be permitted by law through “Tender Offer” route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under the Buyback Regulations.

**RESOLVED FURTHER THAT** Company has complied and shall continue to comply with Section 70 of the Companies Act, 2013 wherein:

- a) It shall not directly or indirectly purchase its own shares:
  - i. through any subsidiary company including its own subsidiary companies; or
  - ii. through any investment company or group of investment companies; or
- b) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.
- c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act, 2013



**RESOLVED FURTHER THAT** confirmation is hereby made by the Board of Directors that:

- a) all equity shares of the Company are fully paid up;
- b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
- e) the Company shall not buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) that the aggregate consideration for Buyback not exceeding ₹1491,00,00,100/- (Rupees One Thousand Four Hundred Ninety One Crore and One Hundred only), does not exceed 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of the Board meeting);
- g) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company;
- h) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act, 2013 and rules made thereunder;
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

**RESOLVED FURTHER THAT** as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that the Board of Directors have made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

- a) Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

**RESOLVED FURTHER THAT** the proposed Buyback be implemented from the existing shareholders including the Promoter(s) of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended ("**SEBI Takeover Regulations**") as the Board may consider appropriate, from out of its free reserves and/or Surplus in the statement of profit and loss and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

**RESOLVED FURTHER THAT** Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

**RESOLVED FURTHER THAT** the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable;

**RESOLVED FURTHER THAT** the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Dr. S K Acharya,

Chairman and Managing Director and Mr. Rakesh Kumar, Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Mr. K. Viswanath, Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

**RESOLVED FURTHER THAT** the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if, and to the extent necessary or required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.

**RESOLVED FURTHER THAT** as per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares or other specified securities within a period of 6 months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

**RESOLVED FURTHER THAT** no information/ material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and Buyback Regulations.

**RESOLVED FURTHER THAT** the buyback is being proposed in keeping with the Company's desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares.

**RESOLVED FURTHER THAT** the approval of Board for appointment of IDBI Capital Markets & Securities Limited as Manager to the Buyback Offer be and is hereby accorded as per the scope, terms & conditions mentioned in the Board note.

**RESOLVED FURTHER THAT** a Committee be constituted ("**Buyback Committee**") comprising of Chairman cum Managing Director, Director (Finance) and Director (Power), and that Company Secretary shall act as the Secretary to the Buyback Committee. Further, that the Buyback Committee is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) finalizing the terms of buyback like the mechanism for the buyback, record date, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the buyback;
- b) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- c) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- d) preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority;
- e) making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- f) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- g) appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc and to enter into agreements/ letters in respect thereof;
- h) to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company.
- i) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings,

agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.

- j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- k) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
- l) to delegate all or any of the authorities conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company.
- m) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.
- n) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

**RESOLVED FURTHER THAT** the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members.

**RESOLVED FURTHER THAT** in terms of Regulation 19(3) of the Buyback Regulations, Mr. K. Viswanath, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by Law.

**RESOLVED FURTHER THAT** the Company do maintain a register of securities bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

**RESOLVED FURTHER THAT** any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the Ministry of Corporate Affairs/Registrar of Companies, Tamil Nadu and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

## 5 DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated January 31, 2017 in relation to the Buyback which was published on February 2, 2017 in the following newspapers. The Public Announcement was issued within two working days from the date of the passing of the resolution in the meeting of Board of Directors for the Buyback i.e., January 31, 2017.

Publication	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Makkal Kural	Tamil	Chennai

A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in)

## 6 DETAILS OF THE BUYBACK

The Board of Directors of NLC India Limited (*formerly Neyveli Lignite Corporation Limited*) on January 31, 2017 passed a resolution to buyback Equity Shares of the Company not exceeding 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) fully paid-up Equity Shares of face value ₹10 each from all the existing shareholders / beneficial owners of Equity Shares of the Company as on Record Date, on a proportionate basis, through the “Tender Offer” process, at a price of ₹99 (Rupees Ninety

Nine Only) per Equity Share payable in cash, for an aggregate consideration not exceeding of ₹1491,00,00,100 (Rupees One Thousand Four Hundred Ninety One Crore and One Hundred Only).

Further, the Buyback Committee at its meeting held on March 1, 2017 have determined total amount of Buyback shall not exceed ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only)(the “**Buyback Offer Size**”) excluding the transaction cost viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc., which is 9.90% and 9.99% of the aggregate of the Company’s fully paid-up share capital and free reserves as per the audited standalone financial statements and audited consolidated financial statements of the Company for the financial year ended March 31, 2016, respectively. With the Buyback price of ₹ 99 (Rupees Ninety Nine Only) and Buyback Offer Size of not exceeding ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only ), the total number of Equity Shares to be bought back in the Buyback shall be 14,91,41,173 (Fourteen Crore Ninety One Lakh Forty One Thousand One Hundred Seventy Three) Equity Shares, representing 8.89% of the total number of Equity Shares in the total paid-up share capital of the Company as at March 31, 2016.

The Buyback is in accordance with the provisions of Article 7 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”) and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Buyback Offer Size of not exceeding ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only) represents 9.90% and 9.99% of the aggregate of the fully paid-up share capital and free reserves, as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2016, respectively (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The maximum number of Equity Shares proposed to be bought back represents 8.89% of the total number of Equity Shares in the issued, subscribed and paid-up equity share capital of the Company.

The maximum amount required by the Company for the said Buyback will not exceed ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only) and is within permitted limits.

The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback.

The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the “**Tender Offer**” process, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified in SEBI Circulars.

The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like SEBI filing fees, Stock Exchanges fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

The aggregate shareholding of the Promoter as on the date of publication of Public Announcement (i.e. February 2, 2017) is as follows:

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
1.	President of India,	150,99,38,640	150,99,38,640	90.00%

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
	acting through Ministry of Coal, Government of India			

In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter has expressed its intention vide its letter dated January 31, 2017 to participate in the Buyback and tender up to 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) Equity Shares .

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing 90.00% holding in the total paid-up equity share capital of the Company. The Promoter of the Company is already in control over the Company and therefore such increase/decrease in voting rights of the Promoter will not result in any change in control over the Company.

Post Buyback, the non-promoter shareholding of the Company may increase or decrease from the existing 10.00% equity share capital of the Company. Even, in case of an increase in the non-promoter shareholding, post Buyback, the non-promoter shareholding, may still fall short of the minimum public shareholding as per the listing conditions/ SEBI Listing Regulations. However, the Company shall achieve the minimum level of public shareholding as specified in Rule 19(2) and/ or Rule 19A of Securities Contracts (Regulation) Rules, 1957 within the timeframe as prescribed in Securities Contracts (Second Amendment) Rules, 2014, notification dated August 22, 2014.

## 7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of Article 7 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013 as amended, the Companies (Share Capital and Debenture) Rules, 2014 and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Board of Directors at their meeting held on January 31, 2017 passed a resolution approving buyback of Equity Shares of the Company.

## 8 NECESSITY OF THE BUYBACK

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the members holding equity shares of the Company. The Board at its meeting held on January 31, 2017, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2016 and considering these, the Board and the Buyback Committee meeting held on March 1, 2017 decided to allocate a sum of ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only ) for returning to the members holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the members holding Equity Shares of the Company, the Board and the Buyback Committee meeting held on March 1, 2017 decided to recommend Buyback of not exceeding 14,91,41,173 (Fourteen Crore Ninety One Lakh Forty One Thousand One Hundred Seventy Three) Equity Shares (representing 8.89% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of ₹99 (Rupees Ninety Nine Only) per Equity Share for an aggregate consideration of not exceeding ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only ). Buyback is a more efficient form of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;

- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- iii. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;
- v. Optimizes the capital structure.

## 9 MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 9.2 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter has expressed its intention, vide its letter dated January 31, 2017, to participate in the Buyback and tender an aggregate of 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) Equity Shares. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.4 Since the entire shareholding of the Promoter is in the demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by the Promoter vide its letter dated January 31, 2017, are set-out below:

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
December 24, 1956	3,559	35,59,000	Initial Investment by GOI
March 28, 1957	7,830	78,30,000	Further Allotment to GOI
July 17, 1957	8,000	80,00,000	Further Allotment to GOI
August 23, 1957	38,314	3,83,14,000	Further Allotment to GOI
August 23, 1957	10,000	1,00,00,000	Further Allotment to GOI
January 28, 1958	12,000	1,20,00,000	Further Allotment to GOI
March 10, 1958	10,000	1,00,00,000	Further Allotment to GOI
September 15, 1958	2,106	21,06,000	Further Allotment to GOI
September 15, 1958	22,200	2,22,00,000	Further Allotment to GOI
December 8, 1958	15,500	1,55,00,000	Further Allotment to GOI
April 21, 1959	21,800	2,18,00,000	Further Allotment to GOI
July 14, 1959	13,900	1,39,00,000	Further Allotment to GOI
September 22, 1959	15,640	1,56,40,000	Further Allotment to GOI
December 14, 1959	69,700	6,97,00,000	Further Allotment to GOI
March 15, 1960	34,400	3,44,00,000	Further Allotment to GOI
June 9, 1960	44,673	4,46,73,000	Further Allotment to GOI
October 4, 1960	13,600	1,36,00,000	Further Allotment to GOI
December 19, 1960	66,400	6,64,00,000	Further Allotment to GOI

