



रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड
RURAL ELECTRIFICATION CORPORATION LIMITED
(भारत सरकार का उद्यम) (A Government of India Enterprise)

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SEC-1/187(2)/2012/ 2510

Dated: 30.03.2012

(1) The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	(2) Corporate Relationship Department, BSE Limited 1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Kind Attn.: Ms. Sapna K. Sharma	Kind Attn.: Shri Rakesh Parekh
Scrip Code-- RECLTD	Scrip Code-- 532955

Dear Sirs,

Sub: Consideration of a proposal for sale and transfer of Equity Shares held by RECTPCL in Vemagiri Transmission System Limited (VTSL) to M/s Power Grid Corporation of India Limited.

It is informed that the Ministry of Power vide Gazette Notification No. 15/1/2011-Trans dated 16th March, 2011, appointed REC Transmission Projects Company Limited (RECTPCL), a Wholly Owned Subsidiary of Rural Electrification Corporation Limited (REC Limited), as Bid Process Coordinator (BPC) to identify successful bidders through Tariff Based Bidding Process for establishment of Transmission System Associated with IPPs of Vemagiri Area-Package-A {Vemagiri Pooling Station-Khammam 765 kV 1XD/C (1st ckt.) line and Khammam-Hyderabad 765 kV 1XD/C (1st ckt.) line}. Accordingly, RECTPCL formed a project specific Special Purpose Vehicle (SPV) namely Vemagiri Transmission System Limited (VTSL), as its wholly owned subsidiary Company, with Authorized and Paid up Capital of Rs 5 Lakh, divided into 50,000 Equity Shares of Rs. 10/- each.

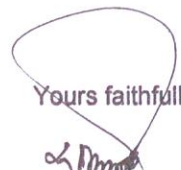
In response to the Request for Proposal (RfP) for this project, RECTPCL received 7 Financial Bids and based on the recommendations of the Bid Evaluation Committee (BEC), the Board of Directors of RECTPCL in its 30th Meeting held on 16th March, 2012, approved the name of M/s Power Grid Corporation of India Limited (PGCIL) as successful bidder for issuance of Letter of Intent (LoI) for above project and Letter of Intent has been issued to successful bidder on 20th March, 2012

Subsequently, the Board of Directors of REC Limited in its meeting held on Friday, 30th March, 2012, has approved a proposal for sale and transfer of 50,000 Equity Shares of Vemagiri Transmission System Limited (VTSL), presently held by RECTPCL and its nominees, to M/s Power Grid Corporation of India Limited and their nominees, substantially upon the terms & conditions as detailed in the Share Purchase Agreement to be executed between the RECTPCL, VTSL and M/s Power Grid Corporation of India Limited for establishment of Transmission System associated with IPPs of Vemagiri Area-Package-A {Vemagiri Pooling Station-Khammam 765 kV 1XD/C (1st ckt.) line and Khammam-Hyderabad 765 kV 1XD/C (1st ckt.) line} subject to obtaining necessary approval from the Ministry of Power, Government of India.

This is for your kind information and dissemination.

Thanking you,

Yours faithfully,


(Rakesh Kumar Arora)
GM (F&A) & Company Secretary

Encl: as above