

भारत सरकार
विद्युत मंत्रालय
श्रम शक्ति भवन, रफी मार्ग,
नई दिल्ली-110 001



GOVERNMENT OF INDIA
MINISTRY OF POWER

Shram Shakti Bhawan,
Rafi Marg, New Delhi-110001
Fax : 2371-7519
Tel. :

F.No.15/6/2014 PFC Desk
Government of India
Ministry of Power

Date: July 25, 2015

The Managing Director,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
India

The Managing Director,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
India

Dear Sir/Madam,

Subject: Announcement of Floor Price, for the proposed Offer for Sale of equity shares of Power Finance Corporation Limited (the "Company") through the stock exchange mechanism (the "Announcement")

I am directed to refer to Clause 5(c)(i) of the circular number CIR/MRD/DP/18/2012 dated July 18, 2012 notified by the Securities and Exchange Board of India ("SEBI" and such circular "SEBI OFS Circular") pertaining to comprehensive guidelines on offer for sale of shares by promoters through stock exchange mechanism, as substantially amended by circular number CIR/MRD/DP/04/2013 dated January 25, 2013, circular number CIR/MRD/DP/17/2013 dated May 30, 2013, circular number CIR/MRD/DP/24/2014 dated August 8, 2014, circular number CIR/MRD/DP/32/2014 dated December 1, 2014, and circular number CIR/MRD/DP/12/2015 dated June 26, 2015 (together with SEBI OFS Circular, "SEBI OFS Circulars") read with Section 21 of Chapter 1 of the Master Circular for Stock Exchange – Trading Related (No. CIR/MRD/DP/17/2014) dated May 20, 2014 issued by SEBI.

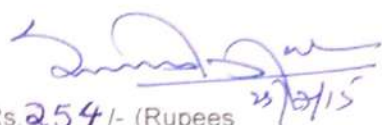
The President of India, acting through and represented by the Ministry of Power, Government of India is the promoter of Power Finance Corporation Limited (the "Promoter"). The Promoter (the "Seller"), proposes to sell up to 6,60,02,035 equity shares of the face value of Rs. 10/- each ("Offer Shares"), representing 5% of the total paid up equity share capital of the Company on December 31, 2014 (held in dematerialized form in one or more demat accounts with the relevant depository participant), in accordance with (i) SEBI OFS Circulars, (ii) notice number 20120222-34 dated February 22, 2012, notice number 20120228-30 dated February 28, 2012, notice number 20120727-26 dated July 27, 2012, notice number 20130129-23 dated January 29, 2013, notice number 20140902-33 dated September 2, 2014, notice number 20150122-30 dated January 22, 2015, and notice number 20150702-28 dated July 2, 2015 issued by the BSE Limited ("BSE"); and (iii) circular reference number 2/2012 dated February 21, 2012, circular reference number 73/2012 dated February 24, 2012, circular reference number 52/2012 dated August 2, 2012, circular reference number 005/2013 dated January 30, 2013, circular reference number 0037/2013 dated January 31, 2013, circular reference number 52/2013 dated May 30, 2013, circular reference number 44/2014 dated September 2, 2014 and, circular reference number 29/2015 dated June 30, 2015 issued by the National Stock Exchange of India Limited ("NSE", and together with the BSE, the "Stock Exchanges" and such offer for sale hereinafter referred to as the "Offer").

A copy of the notice dated July 24, 2015 ("Offer Notice") is enclosed herewith as **Annexure A**.



RIGHT TO
INFORMATION

सो. जे. जोस / C. J. Jose
निदेशक / Director
विद्युत मंत्रालय / Ministry of Power
भारत सरकार / Government of India
नई दिल्ली / New Delhi


23/01/15

In this regard, the floor price of the Offer in terms of SEBI OFS circulars shall be Rs. 254/- (Rupees Two Hundred Fifty Four Only) per equity share of Power Finance Corporation Limited.

IMPORTANT INFORMATION

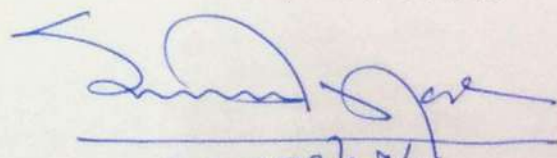
The Offer is personal to each prospective bidder (including individuals, funds or otherwise) registered with the broker of the Stock Exchanges who makes a bid (each a "**Bidder**") and neither the Offer nor this Announcement constitutes an offer to sell or invitation or solicitation of an offer to buy, to the public, or to any other person or class of persons requiring any prospectus or offer document to be issued, submitted to or filed with any regulatory authority or to any other person or class of persons within or outside India.

The Offer is being made in reliance on the SEBI OFS Circulars, read with Section 21 of Chapter 1 of the Master Circular for Stock Exchange – Trading Related (No. CIR/MRD/DP/17/2014) dated May 20, 2014 issued by SEBI and subject to the guidelines, circulars, rules and regulations of the Stock Exchanges. There will be no "public offer" of the Offer Shares in India under the applicable laws in India including the Companies Act, 2013 as notified, and applicable, and as amended from time to time (the "**Companies Act**") or in any other jurisdiction. Accordingly, no documents have been or will be prepared, registered or submitted for approval as "prospectus" or an offer document with the Registrar of Companies in India and/or SEBI and/or the Stock Exchanges or any other statutory/regulatory/listing authority in India or abroad under the applicable laws in India including the Companies Act, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and no such document will be circulated or distributed to any person in any jurisdiction, including in India.