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
April 21, 1961	73,000	7,30,00,000	Further Allotment to GOI
August 10, 1961	48,000	4,80,00,000	Further Allotment to GOI
November 14, 1961	88,400	8,84,00,000	Further Allotment to GOI
January 29, 1962	72,000	7,20,00,000	Further Allotment to GOI
February 21, 1962	35,000	3,50,00,000	Further Allotment to GOI
March 24, 1962	26,600	2,66,00,000	Further Allotment to GOI
May 23, 1962	12,150	1,21,50,000	Further Allotment to GOI
June 21, 1962	12,500	1,25,00,000	Further Allotment to GOI
September 21, 1962	15,000	1,50,00,000	Further Allotment to GOI
October 22, 1962	7,728	77,28,000	Further Allotment to GOI
March 24, 1973	2,00,000	20,00,00,000	Further Allotment to GOI
September 26, 1973	9,700	97,00,000	Further Allotment to GOI
June 27, 1974	14,200	1,42,00,000	Further Allotment to GOI
September 25, 1974	7,000	70,00,000	Further Allotment to GOI
November 28, 1974	12,500	1,25,00,000	Further Allotment to GOI
December 30, 1974	18,700	1,87,00,000	Further Allotment to GOI
June 6, 1975	3,99,300	39,93,00,000	Further Allotment to GOI
August 26, 1975	15,000	1,50,00,000	Further Allotment to GOI
December 29, 1975	69,500	6,95,00,000	Further Allotment to GOI
March 6, 1976	8,000	80,00,000	Further Allotment to GOI
May 6, 1976	71,400	7,14,00,000	Further Allotment to GOI
August 21, 1976	61,400	6,14,00,000	Further Allotment to GOI
December 17, 1976	53,500	5,35,00,000	Further Allotment to GOI
March 14, 1977	50,100	5,01,00,000	Further Allotment to GOI
August 19, 1977	61,400	6,14,00,000	Further Allotment to GOI
September 28, 1977	1,00,000	10,00,00,000	Further Allotment to GOI
December 30, 1977	48,000	4,80,00,000	Further Allotment to GOI
February 3, 1978	50,439	5,04,39,000	Further Allotment to GOI
August 26, 1978	60,000	6,00,00,000	Further Allotment to GOI
September 27, 1978	13,900	1,39,00,000	Further Allotment to GOI
December 28, 1978	20,000	2,00,00,000	Further Allotment to GOI
December 28, 1978	60,000	6,00,00,000	Further Allotment to GOI
March 29, 1979	40,000	4,00,00,000	Further Allotment to GOI
March 29, 1979	6,700	67,00,000	Further Allotment to GOI
May 16, 1979	28,300	2,83,00,000	Further Allotment to GOI
June 20, 1979	35,500	3,55,00,000	Further Allotment to GOI
December 12, 1979	21,000	2,10,00,000	Further Allotment to GOI
December 12, 1979	18,900	1,89,00,000	Further Allotment to GOI
March 16, 1980	56,303	5,63,03,000	Further Allotment to GOI
May 8, 1980	57,400	5,74,00,000	Further Allotment to GOI
July 14, 1980	42,800	4,28,00,000	Further Allotment to GOI
December 29, 1980	1,92,500	19,25,00,000	Further Allotment to GOI
February 5, 1981	95,800	9,58,00,000	Further Allotment to GOI
April 22, 1981	1,73,100	17,31,00,000	Further Allotment to GOI
April 22, 1981	39,900	3,99,00,000	Further Allotment to GOI
June 6, 1981	1,65,600	16,56,00,000	Further Allotment to GOI
June 6, 1981	64,400	6,44,00,000	Further Allotment to GOI
October 24, 1981	1,26,600	12,66,00,000	Further Allotment to GOI
March 19, 1982	1,45,200	14,52,00,000	Further Allotment to GOI
March 19, 1982	1,40,200	14,02,00,000	Further Allotment to GOI
June 1, 1982	45,800	4,58,00,000	Further Allotment to GOI
July 22, 1982	1,35,100	13,51,00,000	Further Allotment to GOI
August 17, 1982	21,300	2,13,00,000	Further Allotment to GOI
December 8, 1982	1,46,100	14,61,00,000	Further Allotment to GOI
February 7, 1983	4,40,000	44,00,00,000	Further Allotment to GOI
March 16, 1983	2,50,000	25,00,00,000	Further Allotment to GOI
May 26, 1983	2,95,700	29,57,00,000	Further Allotment to GOI
May 26, 1983	2,25,000	22,50,00,000	Further Allotment to GOI
September 1, 1983	3,00,000	30,00,00,000	Further Allotment to GOI

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
January 5, 1984	4,19,500	41,95,00,000	Further Allotment to GOI
February 14, 1984	4,05,500	40,55,00,000	Further Allotment to GOI
July 16, 1984	70,000	7,00,00,000	Further Allotment to GOI
July 16, 1984	50,000	5,00,00,000	Further Allotment to GOI
September 28, 1984	50,000	5,00,00,000	Further Allotment to GOI
December 5, 1984	94,500	9,45,00,000	Further Allotment to GOI
May 9, 1985	1,15,500	11,55,00,000	Further Allotment to GOI
September 21, 1985	50,000	5,00,00,000	Further Allotment to GOI
March 7, 1986	58,000	5,80,00,000	Further Allotment to GOI
May 6, 1986	3,52,000	35,20,00,000	Further Allotment to GOI
June 17, 1986	1,80,000	18,00,00,000	Further Allotment to GOI
November 20, 1986	1,40,000	14,00,00,000	Further Allotment to GOI
April 17, 1987	4,80,000	48,00,00,000	Further Allotment to GOI
June 29, 1987	3,45,300	34,53,00,000	Further Allotment to GOI
September 3, 1987	2,10,200	21,02,00,000	Further Allotment to GOI
December 14, 1987	97,600	9,76,00,000	Further Allotment to GOI
April 6, 1988	1,16,900	11,69,00,000	Further Allotment to GOI
May 3, 1988	2,50,000	25,00,00,000	Further Allotment to GOI
June 27, 1988	10,88,700	108,87,00,000	Further Allotment to GOI
August 12, 1988	1,61,300	16,13,00,000	Further Allotment to GOI
May 11, 1989	4,84,000	48,40,00,000	Further Allotment to GOI
July 31, 1989	8,38,400	83,84,00,000	Further Allotment to GOI
September 8, 1989	8,13,100	81,31,00,000	Further Allotment to GOI
November 17, 1989	5,00,000	50,00,00,000	Further Allotment to GOI
January 24, 1990	2,74,500	27,45,00,000	Further Allotment to GOI
August 12, 1990	3,00,000	30,00,00,000	Further Allotment to GOI
January 12, 1991	6,80,000	68,00,00,000	Further Allotment to GOI
April 10, 1991	2,20,000	22,00,00,000	Further Allotment to GOI
July 30, 1991	4,56,600	45,66,00,000	Further Allotment to GOI
September 23, 1991	1,28,400	12,84,00,000	Further Allotment to GOI
March 20, 1992	7,15,000	71,50,00,000	Further Allotment to GOI
Vide shareholders resolution dated March 20, 1992, the face value of Equity shares of the Company was reduced from ₹1000 per Equity Shares to ₹10 per Equity Share.			
July 3, 1992	(7,07,62,600)	81,09,39,396*	Disinvestment by GOI
July 24, 1992	(10,28,700)	1,17,88,902*	Disinvestment by GOI
September 5, 1992	2,00,00,000	20,00,00,000	Further Allotment to GOI
November 18, 1992	1,50,00,000	15,00,00,000	Further Allotment to GOI
March 24, 1993	1,61,57,500	16,15,75,000	Further Allotment to GOI
May 15, 1993	8,23,92,500	82,39,25,000	Further Allotment to GOI
June 19, 1993	(1,08,50,900)	25,39,11,060*	Disinvestment by GOI
November 30, 1993	(1,73,00,300)	34,92,93,057*	Disinvestment by GOI
November 30, 1993	(3,05,000)	46,05,500*	Disinvestment by GOI
November 30, 1993	(41,18,000)	9,63,61,200*	Disinvestment by GOI
January 22, 1994	1,40,40,000	14,04,00,000	Further Allotment to GOI
April 29, 1994	8,33,70,000	83,37,00,000	Further Allotment to GOI
March 14, 1996	(37,04,200)	4,81,54,600*	Disinvestment by GOI
May 9, 2000	(11,90,74,600)	-	Reduction of share capital consequent to transfer of transmission assets to Power Grid Corporation of India Limited
August 6, 2013	(5,97,01,260)	3,58,20,75,600	Disinvestment by GOI
<b>Total</b>	<b>150,99,38,640</b>		

**Note:**

- \*Consideration value for Disinvestment were as per the communication received from the Bureau of Public Enterprises
- The equity share capital includes an amount of ₹4.37 crore towards allotment of 43,73,300 equity shares of ₹10/- each issued as fully paid up for consideration other than cash.



