



मनोहर बलवानी  
कम्पनी सचिव

MANOHAR BALWANI  
Company Secretary

पावर फाइनेंस कार्पोरेशन लिमिटेड  
POWER FINANCE CORPORATION LTD.  
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

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20<sup>th</sup> March, 2019

National Stock Exchange of India Ltd. Exchange Plaza Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051	BSE Ltd. Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI – 400 001
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**Sub: Press Release pursuant to Regulation 30 of the Listing Regulations.**

Dear Sirs,

Pursuant to Regulation 30 of the Listing Regulations, please find enclosed a copy of the Press Release issued by PFC with regard to acquisition of equity shares of REC Ltd. (representing 52.63% of the share capital of REC Ltd.) from Government of India.

Thanking you,

Yours faithfully  
For POWER FINANCE CORPORATION LIMITED

(Manohar Balwani)  
Company Secretary

Enclosed: as above



## PFC signs agreement to acquire majority stake in REC Limited

New Delhi  
20<sup>th</sup> March, 2019

Power Finance Corporation Ltd. (PFC) has today signed a Share Purchase Agreement to acquire 103.94 crore equity shares of INR 10/- each, of REC Limited from the President of India constituting 52.63% of the paid-up share capital of REC Limited. This is a major milestone achieved by PFC, who is now slated to become a promoter and the holding company of REC Limited.

The acquisition of REC Limited was in pursuance to the in-principle approval dated 6<sup>th</sup> December 2018 from the Cabinet Committee on Economic Affairs for the strategic sale of 52.63% of the paid up equity shareholding of REC held by the President of India (acting through Ministry of Power, Government of India) to PFC along with transfer of management control.

Both PFC and REC are Navratna Central Public Sector Enterprises with combined annual revenues of about Rs. 50,000 Crore and this acquisition is step towards consolidation of companies operating in the same space.

Subsequent to the PFC shareholders' approval for the transaction, the Board of Directors of PFC considered the transaction and approved the acquisition of the 52.63% shareholding of the President of India in REC Limited, at a cash purchase consideration of INR 139.50 per share with total acquisition cost of about INR 14,500 Crore. The closing price of REC on 19<sup>th</sup> March, 2019 was INR 148.40 per share. The consideration for the transaction is expected to be paid on 28<sup>th</sup> March, 2019 and funds for the same have been arranged by PFC already.

The acquisition would enable increased efficiencies in lending processes and policies across both the institutions and would create public value by offering better loan products to the power sector. The convergence between the entities as combined group entities would help the power sector reap benefits from a decentralized outreach of REC and a professional project finance expertise of PFC. Further, the ensuing diversification of assets of the group, as well as portfolio risk would help in resolution of stressed power sector assets of the group in a better and coordinated manner.

For the acquisition transaction, Deloitte Touche Tohmatsu India LLP is the Transaction Advisor, L&L Partners (formerly Luthra & Luthra Law Offices) is the Legal Advisor and SBI Capital Markets Limited is the Valuer.

कृते पावर फाइनेंस कॉर्पोरेशन लि.  
For Power Finance Corporation Ltd.

  
(MANOHAR BALWANI)  
कंपनी सचिव / Company Secretary

20/3/2019.