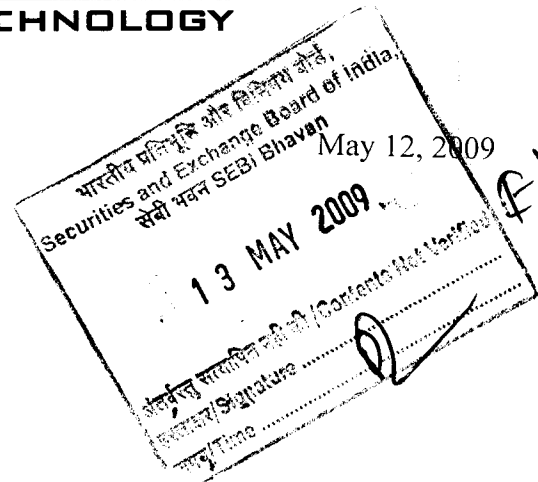


IOL/OTHER/SECL/2009-10/003

The General Manger
Corporate Finance Department
Securities & Exchange Board of India
Plot No.C4-A.'G' Block
Bandra Kurla Complex
Bandra(East), Mumbai 400051



**Sub: Request for Informal Guidance under
SEBI (Informal Guidance) Scheme, 2003**

Dear Sir

We wish to have an Informal Guidance as per your SEBI (Informal Guidance) Scheme, 2003 on the following issue:-

The guidance is required on **Clause 13A.6.3 of Chapter XIII-Guidelines for Qualified Institutions Placement** of SEBI (DIP) Guidelines, 2000.

Facts of the Case

1. IOL Netcom Limited, a Public Limited Company listed on BSE and NSE having its registered office at 601, Raheja Center, Nariman Point, Mumbai - 400 021, India had proposed to have Qualified Institutions Placement in pursuant of Chapter XIII-A of SEBI (DIP) Guidelines, 2000.
2. M/s Anand Rathi Financial Services Limited were appointed as the Merchant Banker for the above Issue.
3. The private placement was a placement upto 90,00,000 (Ninety Lacs) equity Shares to Qualified Institutional Buyers
4. A Board Resolution was passed on 12th November, 2008 for approving the Issue.
5. A Special Resolution in pursuant to Section 81(1A) of the Companies Act, 1956 in accordance with the provisions of Section 192A of the Companies Act, 1956 was passed on 16th December, 2008.
6. The Company also filed the Preliminary Placement Document with BSE and NSE for their approval.

7. The Company obtained 'In-Principal' approval from the BSE on 29th December 2009 and NSE on 26th December, 2009.
8. The meeting of the Committee of Directors was held on 9th January 2009 to open the issue.
9. The Floor Price of the Qualified Institutions Placement was determined Rs. 49.23/-, which has been calculated in accordance with clause 13A.3 of Chapter XIII-A Guidelines for Qualified Institutions Placement of the SEBI (DIP) Guidelines.
10. The issue for the Qualified Institutions Placement was formally opened on 15th January 2009.
11. There was '**No Response**' from the Institutions as '**No Bidding**' was received from the Qualified Institutional Buyers for the said Qualified Institutions Placement.
12. The major cause for such '**No Response**' was that due to sluggish capital market conditions the prevailing market price of the share of the company was lower than the Bid Price.
13. Consequently, the Company has withdrawn its Qualified Institutions Placement on 24th April 2009 and has informed the Stock Exchanges accordingly.
14. Now, the Company wishes to appoint a new Merchant Banker and wants to initiate the process afresh by passing a new Board Resolution, a new Special Resolution of shareholders, a new resolution of Committee of Directors with a new pricing calculated on the basis of new relevant date and in accordance with Clause 13A.3 of Chapter XIII-A Guidelines for Qualified Institutions Placement of the SEBI (DIP) Guidelines and thereafter it shall file a new application with the BSE and NSE for their approval.

Informal Guidance Required

1. Is Clause 13A.6.3 of the Guidelines for Qualified Institutions Placement applicable to our Company?
2. The Clause 13A.6.3 of the Guidelines for Qualified Institutions Placement states as under:-

"The placements made pursuant to authority of the same shareholders' resolution shall be separated by at least six months between each placement."
3. The content of the above Clause stipulates placements made pursuant to authority of same shareholders resolution, in our case the Company is having fresh placement under the new resolution of shareholders as well as of the Board. **Therefore, in our opinion the clause of separation of at least six months between each placement does not apply.**



4. Moreover, the Company has made no placement at all as there was no bid received from any of the Qualified Institutional Buyers.
5. However, the Company still desires to have a confirmation from SEBI under SEBI (Informal Guidance) Scheme, 2003.
6. We, therefore, request you to issue to us an interpretive letter under clause 5 (ii) of SEBI (Informal Guidance) Scheme, 2003 in respect of the interpretation of Clause 13A.6.3 of Chapter XIII-A Guidelines for Qualified Institutions Placement of SEBI (DIP) Guidelines, 2000.

An early reply shall be highly appreciated.

A cheque No. 205281 dated May 13, 2009 of Rs. 25,000/- (Rupees Twenty five thousand only) drawn on Bank of India favouring '**Securities & Exchange Board of India**' towards the fee for Informal Guidance is attached.

Thanking you

Yours faithfully

For **IOL Netcom Limited**

Praveen
Company Secretary