- 9.5 Assuming that the Promoter i.e. President of India acting through Ministry of Coal, Government of India, tenders 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) Equity Shares in the Buyback (in accordance with the declaration provided by them) and if
- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoter, post Buyback will increase from the existing 90.00% to 90.90% and the aggregate shareholding of the public in the Company shall decrease from 10.00% to 9.10% of the post Buyback equity share capital of the Company; or
  - None of the public shareholders participate, then the aggregate shareholding of the Promoter, post Buyback will decrease from the existing 90.00% to 89.02% and the aggregate shareholding of the public in the Company shall increase from 10.00% to 10.98% of the post Buyback equity share capital of the Company.
- 9.6 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.
- 9.7 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act, 2013, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.8 In compliance with regulation 19 (1) (b) of the Buyback Regulations the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.
- 9.10 Salient financial parameters consequent to the Buyback based on the audited standalone financial statements and audited consolidated financial statements as on March 31, 2016 of the Company are as under:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post- Buyback*	Pre-Buyback	Post-Buyback*
Net worth (₹ in Crores)	15,270.55	13794.05	15,760.98	14284.48
Return on Networth (%)	7.89	8.73	6.74	7.43
Earnings Per Share (₹) (of ₹10 each) (not annualized)	7.18	7.88	6.33	6.95
Book Value per Share (₹)	91.02	90.24	93.94	93.45
P/E as per the latest audited financial results	9.88	9.00	11.20	10.20
Total Debt/ Equity Ratio	0.23	0.26	0.50	0.55

\* Assuming full acceptance of Equity Shares in the Buyback offer in the ratio of Buyback

Note:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

**Key Ratios basis:**

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Average Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth
P/E ratio	Closing price as on March 31, 2016, (i.e. on BSE, ₹ 70.90) Market Price per share/ Earnings per share

## **10 BASIS OF CALCULATING BUYBACK PRICE**

- 10.1 The Buyback price of ₹99/- (Rupees Ninety Nine Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on Stock Exchanges where the Equity Shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback Offer Price of ₹99/- (Rupees Ninety Nine Only) per Equity Share represents (i) a premium of 24.10% on BSE and 24.12% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback ; (ii) premium of 11.24% on BSE and 11.24% on NSE over the volume weighted average price of the equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (iii) premium of 6.05% on BSE and 5.83% on NSE over the closing market price of the Equity Shares on BSE and NSE as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.
- 10.3 For trends in the market price of the Equity Shares, please refer to paragraph 16 (*Stock Market Data*) of this Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the BSE and NSE for the Board Meeting for considering the Buyback i.e. January 25, 2017, was ₹93.35 and ₹93.55 on BSE and NSE, respectively.
- 10.5 The book value of the Company pre-Buyback as on March 31, 2016 on standalone and consolidated basis was ₹91.02 and ₹93.94 respectively which will decrease to ₹90.24 and ₹93.45 respectively post Buyback Offer based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2016 on standalone and consolidated basis was ₹7.18 and ₹6.33 respectively which will increase to ₹7.88 and ₹6.95 respectively post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.
- 10.7 The Return of Net-worth of the Company pre Buyback as on March 31, 2016 on standalone and consolidated basis was 7.89% and 6.74% respectively which will increase to 8.73% and 7.43% respectively post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.

## **11 SOURCES OF FUNDS FOR THE BUYBACK**

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 14,91,41,173 (Fourteen Crore Ninety One Lakh Forty One Thousand One Hundred Seventy Three) Equity Shares at a price of ₹99/- (Ninety Nine Only) per Equity Share would be ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only ) (excluding transaction costs viz brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.).
- 11.2 The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in the its subsequent audited balance sheet.
- 11.3 The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

## 12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed State Bank of India, having its registered office at State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai – 400 021 as an Escrow Agent for the Buyback and an Escrow Agreement dated February 16, 2017 has been entered amongst the Company, IDBI Capital Markets & Securities Limited and Escrow Agent.
- 12.2 In accordance with the Buyback Regulations and the Escrow Agreement, the Company has opened an Escrow Account in the name and style “NLC India Ltd Escrow A/c for Buy-back of shares” bearing account number 36550349559 with the Escrow Agent. In accordance with Regulation 10 of the Buyback Regulations, the Company undertakes to deposit the applicable amount in the Escrow Account on or before the opening of the Buyback Offer. The Manager to the Buyback has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 *M/s. P. B. Vijayaraghavan & Co., Chartered Accountants* located at 14/27, Cathedral Garden Road, Nungambakkam, Chennai – 600 034, Tel. No. +91 (44) 28263918 /3490, Contact Person: P. B. Srinivasan (Membership No. 203774) and *M/s. Chandran & Raman, Chartered Accountants*, Paragon No. 2, Dr. Radhakrishnan Salai, 2<sup>nd</sup> Street, Mylapore, Chennai – 600 004, Tel. No.: +91 (44) 28474667 / 4775; Contact Person: S. Pattabiraman (Membership No.: 014309) have certified, vide their certificate dated January 31, 2017 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.
- 12.4 Based on the above certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

## 13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (₹ in crore)
<b>Authorised share capital</b>	
2,00,00,00,000 Equity Shares of ₹10 each	2,000.00
<b>Issued, subscribed and paid up share capital before the Buyback</b>	
167,77,09,600 Equity Shares of ₹10 each, fully paid up	1,677.71
<b>Issued, subscribed and paid up share capital after the Buyback</b>	
152,85,68,427 Equity Shares of ₹ 10each, fully paid up	1,528.57*

\*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.2 During the 3 years preceding the date of the publication of Public Announcement (i.e. February 2, 2017), the Company has not bought back any Equity Shares under any Buyback programme.
- 13.3 As on the date of the publication of Public Announcement (i.e. February 2, 2017), there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buyback, as on record date i.e. Friday, February 10, 2017, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of the post Buyback equity share capital
Promoter	150,99,38,640	90.00	138,94,47,346	90.90
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	42,14,845	0.25	13,91,21,081	9.10
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	13,72,50,661	8.18		
Other (public, public)	2,63,05,454	1.57		

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of the post Buyback equity share capital
bodies corporate etc.)				
<b>Total</b>	<b>167,77,09,600</b>	<b>100.00</b>	<b>152,85,68,427</b>	<b>100.00</b>

*\*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback*

- 13.5 Assuming that the Promoter i.e. President of India acting through Ministry of Coal, Government of India, tenders 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to 90.90% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to 89.02% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 13.6 No shares or other specified securities in the Company were either purchased or sold by the Promoter during the period of six months preceding the date of the Board Meeting at which the Buyback was approved i.e. January 31, 2017. Subsequent to the date of Board Meeting, till the date of this Letter of Offer, the Promoter of the Company has not entered into any transactions in relation to the Equity Shares of the Company.
- 13.7 No Equity Shares have been purchased/ sold/ transferred by the Promoter of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. February 2, 2017).
- 13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.
- 13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

#### **14 BRIEF INFORMATION ABOUT THE COMPANY**

- 14.1 The Company was incorporated on November 14, 1956 as Neyveli Lignite Corporation (Private) Limited, a private limited company under the Companies Act, 1956, and subsequently, upon conversion to a public limited company, the name was changed to Neyveli Lignite Corporation Limited on July 30, 1959, as amended by the Registrar of Companies, Tamilnadu. Further, the name of the Company was changed to NLC India Limited on July 19, 2016. The Company's registered office is situated at First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai – 600 031, Tamil Nadu, India. The Company's Corporate office is situated at Block-1, Neyveli – 607 801, Cuddalore District, Tamil Nadu, India.
- 14.2 The Company is a Schedule "A" Central Public Sector Enterprise, under the administrative control of the Ministry of Coal and has been conferred with "Navratna" status by the Government of India in April 2011.
- 14.3 The Company is in the Business of Lignite Mining and Power generation. The mining capacity of the Company is 30.6 MTPA out of which 3 Mines are located at Neyveli, Tamilnadu having capacity of 28.5 MTPA and one Mine having capacity of 2.1 MTPA is located at Barsingsar, Rajasthan. It is operating four Thermal Power Stations at Neyveli, TamilNadu and one Thermal Power Station at Barsingsar, Rajasthan with a total installed thermal capacity of 3240 MW. Company has set its footprint in generation of renewable energy through its Wind Power Plant (51 MW) at Kazhuneerkulam, Tirunelveli in the State of Tamilnadu and Solar Power Plant (10 MW) at Neyveli. Company has also commissioned a coal based thermal Power station of 1000 MW (2 x 500 MW) at Tuticorin, Tamilnadu which has been implemented through its JV company NLC Tamilnadu Power Limited (NTPL) with TANGEDCO having 89% stake in the company.
- 14.4 The Equity Shares of the Company are listed on BSE and NSE since 1994 and 2000 respectively.

### Growth of the business of the Company:

14.5 The Company has Growth Plan wherein by 2025 it plans to expand its installed capacity of Thermal Power Generation to 20,151 MW and its mining capacity of Lignite from existing 30.6 MTPA to 56.9 MTPA and of Coal Mining to 31.5 MTPA by an additional investment of ₹ 1.24 Lakh Crore.

