



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

No: 1:05:138:I:CS
Date: 28th March, 2018

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E)
MUMBAI – 400 051

नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
लिस्टिंग विभाग, एक्सचेंज प्लाजा,
बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (प), मुंबई-400 051

Sub: Reply to clarifications sought regarding transfer of two wholly owned Subsidiaries of PFC Consulting Limited (PFCCCL)

Sir/Madam,

This has reference to your email dt. 19th March, 2018 seeking clarifications regarding transfer of Fatehgarh-Bhadla Transmission Limited and Goa-Tamnar Transmission Project Limited, two wholly owned Subsidiaries of PFC Consulting Limited (PFCCCL), a wholly owned subsidiary of Power Finance Corporation Limited.

In this regard, we would like to submit the following:

Ministry of Power vide Gazette Notification dated October 28, 2016 had appointed PFC Consulting Limited (“PFCCCL”), a Wholly Owned Subsidiary of Power Finance Corporation Limited (“PFC”) as the Bid Process Coordinator (“BPC”) for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish transmission system for the following transmission schemes:

1. Transmission system for Ultra Mega Solar Park in Fatehgarh, distt. Jaisalmer Rajasthan” through tariff based competitive bidding process
2. Transmission system associated with “Additional 400kV feed to Goa and Additional System for Power Evacuation from Generation Projects pooled at Raigarh (Tamnar) Pool

PFCCCL had incorporated SPV namely “Fatehgarh-Bhadla Transmission Limited (FBTL)” and “Goa-Tamnar Transmission Project Limited (GTTPL)” respectively for the aforementioned transmission schemes.

पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

Regd. Office : “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phones : 23456000 Fax : 011-23412545

वैबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862

Issuance of LOI and execution of SPA

M/s Adani Transmission Limited with lowest final offer (levelised Transmission Charges) of Rs. 380.15 Million per annum was declared as the successful bidder for transmission scheme associated with FBTL and Letter of Intent (LoI) was issued to Adani Transmission limited on 21.02.2018. Further, pursuant to execution of Share purchase agreement and compliance thereof by the bidder, the management control and shareholding of PFC Consulting Limited in FBTL was transferred to M/s Adani Transmission Limited and its nominees on 14.03.2018.

M/s Sterlite Grid 5 Limited with lowest final offer (levelised Transmission Charge) of Rs. 1647.75 Million per annum was declared as the successful bidder for the transmission scheme associated with GTTPL and Letter of Intent was issued to M/s Sterlite Grid 5 Limited on 30.11.2017. Further, pursuant to execution of Share purchase agreement and compliance thereof by the bidder, the management control and shareholding of PFC Consulting Limited in GTTPL was transferred to M/s Sterlite Grid 5 Limited and its nominees on 14.03.2018.

The Point wise Reply to the clarifications sought is as follows:

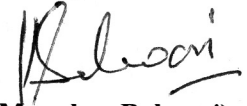
S.No.	Query	PFC's Reply
1.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	<p>Adani Transmission Limited and Sterlite Grid 5 Limited, the successful bidders for the transmissions schemes associated with FBTL and GTTPL respectively were selected based on tariff based competitive bidding process and none of the them falls within the ambit of Section 2(76), 2(77) of the Companies Act, 2013 and regulation 2(zb), 2(zd) of SEBI(LODR), 2015 in relation to Power Finance Corporation Limited/PFC Consulting Limited.</p> <p>Hence the transaction of sale of shares by PFC Consulting Limited in FBTL to Adani Transmission Limited and in GTTPL to Sterlite Grid 5 Limited pursuant to execution of Share purchase agreement does not fall within related party transactions with Power Finance Corporation Limited or PFC Consulting Limited.</p>
2.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.	<p>Adani Transmission Limited (ATL) was incorporated on December 9, 2013 under the provisions of the Companies Act, 1956. The registered office of the Company is situated in Ahmedabad. ATL undertakes the business of establishing, commissioning, operating, and</p>

		<p>maintaining electric power transmission systems. ATL has also forayed into the Power Distribution sector with the acquisition of the Integrated Business of Generation, Transmission, Distribution and retail of power for Mumbai City.</p> <p>Sterlite Grid 5 Limited ('SG5L') is a public Company incorporated on September 27, 2016 under the Companies Act, 2013 having its registered office at New Delhi -. SG5L was incorporated to carry on the business of generation, transmission, distribution, supply, storage, trade in power. SG5L is a part of Sterlite Power group and is a subsidiary of Sterlite Power Grid Ventures Limited.</p> <p>Power Finance Corporation is a Company promoted by the Central Government. Central Government through President of India holds 65.92% equity shares in the Company.</p> <p>Neither Adani Transmission Limited nor Sterlite Grid 5 Limited (Selected bidders/buyers) belong to the promoter/promoter group/group companies.</p>
3.	Consideration received from such sale/disposal.	<p>The Acquisition price paid by Adani Transmission Limited for acquisition of FBTL is Rs.8,56,85,000 (Rupees Eight Crore Fifty Six Lakhs and Eighty Five Thousand Only) for the purchase of the sale shares at par alongwith the assets and liabilities of the Company as on closing date subject to adjustment as per the audited account of the Company as on the closing date.</p> <p>The Acquisition price paid by Sterlite Grid 5 Limited for acquisition of GTTPL is Rs.20,29,16,000 (Rupees Twenty Crore Twenty Nine Lakhs and Sixteen Thousand Only) for the purchase of the sale shares at par alongwith the assets and liabilities of the Company as on closing date subject to adjustment as per the audited account of the Company as on the closing date.</p>
4.	The expected date of completion of such sale/disposal.	The transaction has already been concluded on 14.03.2018 i.e. the date of signing of Share Purchase Agreement and transfer of entire

		shareholding by PFC consulting in FBTL and GTTPL to the successful bidders.
5.	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.	As subsidiary of PFC/PFCCL, Fathegarh-Bhadla Transmission Limited and Goa-Tamnar Transmission Project Limited had not commenced its business operation.

Thanking You,

Yours faithfully,
For Power Finance Corporation Ltd.



(Manohar Balwani)
Company Secretary
mb@pfcindia.com