

**PRESS RELEASE**

Text of the D.O. Letter dated 22.6.2013 addressed by **Selvi J Jayalithaa**, Hon'ble Chief Minister of Tamil Nadu to **Dr. Manmohan Singh**, Hon'ble Prime Minister of India is reproduced below:

"I am writing to you yet again on the issue of disinvestment of the Central Government's shareholding in Neyveli Lignite Corporation (NLC). It is with a deep sense of disappointment and dismay that I took note of your letter dated 8<sup>th</sup> June, 2013, and the recent approval of the Cabinet Committee on Economic Affairs (CCEA) for the disinvestment of 5 percent of NLC's shares. This is yet another instance in which the Central Government has ridden rough shod over the very legitimate and genuine concerns of the people of Tamil Nadu.

In my letter dated 23.5.2013, I had not only outlined the negative fallout of the decision to disinvest in NLC but had also offered two very feasible alternatives to overcome an artificially created regulatory crisis. I am deeply disappointed that the Government of India has dismissed both the alternatives without any serious consideration. I am surprised to find from your letter that signalling to financial markets has taken precedence over the welfare of thousands of workers and the concerns of the people of Tamil Nadu, as articulated by their democratically elected Government. The Government of India appears to have placed the immediate possibility of raising just Rs 466 crores by the sale of shares, above the aspirations of the people of Tamil Nadu to maintain intact the public sector character of NLC without any dilution. I wonder whether even the timing of the decision is well-advised given the recent fall in the share markets and whether the true value of the shares of a profitable Navaratna Public Sector Enterprise will be realised by the Government of India. The future should not judge the Central Government as having sold family jewels at throwaway prices.

I find that the decision to go ahead has been taken without considering the consequences. You have mentioned in your letter that the management of NLC had already consulted the Trade Unions and Employees Associations and taken them into confidence. But almost all the Trade Unions have announced that they are planning agitations against the decision of disinvestment. The Central Government's hasty and poorly reasoned actions have left the Government of Tamil Nadu facing entirely avoidable potential labour unrest which could further exacerbate the difficult power situation in the State.

The NLC disinvestment issue should not be seen merely from the point of view of complying with the SEBI rules/guidelines or with sending out market signals. Rather, the wider ramifications must be kept note of. Hence, I hope that you will reconsider the matter in the light of the options I had already suggested in my earlier letter to avoid the proposed disinvestment in NLC.

I once again reiterate my request to reconsider the decision to disinvest 5 percent of shares of Neyveli Lignite Corporation and thereby fulfil the wishes of the people of Tamil Nadu to retain the public sector character of Neyveli Lignite Corporation without any further dilution."

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Issued by: Director, Information – Public Relations, Chennai-9

Dated : 23.6.2013.