14.6 Details of changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
24.12.56	3,559	1,000	1,000	Cash	3,559	35,59,000	35,59,000
28.03.57	7,830	1,000	1,000	Cash	11,389	78,30,000	1,13,89,000
17.07.57	8,000	1,000	1,000	Cash	19,389	80,00,000	1,93,89,000
23.08.57	38,314	1,000	1,000	Cash	57,703	3,83,14,000	5,77,03,000
23.08.57	10,000	1,000	1,000	Cash	67,703	1,00,00,000	6,77,03,000
28.01.58	12,000	1,000	1,000	Cash	79,703	1,20,00,000	7,97,03,000
10.03.58	10,000	1,000	1,000	Cash	89,703	1,00,00,000	8,97,03,000
15.09.58	2,106	1,000	1,000	Cash	91,809	21,06,000	9,18,09,000
15.09.58	22,200	1,000	1,000	Cash	1,14,009	2,22,00,000	11,40,09,000
08.12.58	15,500	1,000	1,000	Cash	1,29,509	1,55,00,000	12,95,09,000
21.04.59	21,800	1,000	1,000	Cash	1,51,309	2,18,00,000	15,13,09,000
14.07.59	13,900	1,000	1,000	Cash	1,65,209	1,39,00,000	16,52,09,000
22.09.59	15,640	1,000	1,000	Cash	1,80,849	1,56,40,000	18,08,49,000
14.12.59	69,700	1,000	1,000	Cash	2,50,549	6,97,00,000	25,05,49,000
15.03.60	34,400	1,000	1,000	Cash	2,84,949	3,44,00,000	28,49,49,000
09.06.60	44,673	1,000	1,000	Cash	3,29,622	4,46,73,000	32,96,22,000
04.10.60	13,600	1,000	1,000	Cash	3,43,222	1,36,00,000	34,32,22,000
19.12.60	66,400	1,000	1,000	Cash	4,09,622	6,64,00,000	40,96,22,000
21.04.61	73,000	1,000	1,000	Cash	4,82,622	7,30,00,000	48,26,22,000
10.08.61	48,000	1,000	1,000	Cash	5,30,622	4,80,00,000	53,06,22,000
14.11.61	88,400	1,000	1,000	Cash	6,19,022	8,84,00,000	61,90,22,000
29.01.62	72,000	1,000	1,000	Cash	6,91,022	7,20,00,000	69,10,22,000
21.02.62	35,000	1,000	1,000	Cash	7,26,022	3,50,00,000	72,60,22,000
24.03.62	26,600	1,000	1,000	Cash	7,52,622	2,66,00,000	75,26,22,000
23.05.62	12,150	1,000	1,000	Cash	7,64,772	1,21,50,000	76,47,72,000
21.06.62	12,500	1,000	1,000	Cash	7,77,272	1,25,00,000	77,72,72,000
21.09.62	15,000	1,000	1,000	Cash	7,92,272	1,50,00,000	79,22,72,000
22.10.62	7,728	1,000	1,000	Cash	8,00,000	77,28,000	80,00,00,000
24.03.73	2,00,000	1,000	1,000	Cash	10,00,000	20,00,00,000	100,00,00,000
26.09.73	9,700	1,000	1,000	Cash	10,09,700	97,00,000	100,97,00,000
27.06.74	14,200	1,000	1,000	Cash	10,23,900	1,42,00,000	102,39,00,000
25.09.74	7,000	1,000	1,000	Cash	10,30,900	70,00,000	103,09,00,000
28.11.74	12,500	1,000	1,000	Cash	10,43,400	1,25,00,000	104,34,00,000
30.12.74	18,700	1,000	1,000	Cash	10,62,100	1,87,00,000	10,621,00,000
06.06.75	3,99,300	1,000	1,000	Cash	14,61,400	39,93,00,000	146,14,00,000
26.08.75	15,000	1,000	1,000	Cash	14,76,400	1,50,00,000	147,64,00,000
29.12.75	69,500	1,000	1,000	Cash	15,45,900	6,95,00,000	154,59,00,000
06.03.76	8,000	1,000	1,000	Cash	15,53,900	80,00,000	155,39,00,000
06.05.76	71,400	1,000	1,000	Cash	16,25,300	7,14,00,000	162,53,00,000
21.08.76	61,400	1,000	1,000	Cash	16,86,700	6,14,00,000	168,67,00,000
17.12.76	53,500	1,000	1,000	Cash	17,40,200	5,35,00,000	174,02,00,000
14.03.77	50,100	1,000	1,000	Cash	17,90,300	5,01,00,000	179,03,00,000
19.08.77	61,400	1,000	1,000	Cash	18,51,700	6,14,00,000	18,517,00,000
28.09.77	1,00,000	1,000	1,000	Cash	19,51,700	10,00,00,000	195,17,00,000
30.12.77	48,000	1,000	1,000	Cash	19,99,700	4,80,00,000	199,97,00,000
03.02.78	50,439	1,000	1,000	Cash	20,50,139	5,04,39,000	205,01,39,000

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
26.08.78	60,000	1,000	1,000	Cash	21,10,139	6,00,00,000	211,01,39,000
27.09.78	13,900	1,000	1,000	Cash	21,24,039	1,39,00,000	212,40,39,000
28.12.78	20,000	1,000	1,000	Cash	21,44,039	2,00,00,000	214,40,39,000
28.12.78	60,000	1,000	1,000	Cash	22,04,039	6,00,00,000	220,40,39,000
29.03.79	40,000	1,000	1,000	Cash	22,44,039	4,00,00,000	224,40,39,000
29.03.79	6,700	1,000	1,000	Cash	22,50,739	67,00,000	225,07,39,000
16.05.79	28,300	1,000	1,000	Cash	22,79,039	2,83,00,000	227,90,39,000
20.06.79	35,500	1,000	1,000	Cash	23,14,539	3,55,00,000	231,45,39,000
12.12.79	21,000	1,000	1,000	Cash	23,35,539	2,10,00,000	233,55,39,000
12.12.79	18,900	1,000	1,000	Cash	23,54,439	1,89,00,000	235,44,39,000
16.03.80	56,303	1,000	1,000	Cash	24,10,742	5,63,03,000	241,07,42,000
08.05.80	57,400	1,000	1,000	Cash	24,68,142	5,74,00,000	246,81,42,000
14.07.80	42,800	1,000	1,000	Cash	25,10,942	4,28,00,000	251,09,42,000
29.12.80	1,92,500	1,000	1,000	Cash	27,03,442	19,25,00,000	270,34,42,000
05.02.81	95,800	1,000	1,000	Cash	27,99,242	9,58,00,000	279,92,42,000
22.04.81	1,73,100	1,000	1,000	Cash	29,72,342	17,31,00,000	297,23,42,000
22.04.81	39,900	1,000	1,000	Cash	30,12,242	3,99,00,000	301,22,42,000
06.06.81	1,65,600	1,000	1,000	Cash	31,77,842	16,56,00,000	317,78,42,000
06.06.81	64,400	1,000	1,000	Cash	32,42,242	6,44,00,000	324,22,42,000
24.10.81	1,26,600	1,000	1,000	Cash	33,68,842	12,66,00,000	336,88,42,000
19.03.82	1,45,200	1,000	1,000	Cash	35,14,042	14,52,00,000	351,40,42,000
19.03.82	1,40,200	1,000	1,000	Cash	36,54,242	14,02,00,000	365,42,42,000
01.06.82	45,800	1,000	1,000	Cash	37,00,042	4,58,00,000	370,00,42,000
22.07.82	1,35,100	1,000	1,000	Cash	38,35,142	13,51,00,000	383,51,42,000
17.08.82	21,300	1,000	1,000	Cash	38,56,442	2,13,00,000	385,64,42,000
08.12.82	1,46,100	1,000	1,000	Cash	40,02,542	1,461,00,000	400,25,42,000
07.02.83	4,40,000	1,000	1,000	Cash	44,42,542	44,00,00,000	444,25,42,000
16.03.83	2,50,000	1,000	1,000	Cash	46,92,542	25,00,00,000	469,25,42,000
26.05.83	2,95,700	1,000	1,000	Cash	49,88,242	29,57,00,000	498,82,42,000
26.05.83	2,25,000	1,000	1,000	Cash	52,13,242	22,50,00,000	521,32,42,000
01.09.83	3,00,000	1,000	1,000	Cash	55,13,242	30,00,00,000	551,32,42,000
05.01.84	4,19,500	1,000	1,000	Cash	59,32,742	41,95,00,000	593,27,42,000
14.02.84	4,05,500	1,000	1,000	Cash	63,38,242	40,55,00,000	633,82,42,000
16.07.84	70,000	1,000	1,000	Cash	64,08,242	7,00,00,000	640,82,42,000
16.07.84	50,000	1,000	1,000	Cash	64,58,242	5,00,00,000	645,82,42,000
28.09.84	50,000	1,000	1,000	Cash	65,08,242	5,00,00,000	650,82,42,000
05.12.84	94,500	1,000	1,000	Cash	66,02,742	9,45,00,000	660,27,42,000
09.05.85	1,15,500	1,000	1,000	Cash	67,18,242	11,55,00,000	671,82,42,000
21.09.85	50,000	1,000	1,000	Cash	67,68,242	5,00,00,000	676,82,42,000
07.03.86	58,000	1,000	1,000	Cash	68,26,242	5,80,00,000	682,62,42,000
06.05.86	3,52,000	1,000	1,000	Cash	71,78,242	35,20,00,000	717,82,42,000
17.06.86	1,80,000	1,000	1,000	Cash	73,58,242	18,00,00,000	735,82,42,000
20.11.86	1,40,000	1,000	1,000	Cash	74,98,242	14,00,00,000	749,82,42,000
17.04.87	4,80,000	1,000	1,000	Cash	79,78,242	48,00,00,000	797,82,42,000
29.06.87	3,45,300	1,000	1,000	Cash	83,23,542	34,53,00,000	832,35,42,000
03.09.87	2,10,200	1,000	1,000	Cash	85,33,742	21,02,00,000	853,37,42,000
14.12.87	97,600	1,000	1,000	Cash	86,31,342	9,76,00,000	863,13,42,000
06.04.88	1,16,900	1,000	1,000	Cash	87,48,242	11,69,00,000	874,82,42,000
03.05.88	2,50,000	1,000	1,000	Cash	89,98,242	25,00,00,000	899,82,42,000
27.06.88	10,88,700	1,000	1,000	Cash	100,86,942	108,87,00,000	1008,69,42,000
12.08.88	1,61,300	1,000	1,000	Cash	102,48,242	16,13,00,000	1024,82,42,000
11.05.89	4,84,000	1,000	1,000	Cash	107,32,242	48,40,00,000	1073,22,42,000
31.07.89	8,38,400	1,000	1,000	Cash	115,70,642	83,84,00,000	1157,06,42,000

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
08.09.89	8,13,100	1,000	1,000	Cash	123,83,742	81,31,00,000	1238,37,42,000
17.11.89	5,00,000	1,000	1,000	Cash	128,83,742	50,00,00,000	1288,37,42,000
24.01.90	2,74,500	1,000	1,000	Cash	131,58,242	27,45,00,000	1315,82,42,000
12.08.90	3,00,000	1,000	1,000	Cash	134,58,242	30,00,00,000	1345,82,42,000
12.01.91	6,80,000	1,000	1,000	Cash	141,38,242	68,00,00,000	1413,82,42,000
10.04.91	2,20,000	1,000	1,000	Cash	143,58,242	22,00,00,000	1435,82,42,000
30.07.91	4,56,600	1,000	1,000	Cash	148,14,842	45,66,00,000	1481,48,42,000
23.09.91	1,28,400	1,000	1,000	Cash	149,43,242	12,84,00,000	1494,32,42,000
20.03.92	7,15,000	1,000	1,000	Cash	156,58,242	71,50,00,000	1565,82,42,000
vide shareholders resolution dated March 20, 1992, the face value of Equity shares of the Company was reduced from ₹1,000 per Equity Share to ₹10 per Equity Share.							
05.09.92	20,000,000	10	10	Cash	158,58,24,200	20,00,00,000	1585,82,42,000
18.11.92	15,000,000	10	10	Cash	160,08,24,200	15,00,00,000	1600,82,42,000
24.03.93	16,157,500	10	10	Cash	161,69,81,700	16,15,75,000	1616,98,17,000
15.05.93	82,392,500	10	10	Cash	169,93,74,200	82,39,25,000	1699,37,42,000
22.01.94	14,040,000	10	10	Cash	171,34,14,200	14,04,00,000	1713,41,42,000
29.04.94	83,370,000	10	10	Cash	179,67,84,200	83,37,00,000	1796,78,42,000
09.05.00	119,074,600	10	10	Other than cash*	167,77,09,600	119,07,46,000	1677,70,96,000

Notes:

- \*Reduction of share capital consequent to transfer of assets to Power Grid Corporation Limited.
- The equity share capital includes an amount of ₹4.37 crore towards allotment of 43,73,300 equity shares of ₹10/- each issued as fully paid up for consideration other than cash.

