
Indian government approves REC public offer

Saturday, 31 Oct, 2009

BL reported that centre approved Rural Electrification Corporation's proposal for a follow on public offer. The issue will constitute 20% of the existing paid up capital of the company fresh equity of 15% and disinvestment of 5%.

Mr P Chidambaram Home Minister told reporters after the Cabinet meeting that "The Cabinet Committee on Economic Affairs has approved the fresh issue of 15% and a piggyback divestment proposal of five per cent of the existing paid up capital in Rural Electrification Corporation."

He added that the issue could come through before the end of the current fiscal, but did not specify the exact timeframe for the offering."

An official release issued after the briefing said that "Additional resources generated through the issue of an FPO will be utilized by REC in its investment program."

After the FPO, the Government's stake in the company would come down to 66.8% from the current 81.80%.

REC which finances and promotes rural electrification projects across the country, would offer part of the shares to its employees.

(Sourced from Business Line)

For more news visit at www.steelguru.com