



NTPC Limited

(A Govt. of India Enterprises)
Corporate Centre

Ref. No.: 01:SEC: NTPC

Dated: 26/3/2020

General Manager
Department of Corporate Services
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001

Manager
National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex
Bandra(E)
Mumbai-400 051

Sub.: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation of our disclosures dated January 27, 2020 and on March 20, 2020, this is to inform that the Company has, on March 25, 2020, executed a Share Purchase Agreement with the President of India for acquisition of legal and beneficial ownership of 2,73,09,406 equity shares held by the President of India in THDC India Limited (**THDCIL**) and the acquisition of beneficial ownership in 6 equity shares held by the nominees of the President of India in THDCIL (collectively representing 74.496% of the total paid up share capital of THDCIL) for an aggregate consideration of INR 7500 crore (Rupees Seven Thousand Five Hundred Crore only). The acquisition is subject to satisfaction of customary conditions precedent.

A detailed disclosure pursuant to Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 issued by the Securities and Exchange Board of India (**SEBI**), is enclosed herewith.

This is for your kind information and records.

Thanking you.

Yours faithfully,

Sd/-
(Nandini Sarkar)
Company Secretary &
Compliance Officer

Enclosed: as above

**Disclosure by NTPC Limited pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 issued by SEBI****Disclosure on execution of Share Purchase Agreement to acquire 74.496% of equity shares of THDC India Limited from the President of India**

S. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.	The target entity, namely THDC India Limited (“THDCIL”) was incorporated on July 12, 1988. It is a joint venture of the Government of India (74.496%) and the Government of Uttar Pradesh (25.504%) and is a Mini-ratna Category I Central Public Sector Enterprise. THDCIL is primarily engaged in the business of development of conventional/ non-conventional/ renewable sources of energy and river valley projects. As of March 31, 2019, the balance sheet size of THDCIL stood at INR 15,577.83 crore. The authorized share capital of THDCIL is INR 40,00,00,00,000 and the total issued, subscribed and paid-up share capital of THDCIL is INR 36,65,88,17,000, as on the date of acquisition. The total loan book of THDCIL was INR 4,414.78 crore with a turnover of INR 2,850.29 crore and Profit After Tax of INR 1,255.63 crore during 2018-19 (<i>all figures on standalone basis</i>).
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	The President of India is the common promoter of both NTPC Limited (51.02%) and THDCIL (74.496%) and is the seller of shares held by it in THDCIL to NTPC Limited. The proposed transaction is thus a related party transaction between the Government of India and a government company, i.e. NTPC Limited within the meaning of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and the Companies Act, 2013 (“Act”). SEBI has granted necessary exemption from the application of Regulations 23(2) and 23(4) of the LODR Regulations to NTPC Limited for this proposed transaction <i>vide</i> its letter dated February 18, 2020. Section 188(1) of Act read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”) specifies the limits for transactions beyond which a related party transaction shall require approval of the shareholders. Ministry of Corporate Affairs has <i>vide</i> Notification No. G.S.R. 463(E), dated June 5, 2015, read with notification dated March 2, 2020 <i>inter alia</i> exempted the application of the first and second proviso to Section 188(1) of the Act to contracts or arrangements entered into by a Government company with the Central Government. The proposed transaction between NTPC Limited (a Government



		Company) and the Government of India (Central Government) is thus exempt from the requirement of taking approval from shareholders under Section 188(1) of the Act. The proposed transaction is at arm's length price.
3.	Industry to which the entity being acquired belongs	Power
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The Cabinet Committee on Economic Affairs ("CCEA") in its meeting held on November 21, 2019, granted an 'in-principle' approval to the proposal of the Department of Investment and Public Asset Management, Ministry of Finance, Government of India, for the strategic disinvestment of Government of India's shareholding in THDCIL to NTPC Limited along with transfer of management control. In furtherance to the said decision of the CCEA, the Board of Directors of NTPC Limited <i>vide</i> resolution dated January 27, 2020 granted an in-principle approval for the acquisition of the entire stake held by the Government of India in THDCIL. Subsequently, requisite approvals were obtained from SEBI and the Competition Commission of India ("CCI"). The takeover of THDCIL i.e. primarily a hydropower generating company would help NTPC Limited to unlock potential synergies with many of its existing projects and gain deep domain expertise in developing hydropower projects in difficult terrains of the country. NTPC has conducted a thorough evaluation of the said transaction and the same will benefit NTPC as THDCIL has operational portfolio of 1513 MW comprising hydro power generation portfolio of 1,400 MW and wind power generation portfolio of 113 MW. Further, it has projects with aggregate capacity of 2,838 MW (1,468 MW – hydro power projects, 50 MW – solar power project and 1,320 – thermal power project) under various stages of implementation.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	1. The CCEA has provided its in-principle approval for the proposed acquisition on November 21, 2019; 2. SEBI has granted exemption dated February 18, 2020 for exemption from obtaining audit committee and shareholders' approval for related party transaction under Regulations 23(2) and 23(4) of LODR Regulations; and 3. CCI has granted approval dated February 24, 2020 under Section 31(1) of the Competition Act, 2002.
6.	Indicative time period for completion of the acquisition	On or before March 31, 2020.



7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration.
8.	Cost of acquisition or the price at which the shares are acquired	INR 2,746.31 (Rupees two thousand seven hundred forty-six and thirty-one paise only) per share and total consideration of INR 7500 crore (Rupees Seven Thousand Five Hundred Crore Only).
9.	Percentage of shareholding/ control acquired and/ or number of shares acquired	Acquisition of legal and beneficial ownership of 2,73,09,406 Equity Shares of face value of INR 1000 per share and the beneficial ownership in 6 Equity Shares of face value of INR 1000 per share, collectively amounting to 74.496% of the total paid up capital of THDCIL.
10.	Brief background about the entity acquired in terms of products/ line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Name: THDC India Limited Date of Incorporation: 12.07.1988 CIN: U45203UR1988GOI009822 Whether listed: The equity shares of THDCIL are unlisted. The corporate bonds issued by THDCIL are listed on the BSE Limited and the National Stock Exchange of India Line of business: Power generation Country of presence: India Turnover during last three years: FY 2016-17 - INR 2235.97 crore, FY 2017-18 - INR 2223.19 crore, FY 2018-19 - INR 2850.29 crore

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