14.7 The Board of Directors of the Company as on the date of publication of Public Announcement (i.e. February 2, 2017) was as under:

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
1.	Dr. Sarat Kumar Acharya, Qualification: Hons. Degree in Economics and Post graduate in personnel Management Occupation: Service Age: 58 Years DIN:03357603	Chairman and Managing Director (CMD)	October 01, 2015 (CMD) & December 16, 2010 (Director/HR)	<ul style="list-style-type: none"> <li>NLC Tamilnadu Power Limited</li> <li>Neyveli Uttar Pradesh Power Limited</li> </ul>
2.	Shri. Rakesh Kumar Qualification: Graduate in Commerce and Post Graduate in Business Administration (Finance) Occupation: Service Age:54 Years DIN: 02865335	Director (Finance)	May 23, 2012	<ul style="list-style-type: none"> <li>NLC Tamilnadu Power Limited</li> <li>Neyveli Uttar Pradesh Power Limited</li> </ul>
3.	Shri. Subir Das Qualification: Graduate in Mining Engineering and holds First class Mine Managers Certificate Occupation: Service Age: 58 Years DIN: 06988287	Director (Mines)	September 30, 2014	<ul style="list-style-type: none"> <li>MNH Shakti Limited</li> </ul>
4.	Shri. V. Thangapandian Qualification: Graduate in Mechanical Engineering	Director (Power)	September 1, 2015	<ul style="list-style-type: none"> <li>NLC Tamilnadu Power Limited</li> <li>Neyveli Uttar Pradesh Power</li> </ul>

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
	Occupation: Service Age: 57 Years DIN:07255163			Limited
5.	Shri. P. Selvakumar Qualification: Graduate in Mechanical Engineering, Post Graduate in Thermal Power Engineering, Post Graduate in Business Administration (Finance) and holds First class Mine Managers Certificate Occupation: Service Age: 58 Years DIN: 07347130	Director (Planning & Projects)	January 1, 2016	• NLC Tamilnadu Power Limited
6.	Shri. R. Vikraman Qualification: Graduate in Mechanical Engineering and Post Graduate in Business Administration Occupation: Service Age: 54 Years DIN: 07601778	Director (Human Resource)	December 9, 2016	NIL
7.	Shri R. P. Gupta Qualification: B. Tech (Aeronautical), IIT, Kanpur and I.A.S. Occupation: Service Age: 55 Years DIN: 03388822	Part-time Official Director	August 30, 2016	• Central Coalfields Limited • Neyveli Uttar Pradesh Power Limited
8.	Dr. Rajeev Ranjan Qualification: Hon's Degree in Science, Post graduate in Science & Business Management and I.A.S. Occupation: Service Age: 55 Years DIN: 01806973	Part-time Official Director	August 16, 2016	• Tamilnadu Generation And Distribution Corporation Limited • TNEB Limited • Tamilnadu Transmission Corporation Limited • Poompuhar Shipping Corporation Limited • Tamilnadu Road Infrastructure Development Corporation • Chennai Metro Rail Corporation • Tamilnadu Industrial Development Corporation • Tamilnadu Road Development Company Limited • IT Expressway Limited
9.	Shri. Chandra Prakash Singh Qualification: Post Graduate in Political Science and Former member of I.A.S. Occupation: Retired from Indian Administrative Services Age: 62 Years DIN: 00594463	Independent Director	November 17, 2015	Nil



S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
10.	Shri. Azad Singh Toor Qualification: Graduate in Economics, Political Science and English and Former Member of I.F.S Occupation: Retired as Diplomat Age: 65 Years DIN: 07358170	Independent Director	December 3, 2015	Nil
11.	Shri. K. Madhavan Nair Qualification: Post Graduate in Economics and Former Member of I.R.S Occupation: Retired from Indian Revenue Service Age: 64 Years DIN: 07366493	Independent Director	December 11, 2015	Nil
12.	Ms. Nalini Padmanabhan Qualification: B.Com., FCA, DISA, CISA Occupation: Chartered Accountant in Practice Age: 52 Years DIN: 01565909	Independent Director	February 2, 2017	1. Information Systems Audit and Solutions Private Limited 2. Prerana Educational Media Private Limited

14.8 The details of changes in the Board of Directors during the last 3 years from the date of the publication of the Public Announcement (i.e. February 2, 2017) are as under:

S. No.	Name of Director, Designation & DIN	Date of Joining / Appointment	Date of Cessation	Reason
1.	Dr. Sarat Kumar Acharya Designation: Chairman and Managing Director DIN: 03357603	October 01, 2015 (CMD) & December 16, 2010 (Director/HR)	Continuing	Appointment
2.	Shri. Rakesh Kumar Designation: Director (Finance) DIN: 02865335	May 23, 2012	Continuing	Appointment
3.	Shri. Subir Das Designation: Director (Mines) DIN: 06988287	September 30, 2014	Continuing	Appointment
4.	Shri. V. Thangapandian Designation: Director (Power) DIN: 07255163	September 1, 2015	Continuing	Appointment
5.	Shri. P. Selvakumar Designation: Director (Planning & Projects) DIN: 07347130	January 1, 2016	Continuing	Appointment
6.	Shri. R. Vikraman Designation: Director (Human Resource) DIN: 07601778	December 9, 2016	Continuing	Appointment
7.	Shri. R. P. Gupta Designation: Government Director DIN: 03388822	August 30, 2016	Continuing	Appointment

S. No.	Name of Director, Designation & DIN	Date of Joining / Appointment	Date of Cessation	Reason
8.	Dr. Rajeev Ranjan Designation: Government Director DIN: 01806973	August 16, 2016	Continuing	Appointment
9.	Shri. Chandra Prakash Singh Designation: Independent Director DIN: 00594463	November 17, 2015	Continuing	Appointment
10.	Shri. Azad Singh Toor Designation: Independent Director DIN: 07358170	December 3, 2015	Continuing	Appointment
11.	Shri. K. Madhavan Nair Designation: Independent Director DIN: 07366493	December 11, 2015	Continuing	Appointment
12.	Ms. Nalini Padmanabhan Designation: Independent Director DIN:01565909	February 2, 2017	Continuing	Appointment
13.	Shri. R. K. Mishra Designation: Independent Director DIN: 01878204	March 24, 2011	March 24, 2014	Completion of tenure
14.	Dr. Sanjay Govind Dhande Designation: Independent Director DIN: 03124589	September 6, 2013	September 24, 2014	Cessation
15.	Shri. C. Balakrishnan Designation: Independent Director DIN: 00040416	December 23, 2013	September 24, 2014	Cessation
16.	Shri. M. S. Ravindranath Designation: Director(Mines) DIN: 06568248	April 23, 2013	September 1, 2014	Superannuation
17.	Dr. A. K. Dubey Designation: Part-time Official Director DIN:02766755	April 3, 2013	June 11, 2015	Cessation
18.	Shri. C. V. Sankar Designation: Part-time Official Director DIN:00703204	December 18, 2013	June 29, 2015	Cessation
19.	Shri. B. Surender Mohan Designation: Chairman cum Managing Director DIN: 02133243	July 1, 2012	September 30, 2015	Superannuation
20.	Shri. S. Rajagopal Designation: Director (Power) DIN:06503785	March 1, 2013	September 1, 2015	Superannuation
21.	Shri.S. Boopathy Designation: Director (Planning & Projects) DIN: 06676460	October 1, 2013	January 1, 2016	Superannuation
22.	Shri. N. S. Palaniappan Designation: Part-time Official Director DIN: 02867271	December 23, 2015	July 6, 2016	Consequent on superannuation from Government service

S. No.	Name of Director, Designation & DIN	Date of Joining / Appointment	Date of Cessation	Reason
23.	Shri. Rajesh Lakhoni Designation: Part-time Official Director DIN: 01288879	July 15, 2015	December 11, 2015	Cessation
24.	Smt. Sujata Prasad Designation: Part-time Official Director DIN: 06587461	June 11, 2015	June 20, 2016	Consequent on her promotion and transfer in service
25.	Shri. Vivek Bharadwaj Designation: Part-time Official Director DIN: 02847409	August 5, 2016	August 30, 2016	Cessation

14.9 The buyback will not result in any benefit to the Directors of the Company/ Promoter and person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital post Buyback.

No Directors of the Company holds any Equity shares as on the date of publication of the Public Announcement (i.e. February 2, 2017).

