

**NEYVELI LIGNITE CORPORATION LIMITED***(A Government of India Enterprise)***Office of the Chairman-cum-Managing Director**

Regd. Office: 'Neyveli House', No.135, Periyar EVR High Rd., CHENNAI-600 010.

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

Phone: 04142/252205. Fax: 04142-252645, 252646

Lr.No.Secy/Press Release/2012

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To

The National Stock Exchange of India Ltd
Plot No.C/1,G Block
Bandra-Kurla Complex
Bandra(E)
MUMBAI-400 051

Fax No. 022-2659 8237/38

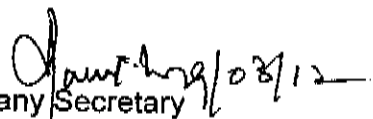
SCRIP CODE : NEYVELIG

Dear sirs,

We furnish herewith a copy of the Press Release dated 28.03.2012 for
your reference and record.

Thanking you

Yours faithfully
for Neyveli Lignite Corporation Limited


Company Secretary

**NEYVELI LIGNITE CORPORATION LIMITED**

NAV RATNA – Government of India Enterprise
REGD.OFFICE ; 'NEYVELI HOUSE', 135, PERIYAR EVR HIGH ROAD, CHENNAI-600 010

PUBLIC RELATIONS DEPARTMENT
NEYVELI-607 801, CUDDALORE DIST., TAMIL NADU
TELEFAX: 04142- 252257 E-mail : pr.dept@nclindia.com

PRESS RELEASE**Date: 28.03.2012****NLC signs Pact with SBI for a Rupee Term Loan of ₹2500 Crore for its Neyveli New Thermal Power Station (NNTPS) (2x500MW)**

Neyveli Lignite Corporation, an integrated Mining cum Power Generating Company was registered on 14th November 1956. It has already crossed 55 years of service to the Nation. At present, NLC operates three Opencast Lignite Mines at Neyveli and one at Barsingsar, Rajasthan of total capacity of 30.60 Million Tonnes Per Annum and three Thermal Power Stations at Neyveli and one at Barsingsar with a total installed capacity of 2740 Mega Watt(MW). NLC under the administrative control of Ministry of Coal has a chequered history of achievements.

NLC is the only company having the expertise both in mining and power generation. Government of India had considered its good performance over a period of years, and recognized NLC for its continuous excellence in performance, expansion activities, and achievements and conferred "Navratna" status on NLC on 11th April 2011.

Brief on Neyveli New Thermal Power Station (NNTPS) (2x500MW)

Neyveli New Thermal Power Station (NNTPS 2x500MW) is a lignite based Thermal Power Project sanctioned by Government of India in June 2011. This project is a replacement of the existing 600 MW TPS-I Power Plant which has served for about 50 years. The NNTPS was sanctioned at the estimated cost of ₹5907.11 Crore including Interest During Construction (IDC) of ₹559.03 Crore and Foreign Exchange Component of ₹969.81 Crore (equivalent of US \$ 217.009 Million).

Fuel (Lignite) for the project will be supplied by Mines operated by the company. The Power generated from this project (2 units X 500 MW) would cater to the States in the Southern Region. Power Purchase Agreements (PPAs) have been signed with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and Distribution Companies (DISCOMS) of other States. The first unit of this project is expected to be commissioned in June 2015 followed by the second unit in December 2015.

The funding of the Project will be at Debt: Equity ratio of 70:30. The Equity part will be funded through internal accruals and the loan component will be



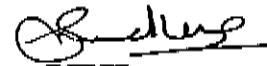
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funded through Rupee Term Loan, External Commercial Borrowing, Bonds and other forms of Debt.

On 28.03.2012, Neyveli Lignite Corporation has signed with State Bank of India a Rupee Term Loan agreement for p2500 Crore to meet a part of 70% debt requirement of the project.

Shri K. Sekar, Director(Finance), NLC Ltd., and Shri S.B. Nayar, Deputy Managing Director & Group Executive (Corporate Banking), State Bank of India signed the Agreement. The agreement was signed in the presence of Shri A.R. Ansari, CMD, NLC and Shri Pratip Chaudhuri, Chairman, SBI and other senior officials of NLC and SBI.



DY. GENERAL MANAGER/PR

