

SEC-1/187(2)/2019/258

Dated: August 19, 2019

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.
Scrip Code—RECLTD

Sub: Clarification on announcement relating to sale and transfer of wholly owned subsidiaries of REC Transmission Projects Company Limited (RECTPCL) and REC Limited.

Dear Sir,

This is with reference to your e-mail on above cited subject for seeking certain clarifications on our Announcement dated August 6, 2019 regarding sale and transfer of wholly owned subsidiaries of REC Transmission Projects Company Limited (RECTPCL) and REC Limited.

At the outset, it is informed that REC Transmission Projects Company Limited (RECTPCL) acts as the "Bid Process Coordinator" for selection of Transmission Service Provider(s), through Tariff Based Competitive Bidding (TBCB) process for independent inter-state and intra-state transmission projects allocated by the Ministry of Power, Government of India and State Governments from time to time. In order to initiate development of each of such independent transmission project allocated to it, RECTPCL incorporates project-specific Special Purpose Vehicle (SPV) as its wholly-owned subsidiary, which is also a wholly-owned subsidiary of REC. Further, such SPVs are subsequently transferred along with all assets and liabilities to the successful bidder(s) selected through TBCB process.

Further, the point-wise reply to your queries, are given below:-

Sl. No.	Query	Reply
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	Negligible.
2.	Date on which the agreement for sale has been entered into;	The process for sale of the said SPVs to the Successful Bidder(s) is expected to complete in the Financial Year 2019-20.
3.	The expected date of completion of sale/disposal;	
4.	Consideration received from such sale/disposal;	

Regional Offices: Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Hyderabad, Imphal, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Thiruvananthapuram & Vijayawada

State Offices : Dehradun, Itanagar, Shillong, Shimla, Vadodara & Varanasi

Training Centre : REC Institute of Power Management & Training (RECIPMT), Hyderabad

5.	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof.	Sl. No.	Name of the SPV	Name of Successful Bidder
		1.	Udupi Kasargode Transmission Limited	Sterlite Grid 14 Limited
		2.	Bhind Guna Transmission Limited	Power Grid Corporation of India Limited
		3.	WRSS XXI (A) Transco Limited	Adani Transmision Limited
		4.	Khetri Transco Limited	Power Grid Corporation of India Limited
		It is pertinent to mention that none of the successful Bidders as mentioned above, belong to Promoter and Promoter group. Further, Power Grid Corporation of India Limited is a Government of India Enterprise under Ministry of Power and listed on National Stock Exchange of India Limited & BSE Limited.		
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	The transaction does not fall within the purview of related party transaction.		
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	The proposal for sale and transfer of the wholly-owned subsidiaries of RECTPCL and REC, to the Successful Bidders as per details given in Point No. 5 above, is not in the nature of slump sale. Further, the consideration for sale & transfer of SPVs is determined in accordance with the Guidelines issued, from time to time, by the Ministry of Power, Government of India.		

We request you to take the above clarification on record. Kindly let us know in case any further clarification is required in this regard.

Thanking you,

Yours faithfully,


(J.S. Amitabh)
Executive Director & Company Secretary