## 15 FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company, as extracted from the audited standalone financial statements for the last three financial years viz. 2016, 2015 and 2014 and unaudited financial results for six month period ended September 30, 2016 is detailed below:

Key Financials	(₹ in crore)			
	For six months period ended September 30, 2016 (Limited Review)*	For the year ended March 31, 2016(Audited)**	For the year ended March 31, 2015 (Audited)**	For the year ended March 31, 2014 (Audited)**
Revenue from Operations	3,938.51	6,669.05	6,087.68	5,967.23
Other Income	185.34	525.15	709.29	1,024.76
Total Income	4,123.85	7,194.20	6,796.97	6,991.99
Total Expenses other than Interest, Depreciation and Tax	2,841.46	4,452.35	4,168.96	4,011.03
Interest	90.16	188.36	149.63	181.58
Depreciation	347.34	599.23	440.62	517.28
Exceptional Items: Expense / (Income)	52.66	28.38	(345.57)	72.97
Profit Before Tax	792.23	1,925.88	2,383.33	2,209.13
Provisions for Tax (including Deferred Tax)	261.83	721.73	803.65	707.25
Profit/(Loss) discontinuing operation	0.00	-36.62	0.28	106.16
Profit/ (Loss) After Tax	530.40	1,204.15	1,579.68	1,501.88
Paid-up Equity Share Capital	1,677.71	1,677.71	1,677.71	1,677.71
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	14,077.44	13,592.84	13,094.74	12,203.36
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	15,755.15	15,270.55	14,772.45	13,881.07

Key Financials	For six months period ended September 30, 2016 (Limited Review)*	For the year ended March 31, 2016(Audited)**	For the year ended March 31, 2015 (Audited)**	For the year ended March 31, 2014 (Audited)**
Total Debt, excluding working capital loans	3,975.50	3,539.98	3,164.34	3,150.29

\*As per Ind-AS

\*\*As per IGAAP

The salient financial information of the Company, as extracted from the audited consolidated financial statements for the last three financial years viz. 2016, 2015 and 2014 is detailed below:

(₹ in crore)

Key Financials	For the year ended March 31, 2016 (Audited)**	For the year ended March 31, 2015 (Audited)**	For the year ended March 31, 2014 (Audited)**
Revenue from Operations	7,895.96	6,087.68	5,967.23
Other Income	493.29	709.29	1,024.76
Total Income	8,389.25	6,796.97	6,991.99
Total Expenses other than Interest, Depreciation and Tax	5,344.52	4,168.96	4,011.03
Interest	467.33	149.63	181.58
Depreciation	867.85	440.62	517.28
Exceptional Items: Expense / (Income)	28.38	(345.57)	(72.97)
Profit Before Tax	1,681.17	2,383.33	2,209.13
Provisions for Tax (including Deferred Tax)	637.04	803.65	707.25
Profit/(Loss) discontinuing operation	(36.62)	0.28	106.16
Profit/ (Loss) After Tax***	1,061.73	1,579.68	1,501.88
Paid-up Equity Share Capital	1,677.71	1,677.71	1,677.71
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	14,083.27	13,448.04	12,349.35
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	15,760.98	15,125.75	14,027.06
Total Debt, excluding working capital loans	7,886.95	6,601.34	6,587.29

Note: The Company has opted not to publish the consolidated accounts on quarterly basis.

\*\*As per IGAAP

\*\*\*Share of Minority is added to calculate the PAT.

## 15.2 Key Financial Ratio

Financial Ratios for the last three financial years viz. Fiscal 2016, 2015 and 2014 and six month period ended September 30, 2016 based on standalone financial statements are as under:

Particulars	Six months period ended September 30, 2016	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Earnings per Share (₹)	3.17	7.18	9.42	8.95
Debt/ Equity Ratio	0.23	0.21	0.19	0.20
Book Value (₹ per Share)	93.91	91.02	88.05	82.74
Return on Net worth (%)	3.37	7.89	10.69	10.82
Total Debt/ Net worth (%)	25.23	23.18	21.42	22.69

Financial Ratios for the last three financial years viz. Fiscal 2016, 2015 and 2014, based on consolidated financial statement are as under :-

Particulars	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Earnings per Share (₹)	6.33	9.42	8.95
Debt/ Equity Ratio	0.45	0.40	0.44
Book Value (₹ per Share)	93.94	90.16	83.61
Return on Net worth (%)	6.74	10.44	10.71
Total Debt/ Net worth (%)	50.04	43.64	46.96

**Notes:**

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure
2. Total Debt = Long Term Borrowings + Current Maturities of Long Term Borrowings

**Key Ratios basis:**

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Average Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth

- 15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, as may be applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder. The Company further declares that it will comply with Regulation 23 of the Buyback Regulations.

**16 STOCK MARKET DATA**

- 16.1 The Company's Equity Shares are listed on BSE and NSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement(i.e. February 2, 2017) from August 2016 to January 2017 and the corresponding volumes on the BSE and NSE is as follows. The maximum volume of trading in the Equity Shares of the Company is recorded on NSE:

**For BSE:**

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
Preceding 3 years								
April 01, 2015 - March 31, 2016	94.25	August 7, 2015	8,58,831	60.35	March 1, 2016	1,06,979	76.59	94,21,837
April 01, 2014 - March 31, 2015	108.50	May 26, 2014	5,73,893	61.00	April 1, 2014	29,346	84.23	1,46,38,733
April 01, 2013 - March 31, 2014	74.10	May 2, 2013	12,361	49.00	August 5, 2013	42,162	59.82	83,77,955
Preceding 6 months								
August, 2016	80.00	August 22, 2016	22,673	73.75	August 17, 2016	7,767	76.20	359,600
September, 2016	78.70	September 6, 2016	23,561	71.00	September 29, 2016	16,572	74.29	3,89,758
October, 2016	83.35	October 24, 2016	186,792	71.70	October 14, 2016	31,937	75.92	6,98,504

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Avera ge Price* (₹)	Total volume of traded in the period (Shares)
November, 2016	86.35	November 3, 2016	1,09,373	73.10	November 9, 2016	31,146	78.37	6,17,871
December, 2016	81.90	December 8, 2016	8,03,517	73.05	December 26, 2016	7,371	76.56	11,52,596
January, 2017	100.10	January 27, 2017	2,51,163	76.00	January 2, 2017	16,268	87.20	15,92,541

Source: www.bseindia.com

\* High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

**For NSE:**

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Avera ge Price* (₹)	Total volume of traded in the period (Shares)
Preceding 3 years								
April 01, 2015 - March 31, 2016	94.50	August 7, 2015	32,84,725	60.05	March 1, 2016	2,83,480	76.61	3,64,40,351
April 01, 2014 - March 31, 2015	109.90	May 26, 2014	16,97,645	60.70	April 1, 2014	1,06,013	84.23	5,43,31,653
April 01, 2013 - March 31, 2014	74.20	May 2, 2013	68,818	48.65	August 5, 2013	1,94,187	59.81	2,98,51,059
Preceding 6 months								
August, 2016	80.50	August 22, 2016	1,48,167	73.75	August 17, 2016	85,835	76.21	18,55,989
September, 2016	78.90	September 6, 2016	1,63,826	70.00	September 29, 2016	1,29,585	74.21	24,43,832
October, 2016	83.40	October 24, 2016	6,65,324	71.55	October 17, 2016	42,749	75.97	27,17,258
November, 2016	86.45	November 3, 2016	3,67,400	73.15	November 9, 2016	1,56,302	78.35	24,70,143
December, 2016	81.70	December 8, 2016	2,23,227	73.20	December 26, 2016	30,686	76.43	12,56,567
January, 2017	100.30	January 27, 2017	13,16,109	75.55	January 2, 2017	51,313	87.16	64,23,818

Source: www.nseindia.com

\* High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.

**16.2 The closing market price of the Equity Shares of the Company:**

- As on January 30, 2017 i.e. the trading day before January 31, 2017, being the date of Board Meeting approving the Buyback was ₹96.35 per Equity Share on BSE and ₹96.70 per Equity Share on NSE.
- As on January 31, 2017, i.e. the date of Board Meeting approving the Buyback was ₹93.90 per Equity share on BSE and ₹93.65 per Equity share on NSE.
- As on February 1, 2017, i.e. the day immediately after January 31, 2017, being the date of Board Meeting approving the Buyback was ₹96.70 per Equity Share on BSE and ₹96.70 per Equity Share on NSE.
- As on February 2, 2017, i.e., the date of publication of Public Announcement was issued was ₹96.50 per Equity Share on BSE and ₹96.50 per Equity Share on NSE.

## 17 DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.
- 17.3 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.4 As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.
- 17.5 The Buyback has been approved by the Board of Directors in their meeting held on January 31, 2017.

## 18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

Eligible Shareholders holding Shares in dematerialized form and Shareholder Brokers (who have submitted bids on behalf of Eligible Shareholders holding shares in physical form) are required to send the Tender Form, TRS, physical share certificate (for physical Shareholders only) and other documents by superscribing the envelope as “NLC India Buyback Offer 2017” to the Registrar to the Buyback Offer either by registered post/courier or hand delivery at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. Wednesday, March 22, 2017:



### **Integrated Registry Management Services Private Limited**

“Kences Towers” II Floor, No 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017

**Contact Person:** Mr. K Balasubramanian / Ms. N. Anusha

**Tel:** 044 – 28140801 - 803

**Fax:** 044 - 28142479

**E-mail:** anusha@integratedindia.in

**Website:** www.integratedindia.in

**SEBI Registration No.:** INR000000544

**Validity Period:** Permanent Registration

**CIN:** U74900TN2015PTC101466

**TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.**

**ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.**

## 19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to buyback not exceeding 14,91,41,173 (Fourteen Crore Ninety One Lakh Forty One Thousand One Hundred Seventy Three) Equity Shares from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of ₹99 (Rupees Ninety Nine Only) per Equity Share, payable in cash for an aggregate consideration not exceeding of ₹1476,49,76,127 (Rupees One Thousand Four Hundred Seventy Six Crore Forty Nine Lakh Seventy Six Thousand One Hundred Twenty Seven Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. The maximum number of Equity Shares proposed to be bought back represents 8.89% of the total number of Equity Shares in the paid-up share capital of the Company. The Buyback is in accordance with the provisions of Article 7 of the Articles of

Association of the Company, Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Buyback Offer Size represents 9.90% and 9.99% of the aggregate of the Company's fully paid-up equity share capital and free reserves, as per the audited standalone financial statements and audited consolidated financial statements of the Company for the financial year ended March 31, 2016 respectively (the last audited financial statements available as on date the Board Meeting recommending the proposal of the Buyback).