The Bidders acknowledge and agree that any buy order or bid shall be made solely on the basis of publicly available information and any information available with SEBI or the Stock Exchanges, on the Company's website or otherwise in the public domain, together with the information contained in this Announcement. The Offer is subject to further terms set forth in the contract note to be provided to the successful Bidders.

This Announcement is for information purposes only and is neither an offer nor invitation to buy or sell nor a solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction ("**Other Jurisdiction**") in which such offer, solicitation or sale is or may be unlawful whether prior to registration or qualification under the securities laws of any such jurisdiction or otherwise. This Announcement and the information contained herein are not for publication or distribution, directly or indirectly, in or to persons in any Other Jurisdiction unless permitted pursuant to an exemption under the relevant local law/s or regulation/s in any such jurisdiction. Prospective purchasers should seek appropriate legal advice prior to participating in the Offer.

This Announcement is not for release, publication or distribution, in whole or in part, in the United States of America, its territories and possessions, any state of the United States of America, or the District of Columbia (together, the "**U.S.**" or "**United States**") or to U.S. persons ("**U.S. Persons**") as defined in Regulation S under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), and is neither an offer to sell nor a solicitation of an offer to buy any securities of the Company within the United States or to U.S. Persons. The Offer Shares have not been and will not be registered under (a) the Securities Act and may not be offered or sold in the United States or to U.S. Persons absent registration under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act; (b) any other securities law of any Other Jurisdiction. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, as such, holders of the Offer Shares will not be entitled to the benefits of the Investment Company Act. The Offer Shares shall be offered within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("**QIBs**" and each a "**QIB**") who are also "qualified purchasers" (as defined in Section 2(a)(51) of the Investment Company Act) ("**QPs**" and each a "**QP**") or outside the United States to non-U.S. Persons in offshore transactions in reliance upon Regulation S under the Securities Act ("**Regulation S**"). The Offer Shares may not be offered or sold to any "Benefit Plan Investor" as defined in the Employment Retirement Income Security Act of 1974, as


रा. ज. जास 28.1.2015
निदेशक / Director
विद्युत मंत्रालय / Ministry of Power
भारत सरकार / Government of India

amended ("ERISA") or to anyone acting on behalf of such person, unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration requirement. The purchasers of Offer Shares within the United States are hereby advised that any resale of such Offer Shares must be made in accordance with the registration requirements of the Securities Act to non-U.S. Persons in offshore transactions in reliance upon Regulation S, and in a manner which would not require the Company to register under the Investment Company Act.

The Company is likely to be classified as a passive foreign investment company ("PFIC") within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended (the "Code"), for U.S. federal income tax purposes. U.S. taxpayers that hold the Offer Shares (directly and, in certain cases, indirectly) may be subject to significant adverse tax consequences. In addition, U.S. taxpayers will also be subject to additional U.S. tax form filing requirements, and the statute of limitations for collections may be suspended if the taxpayer does not file the form. Certain holders may be able to mitigate these consequences by making a "mark-to-market" election (if available). The PFIC rules are complex. Prospective purchasers should consult their own tax advisors regarding the U.S. federal, state and local tax implications to them of acquiring the Offer Shares.

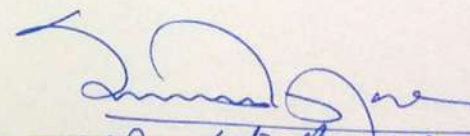
By submitting a bid in connection with the Offer or receiving any Offer Shares, each Bidder and any broker acting on such Bidder's behalf will be deemed to have (a) read and understood this Announcement in its entirety, (b) accepted and complied with the terms and conditions set out in this Announcement, and (c) represented, agreed and acknowledged that such Bidder is, and at the time the Offer Shares are purchased, will be, the beneficial owner of such Offer Shares, not an affiliate of the Company or a person acting on behalf of such an affiliate and either (i) are non-U.S. Persons located outside the United States and purchasing such Offer Shares in an offshore transaction in reliance upon Regulation S; or (ii) a QIB who is also a QP, purchasing the Offer Shares in a transaction exempt from the registration requirements of the Securities Act, and (iii) not a "Benefit Plan Investor" as defined in ERISA or anyone acting on behalf of such person.

By submitting a bid on behalf of a Bidder in connection with the Offer, each broker will also be deemed to have represented, agreed and acknowledged that it is located outside the United States and that none of the broker, its affiliates or any person acting on its or their behalf has (a) engaged or will engage in any "directed selling efforts" (within the meaning of Regulation S) in connection with the offer or sale of the Offer Shares, (b) engaged or will engage in any form of general solicitation or general advertising (each, within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of Offer Shares, (c) offered or will offer and sell the Offer Shares except to non-U.S. Persons outside the United States of America in offshore transactions in reliance upon Regulation S or within the United States of America to persons reasonably believed to be QIBs who are also QPs in transactions exempt from the registration requirements of the Securities Act, and (d) offered or will offer to any "Benefit Plan Investor" as defined in ERISA or anyone acting on behalf of such person.

Thanking You,

Yours faithfully,

On behalf of the President of India,


For & on behalf of President of INDIA
C. J. Jose
Director
Ministry of Power, Government of India

सी. जे. जोस / C. J. Jose
निदेशक / Director
विद्युत मंत्रालय / Ministry of Power
भारत सरकार / Government of India
नई दिल्ली / New Delhi