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

- 19.2 The aggregate shareholding of the Promoter as on Record Date is 150,99,38,640 (One Hundred Fifty Crore Ninety Nine Lakh Thirty Eight Thousand Six Hundred and Forty Only) Equity Shares, which represents 90.00% (ninety percent) of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the company has the option to participate in the Buyback. In this regard, the Promoter of the Company has expressed its intention, vide its letter dated January 31, 2017, to participate in the Buyback and tender up to 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) Equity Shares.
- 19.3 Assuming that the Promoter i.e. President of India acting through Ministry of Coal, Government of India, tenders 15,06,06,061 (Fifteen Crore Six Lakh Six Thousand and Sixty One) Equity Shares, in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to 90.90% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to 89.02% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 19.4 Record Date, Ratio of the Buyback and entitlement of each Shareholder
- a) The Buyback Committee in its meeting held on January 31, 2017 announced Friday, February 10, 2017 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
  - b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
    - Reserved category for Small Shareholders (“**Reserved Category**”); and
    - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)
  - c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchanges in which the highest trading volume as on Record Date, of not more than ₹2,00,000 (Rupees Two Lakh only). As on the Record Date, the volume of Shares traded on NSE was 8,51,353 shares and on BSE was 1,74,244 shares. Accordingly, NSE being the exchange with highest turnover, the closing price was ₹96.85 and hence all Shareholders holding not more than 2065 Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
  - d) Based on the above definition, there are 86,015 Small Shareholders with aggregate shareholding of 1,65,85,456 Shares, as on Record Date, which constitutes 0.99% of the outstanding paid up equity share capital of the Company and 11.12% of the number of 14,91,41,173 Equity Shares which are proposed to be bought back as part of this Buyback Offer.
  - e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 2,23,71,176 Equity Shares which is higher of:
    - i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 14,91,41,173 Equity Shares which works out to 2,23,71,176 Equity Shares; or
    - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e.  $(14,91,41,173 / 167,77,09,600) \times 1,65,85,456$ ] which works out to 14,74,376 Equity Shares.



All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter also intends to offer Equity Shares held by them in the Buyback.

In case the total number of Equity Shares held by the Small Shareholders on the Record Date is 1,65,85,456, which is less than 2,23,71,176 (higher of (i) and (ii) above) the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 1,65,85,456 Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of 13,25,55,717 Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
<b>Reserved Category</b>	1 Equity Share out of every 1 fully paid-up Equity Share held on the Record Date
<b>General Category</b>	79 Equity Shares out of every 990 fully paid-up Equity Shares held on the Record Date

The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 100.00% and General category for all other Eligible Shareholders is 7.9799%

#### 19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

Since the entitlement ratio in case of Reserved Category is 1(One) Equity Share for each 1 (One) full paid-up Equity Share held on the Record Date, the clauses pertaining to fractional entitlement, zero entitlement, additional shares tendered in the Reserved Category etc. will not be applicable to Reserved Category.

#### 19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares

taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.

- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
- For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e.100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category (“**General Category Additional Shares**”) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category (‘**Partially filled Category**’), and there are additional unaccepted validly tendered Shares (‘**Further Additional Shares**’) in the second Category (‘**Over Tendered Category**’), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:

- For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
- 19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:
- the number of Shares tendered by the respective Shareholder, and
  - the number of Shares held by the respective Shareholder, as on the Record Date.
- 19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.

## 20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Eligible Shareholder(s) holding Shares either in physical and/or dematerialized form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer process, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- Eligible Shareholder(s) which have registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Shareholder(s) wish to obtain a physical copy of the Letter of Offer, they may send a request to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer.**
- Eligible Shareholder(s) which have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode.**
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Letter of Offer.
- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.7 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.

- 20.8 As elaborated under Paragraph 19.4 (b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories: (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.10 The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, Notice Number 20150930-1 dated September 30, 2015 and Notice Number 20170202-34 dated February 02, 2017 issued by BSE and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.12 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

**IDBI Capital Markets & Securities Limited**

*(Formerly, known as IDBI Capital Market and Services Limited)*

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400021

**Contact Person:** Ms. Charushila Parkar

**Tel:** +91 (22) 4322 1212;

**Fax:** +91 (22) 2285 0785

**Email:** charushila.parkar@idbicapital.com

**Website:** www.idbicapital.com

**SEBI Registration Number:** INZ000007237

**CIN:** U65990MH1993GOI075578

- 20.13 Only BSE has been appointed as the stock exchange whose separate Acquisition Window shall be used to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window of BSE, through their respective stock brokers (“**Shareholder Broker**”).

In the event Shareholder Broker(s) of Eligible Shareholder is not registered with BSE then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.

- 20.14 At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company’s Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders.
- 20.15 Shareholder Broker can enter orders for demat Shares as well as physical Shares.
- 20.16 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.

20.17 The cumulative quantity tendered shall be made available on BSE website - [www.bseindia.com](http://www.bseindia.com) throughout the trading session and will be updated at specific intervals during the Tendering Period.

20.18 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

**20.19 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form**

Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the bid, the Eligible Shareholder would need to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited (“**Clearing Corporation**”), by using the early pay in mechanism as prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than 6:00 p.m. on the last day of the Tendering Period i.e. date of closing of the Buyback Offer. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer) not later than 2 (two) days from the Closing Date i.e. Wednesday, March 22, 2017 (by 5 PM). The envelope should be superscribed as “**NLC India Buyback Offer 2017**”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

**20.20 Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in the Physical form**

Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback

will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include:

- a) The Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares.
- b) Original share certificates
- c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
- d) Self-attested copy of the PAN Card(s) of all Shareholders.
- e) Any other relevant documents such as (but not limited to):
  - i. Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form
  - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
  - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

Any Shareholder Broker who places a bid for physical Equity Shares, is required to deliver Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph hereinabove) either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) days from the Buyback Closing Date i.e. Wednesday, March 22, 2017 (by 5 PM). The envelope should be superscribed as “**NLC India Buyback Offer 2017**”. One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker.

Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard.

Registrar to the Buyback Offer will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buyback Offer confirms the bids, they will be treated as ‘Confirmed Bids’.

In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before the Buyback Closing Date.

#### 20.21 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.

- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
- a copy of the permission received by them from RBI at the time of the original acquisition of Shares
  - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-resident shareholder from the appropriate account as specified by RBI in its approval.
  - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

20.22 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way. Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback Offer. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.

20.23 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.24 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.

**20.25 In case of non-receipt of the Letter of Offer / Tender Form:**

- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. [www.nlcindia.com](http://www.nlcindia.com) or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback Offer by providing an application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders' PAN card(s), executed share transfer form in favour of the Company and other necessary documents. The transfer form SH-4 can be downloaded from the Company's website i.e. [www.nlcindia.com](http://www.nlcindia.com). Shareholders/ Shareholder Broker must ensure that the Tender Form, along with TRS and the requisite documents, reach the Registrar to the Buyback Offer not later than 2 (two) days from the Buyback Closing Date Wednesday, March 22, 2017, 2017 (by 5 P.M). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

**Eligible Shareholder(s) who intend to participate in the Buyback using the ‘plain paper’ option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.**

**Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by BSE before the Buyback Closing Date, otherwise the same are liable to be rejected.**

#### 20.26 Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

#### 20.27 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The Company will pay the consideration to the Company’s Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Shareholder will receive funds payout in their bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Seller Member(s) as per secondary market pay out mechanism. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (ii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the “**Demat Escrow Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.
- (iii) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The custodian participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
- (iv) Equity Shares in Physical form, to the extent tendered but not accepted, will be returned back to the concerned Shareholders directly by Registrar to the Buyback Offer. The Company will issue a new single share certificate for all the unaccepted and excess physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted and excess / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders’ sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than Friday, March 24, 2017.
- (v) Every Shareholder Broker who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company’s Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vi) Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, applicable taxes charges and expenses (including brokerage) and the Manager to the Buyback Offer and Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.



- (vii) The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act, 2013.

#### 20.28 Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI circulars no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and as prescribed by Exchange and Clearing Corporation from time to time.

Clearing Corporation would settle the trades by making direct funds payout to the Equity Shareholders and the Shareholder's Broker would issue contract note. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Seller Member for onward transfer to the Equity Shareholder.

#### 20.29 Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the BSE or Clearing Corporation.

#### 20.30 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of Wednesday, March 22, 2017 by 5:00 p.m.;
- b. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

## 21 NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

**SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.**

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 ("Income Tax Act") relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

## 1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

- i. **Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:**
  - Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
  - Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)
- ii. **Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:**
  - a. **Resident Shareholders being:**
    - Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
    - Others
  - b. **Non Resident Shareholders being:**
    - Non Resident Indians (NRIs)
    - Foreign Institutional Investors (FIIs)
    - Others:
      - Company
      - Other than Company

## 2. SHARES HELD AS INVESTMENT

- i. For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”).
- ii. The taxability as per the provisions of the Income Tax Act is discussed below:
  - a. Nature of capital gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

    - Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
    - Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
  - b. Capital gains on buy back of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

### *Buyback of shares through a recognized stock exchange*

- iii. Where transaction for transfer of such equity shares (i.e. buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):
  - LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
  - STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

## 3. SHARES HELD AS STOCK-IN-TRADE

- i. If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

- ii. **Resident Shareholders**
  - For individuals, HUF, AOP, BOI, profits from business as determined under the provisions of the Income Tax Act would be taxable at slab rates.
  - For persons other than individuals, HUF, AOP, BOI profits would be taxable at the rate of 30%. No benefit of indexation by virtue of period of holding would be available in any case.
- iii. **Non Resident Shareholders**
  - For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
  - Where DTAA provisions are not applicable:
    - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
    - For foreign companies, profits would be taxed in India @ 40%
    - For other non-resident shareholders, such as foreign firms including LLPs, profits would be taxed in India @ 30%

#### 4. TAX DEDUCTION AT SOURCE

##### i. **In case of Resident Shareholders**

In the absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

##### ii. **In the case of Non Resident Shareholders**

Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians / authorised dealers / tax advisors appropriately.

#### 5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

- i. In addition to the above tax rates, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

##### **Surcharge**

- a. **In case of foreign companies and FIIs:** Surcharge is levied @ 2% on the amount of income tax if total income exceeds Rs. 1 crore but does not exceed Rs. 10 crore and @ 5% on the amount of income-tax if total income exceeds Rs. 10 crore.
- b. **In case of other non-resident assesses (i.e. other than foreign companies):** Surcharge @ 15% for non-resident individual / HUF (@12% in case of others) is levied where the total income exceeds Rs. 1crore.
- c. **In case of domestic companies:** Surcharge @ 7% is levied where the total income exceeds Rs. 1crore but does not exceeds Rs. 10 crores and @ 12% is levied where the total income exceeds Rs. 10 crores.
- d. **In case of resident assesses (i.e. other than domestic companies):** Surcharge @ 15% (@ 12% in case of firm, local authority & Co-operative Society) is levied where the total income exceeds Rs.1 crore.

##### **Cess**

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable on the amount of income-tax plus surcharge.

The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares. All the above benefits are as per the current tax laws (including amendments made by the Finance Act, 2016), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.

Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.

## 22 DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. January 31, 2017. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated January 31, 2017, the Buyback Committee has confirmed on behalf of Board of Directors that:

- i. The Board of Directors of the Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institutions or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
  - a. Immediately following the date of the Board Meeting held on January 31, 2017 and the date of this Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
  - b. As regards the Company's prospects for the year immediately following the date of the Board Meeting and the date of this Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and within a period of one year from the date of this Letter of Offer, as the case may be;
  - c. In forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Buyback committee (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on March 1, 2017.

For and on behalf of the **Board of Directors of Company**

<p>Sd/-  Dr. Sarat Kumar Acharya Chairman and Managing Director (DIN:03357603)</p>	<p>Sd/-  Rakesh Kumar Director (DIN:02865335)</p>
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## 23 AUDITORS CERTIFICATE

**Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:**

The text of the report dated January 31, 2017 received from M/s. P.B. Vijayaraghavan & Co., Chartered Accountants and M/s. Chandran & Raman, Chartered Accountants, the Statutory Auditors of the

Company addressed to the Board of Directors of the Company is reproduced below:

**Quote:**

To,  
**The Board of Directors**  
 NLC India Limited  
 (A Government of India Enterprise)  
 (formerly Neyveli Lignite Corporation Limited)  
 First Floor, No.8, Mayor Sathyamurthy Road,  
 FSD, Egmore Complex of Food Corporation of India,  
 Chetpet, Chennai - 600 031

**Dear Sirs,**

**Sub: Proposed buyback of Equity Shares of not exceeding 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016, on a proportionate basis (the “Buyback”), from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism by NLC India Limited (the “Company”).**

1. We, M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, and M/s. Chandran & Raman, Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of the Company in their meeting held on 31.01.2017 have decided to buy back Company’s fully paid up equity shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, as amended (hereinafter “Buyback Regulations”), we confirm that:
  - (i) We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2016, as approved by the Board of Directors in the meeting held on 26.05.2016 and unaudited limited reviewed results for the six months ended September 30, 2016 as approved by the Board of Directors in their meeting held on 08.12.2016;
  - (ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68 (2) (c) of the Companies Act, 2013 and Regulation 4(1)(a) of the Buy Back Regulations:

Particulars	Amount in ₹ as at 31.03.2016
<b>Issued, subscribed and fully paid up equity shares:</b>	
167,77,09,600 Equity Shares of ₹10 each, fully paid up	1677,70,96,000
<b>Total- A</b>	1677,70,96,000
<b>Reserves and surplus</b>	
General reserve	1457,00,00,000
Surplus in the statement of profit and loss	11776,77,71,296
Securities premium account	
<b>Total- B</b>	13233,77,71,296
<b>Total C= A+B</b>	14911,48,67,296
Maximum amount permissible for the Buy-back i.e. 10 % of the aggregate fully paid-up equity share capital and free reserves	1491,14,86,729.60

- (iii) The Board of Directors in their meeting held on 31.01.2017, have formed the opinion in terms of Clause (x) of Part A of Schedule II of the Buyback Regulations, on reasonable grounds and the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.
- (iv) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Board of Directors

in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

2. The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our aforementioned statements. For the purpose of this report, we conducted our verification in accordance with the Guidance Note Reports and Certificates for Specific Purposes issued by the Institute of Chartered Accountants of India.
3. This report has been issued solely in connection with the proposed Buyback of Equity Shares by the Company and for disclosing in the public announcement, draft letter of offer, letter of offer and submission to various regulatory bodies such as Securities and Exchange Board of India, stock exchanges, etc., as required under Buyback Regulations and should not be used, referred or distributed for any other purpose without our prior written consent.
4. We have no responsibility to update this certificate for events and circumstances occurring after this certificate.

For P.B. Vijayaraghavan & Co. Chartered Accountants Firm Regn. No. 004721S	For Chandran & Raman Chartered Accountants Firm Regn. No. 00571S
P.B. Srinivasan Partner M NO. 203774	S. Pattabiraman Partner M NO. 014309

Place: New Delhi

Date: January 31, 2017

**Unquote**

**24 DOCUMENTS FOR INSPECTION**

The following material documents are available for inspection by shareholders of NLC India Limited at the Registered Office: First Floor, No. 8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Coporation of India, Chetpet, Chennai – 600 031, from 10.00 a.m. to 5.00 a.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of NLC India Limited;
- iii. Copy of the annual reports of NLC India Limited for the last three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and unaudited financial results approved by Board of Directors for the half year ended September 30, 2016 as filed with Stock Exchanges;
- iv. Certified true copy of the resolution passed by the Board of Directors at the meeting held on January 31, 2017 approving proposal for Buyback;
- v. Copy of Report dated January 31, 2017 received from M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, and M/s. Chandran & Raman, Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- vi. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under section 68(6) of the Companies Act, 2013;
- vii. SEBI Comments vide letter no. SEBI/HO/CFD/DCR1/OW/P/2017/4529/1 dated March 1, 2017;
- viii. Copy of Escrow Agreement dated February 16, 2017 between NLC India Limited, State Bank of India and IDBI Capital Markets & Securities Limited;
- ix. Copy of the certificate from M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, and M/s. Chandran & Raman, Chartered Accountants, the Statutory Auditors of the Company, dated January 31, 2017 certifying that the Company has adequate funds for the purposes of Buyback;
- x. Copy of Public Announcement dated January 31, 2017 published in the newspapers on February 2, 2017 regarding Buyback of Equity Shares and copy of Corrigendum to the Public Announcement dated March 1, 2017 published on March 2, 2017; and
- xi. Opinion dated January 31, 2017 obtained by the Company on taxation

## 25 DETAILS OF COMPLIANCE OFFICER

Shri. K. Viswanath,  
Company Secretary  
**NLC India Limited**  
(formerly Neyveli Lignite Corporation Limited),  
Corporate Office, Block-1, NLC India Limited, Neyveli – 607 801  
**Tel:** 04142 - 252205  
**Fax:** 04142 - 252645  
**E-mail:** cosec@nlcindia.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and Public holidays

## 26 DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.

If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013, or the rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.

The address of the concerned office of the Registrar of Companies is as follows:  
Registrar of Companies, Tamilnadu  
5<sup>th</sup> Floor, Shastri Bhawan  
Haddows Road  
Chennai 600034

## 27 DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the Shareholders may contact the Registrar & Transfer Agent on any day except Sunday and Public holidays from 10:00 a.m. to 5:00 p.m. i.e. Monday to Friday and from 10.00 a.m. to 1.00 p.m. on Saturday, at the following address:



**Integrated Registry Management Services Private Limited**  
“Kences Towers” II Floor, No 1 Ramakrishna Street,  
North Usman Road, T Nagar, Chennai – 600 017  
**Contact Person:** Mr. K Balasubramanian / Ms. N. Anusha  
**Tel No.:** 044 – 28140801 - 803; **Fax No.:** 044 - 28142479  
**Email:** anusha@integratedindia.in; **Website:** www.integratedindia.in;  
**SEBI Registration No.:** INR000000544; **Validity Period:** Permanent Registration;  
**CIN:** U74900TN2015PTC101466

## 28 DETAILS OF MANAGER TO THE BUYBACK OFFER



**IDBI CAPITAL MARKETS & SECURITIES LIMITED**  
(Formerly known as IDBI Capital Market Services Limited)  
3<sup>rd</sup> Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021  
**Contact Person:** Mr. Sumit Singh / Mr. Priyankar Shetty  
**Tel:** +91 (22) 4322 1212; **Fax:** +91 (22) 22850785  
**E-mail:** nlcindia.buyback@idbicapital.com;  
**Website:** www.idbicapital.com;  
**SEBI Registration No.:** INM000010866; **Validity Period:** Permanent Registration;  
**CIN:** U65990MH1993GOI075578

**29 DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer and confirms that the information in this Letter of Offer contain true, factual and material information and does not contain any misleading information. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on March 1, 2017.

For and on behalf of the Board of Directors of  
**NLC India Limited**

Dr. Sarat Kumar Acharya  
Chairman and Managing Director  
(DIN:03357603)

Rakesh Kumar  
Director  
(DIN:02865335)

K. Viswanath  
Company Secretary

Date: March 1, 2017  
Place: Neyveli

Enclosure:

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders