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

Date: July 24, 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: Notice of Offer for Sale of equity shares of Power Finance Corporation Limited (the "Company") by its Promoter, the President of India, acting through the Ministry of Power, Government of India, through the stock exchange mechanism (the "Notice")

[illegible] Clause 5(b) of the circular [illegible] CIR/MRD/DP/10/2013 dated July 18, 2013 [illegible]

[illegible] as substantially amended by circular number CIR/MRD/DP/[illegible]/2015 dated January 28, 2015, number CIR/MRD/DP/17/2013 dated May 23, 2013, circular number CIR/MRD/DP/24/2014 dated 8, 2014, circular number CIR/MRD/DP/32/2014 dated December 1, 2014, and circular number D/DP/12/2015 dated June 26, 2015 (together with SEBI OFS Circular, "SEBI OFS Circulars"), th Section 21 of Chapter 1 of the Master Circular for Stock Exchange - Trading Related (No. D/DP/17/2014) dated May 20, 2014 issued by SEBI.

sident of India, acting through and represented by the Ministry of Power, Government of India is moter of Power Finance Corporation Limited (the "Promoter"). The Promoter (the "Seller"), s to sell up to 6,60,02,035 equity shares of the face value of Rs. 10/- each ("Offer Shares"), nting 5% of the total paid up equity share capital of the Company on June 30, 2015 (held in ialized form in one or more demat accounts with the relevant depository participant), in nce with (i) SEBI OFS Circulars, (ii) notice number 20120222-34 dated February 22, 2012, notice 20120228-30 dated February 28, 2012, notice number 20120727-26 dated July 27, 2012, notice 20130129-23 dated January 29, 2013, notice number 20140902-33 dated September 2, 2014, umber 20150122-30 dated January 22, 2015, and notice number 20150702-28 dated July 2, 2015 y the BSE Limited ("BSE"); and (iii) circular reference number 2/2012 dated February 21, 2012, reference number 73/2012 dated February 24, 2012, circular reference number 52/2012 dated 2, 2012, circular reference number 005/2013 dated January 30, 2013, circular reference number 013 dated January 31, 2013, circular reference number 52/2013 dated May 30, 2013, circular e number 44/2014 dated September 2, 2014, and circular reference number 29/2015 dated June 5 issued by the National Stock Exchange of India Limited ("NSE", and together with the BSE, the Exchanges" and such offer for sale hereinafter referred to as the "Offer").

ller, pursuant to an exemption granted to the Government of India by SEBI on March 12, 2015, l within 4-12 weeks of the Offer Date equity shares of the Company representing up to 3% of the equity share capital of the Company under the Central Public Sector Enterprise Exchange Traded utual Fund Scheme ("CPSE ETF MF Scheme") to Central Public Sector Enterprise Exchange Fund AMC.

er shall be undertaken exclusively through Seller's Brokers named below on a separate window d by the Stock Exchanges for this purpose.

The details of the Offer, in accordance with the requirements of Clause 5(b) of the SEBI OFS Circular, are set forth below. Other important information in relation to the Offer is set out below under the heading "**Important Information**", and the information included therein constitutes an integral part of the terms and conditions of the Offer. The brokers and prospective buyers are required to read the information included in this Notice in its entirety along with the SEBI OFS Circulars.

Sr. No.	Details required to be mentioned in the Notice	Particulars of the Offer
1.	Name of the Seller (Promoter / Promoter Group)	The President of India, acting through and represented by the Ministry of Power, Government of India (Promoter)
2.	Name of the company whose shares are proposed to be sold and ISIN	**Name**: Power Finance Corporation Limited **ISIN**: INE134E01011
3.	Name of the stock exchange where orders shall be placed	BSE and NSE
4.	Name of the designated stock exchange	NSE
5.	Date and time of the opening and closing of the Offer	The Offer shall take place during trading hours on a separate window of the Stock Exchanges and shall commence on July 27, 2015 at 9:15 a.m. and shall close on the same date at 3:30 p.m. Indian Standard Time ("**Offer Date**")
6.	Allocation methodology	The allocation shall be at or above the Floor Price (defined below) on price priority method at multiple clearing prices, in accordance with the SEBI OFS Circulars, except in case of Retail Investors (defined below), who shall have an option to bid at the Cut-Off Price (defined below) and for whom the final allocation price may be below the Floor Price on account of the retail discount offered. A minimum of 20% of the size of the Offer shall be reserved for Retail Investors ("**Retail Category**"). The Stock Exchanges will decide the quantity of shares eligible to be considered in the Retail Category, based on the Floor Price (defined below) declared by the Seller. Bidders can bid under the Retail Category or the non-retail category. Indicative price for non-retail category shall be displayed separately. There shall be no indicative price for the Retail Category. No single bidder other than Mutual Funds (defined below) and Insurance Companies (defined below) shall be allocated more than 25% of the Offer Shares being offered in the Offer. ***Retail Category*** Retail investor shall mean an individual investor who places bids for shares of total value of not more than Rs. 2,00,000/- (Rupees Two Lakhs) aggregated across Stock Exchanges ("**Retail Investor**"). Retail investors may enter a price bid or opt for bidding at "Cut-off Price". For this purpose, "**Cut-Off-Price**" means the lowest price

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		Retail Investors shall be made based on the Cut-off Price. Retail Investors will be allocated Offer Shares at a discount of 5% to the Cut-off Price in accordance with the SEBI OFS Circulars. Such discounted price, i.e. price arrived after applying the discount on Cut-off Price, which shall be the final allocation price to the Retail Investors ("**Discounted Price**"), may be below the Floor Price. If the Retail Category is fully subscribed, bids by Retail Investors below the Cut-off Price shall be rejected. If the Retail Category is not fully subscribed, price bids received in the Retail Category between the Cut-off Price and the Discounted Price will also be eligible for allotment, provided that such price bids are equal to or above the Floor Price (defined below). Allotment to all such bids shall be done at the Discounted Price. In case of excess demand in the Retail Category, bids by Retail Investors at Cut-off Price shall be allocated on proportionate basis. Any unutilized portion of the Retail Category shall be offered to non-retail category of bidders. ***Non-Retail Category*** A minimum of 25% of the Offer Shares being offered in the Offer shall be reserved for mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended ("**Mutual Funds**") and insurance companies registered with the Insurance Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999 as amended ("**Insurance Companies**"), subject to receipt of valid bids at or above the Floor Price (defined below). In the event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to the other bidders.
7.	Total number of equity shares being offered in the Offer	Up to 6,60,02,035 equity shares of the Company of face value of Rs.10/- each, representing 5% of the total paid up equity share capital of the Company.
8.	Maximum number of shares the Seller may choose to sell over and above made at point 7 above	NIL
9.	Name of the broker(s) on [illegible] "Seller's Broker"	1. Axis Capital Limited 2. [illegible]
10.	Date and time of declaration of floor price ("Floor Price")	The Seller shall declare the Floor Price for the Offer on July 26, 2016 latest by 6:00 p.m., Indian Standard Time, to the Stock Exchanges and the Stock Exchanges shall inform the market immediately.
11.	Retail Discount	Retail Investors will be allocated Offer Shares at the Discounted Price, i.e. at a discount of 5% to the Cut-off Price in accordance with the SEBI OFS Circulars. The Discounted Price, which shall be the final allocation price to the Retail Investors, may be below the Floor Price.

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12.	Conditions for withdrawal of the Offer	The Seller reserves the right to not to proceed with the Offer at any time prior to the time of opening of the Offer on the Offer Date. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before another offer for sale through Stock Exchange mechanism is made. The Stock Exchanges shall suitably disseminate details of such withdrawal.
13.	Conditions for cancellation of the Offer	In the event (i) the aggregate number of orders received in the Offer at or above the Floor Price is less than the total number of Offer Shares; or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Offer to the extent of valid bids or cancel the Offer in full. The decision to either accept or reject the Offer shall be at the sole discretion of the Seller.
14.	Conditions for participating in the Offer	1. Non-institutional investors shall deposit 100% of the bid value in cash up-front with the clearing corporation at the time of placing bids for the Offer. 2. Institutional investors have an option of placing bids without any upfront payment. In case of institutional investors who place bids with 100% of the bid value deposited upfront, custodian confirmation shall be within trading hours. In case of institutional investors who place bids without depositing 100% of the bid value upfront, custodian confirmation shall be as per the existing rules for secondary market transactions. 3. In respect of bids in the Retail Category, margin for bids placed at the Cut-off Price, shall be at the Floor Price and for price bids at the value of the bid. Clearing corporation shall collect margin to the extent of 100% of order value in cash or cash equivalents at the time of placing bids. Pay-in and pay-out for bids by Retail Investors shall take place as per normal secondary market transactions. 4. The funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments. 5. Retail Investors shall have the option to bid in the Retail Category and the non-retail category. However, if the cumulative bid value by an individual investor across both categories exceeds Rs. 2,00,000/- (Rupees Two Lakhs), the bids in the Retail Category shall become ineligible. Further, if the cumulative bid value by an individual investor in the Retail Category across BSE and NSE exceeds Rs. 2,00,000/- (Rupees Two Lakhs), bids by such investor shall be rejected. 6. Modification or cancellation of orders (a) Orders placed by institutional investors and by non-institutional investors, with 100% of the bid value deposited upfront: Such orders can be modified or cancelled any time during the trading hours; (b) Orders placed by institutional investors without depositing 100% of the bid value upfront: Such orders cannot be modified or cancelled by the investors or stock brokers, except for making upward revision in the price or quantity. In case of any permitted modification or cancellation of the bid, the funds

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		shall be released / collected on a real-time basis by the clearing corporation.
		7. Bidder shall also be liable to pay any other fees, as may be

single bidder shall be permitted.

in pay-in by any bidder, an amount of the order value shall be charged as stor and collected from the broker. This ed to the Investor Protection Fund of the

ce on a trade for trade basis. For non- institutional investors who place orders value deposited upfront, settlement shall being the Offer Date and T+1 being July with the SEBI OFS Circulars. Pay-in and Investors shall take place as per normal ctions.

onal investors who place bids without rder value upfront, settlement shall be as secondary market transactions (i.e., on).

8. Multiple orders from a

9. In case of default aggregating to 10% penalty from the inve amount shall be credi Stock Exchange.

15. Settlement

Settlement shall take pla institutional investors and with 100% of the order take place on a T+1 (i 28, 2015), in accordance pay-out of bids by Retail secondary market transa

In the case of instituti depositing 100% of the o per the existing rules fo T+2, being July 29, 2015

IMPORTANT INFORMATION

duals, funds or otherwise) registered with "Bidder") and neither the Offer nor this offer to buy, to the public, or to any other ument to be issued, submitted to or filed rsons within or outside India.

The Offer is personal to each prospective bidder (including indiv the broker of the Stock Exchanges who makes a bid (each a Notice constitutes an offer to sell or invitation or solicitation of an person or class of persons requiring any prospectus or offer doc with any regulatory authority or to any other person or class of p

, read with Section 21 of Chapter 1 of the SEBI/HO/MRD/DP/17/2014) dated May 20, 2014 and regulations of the Stock Exchanges. the applicable laws in India including the nded from time to time (the "Companies ve been or will be prepared, registered or with the Registrar of Companies in India ory/regulatory/listing authority in India or nies Act, the SEBI (Issue of Capital and no such document will be circulated or

The Offer is being made in reliance on the SEBI OFS Circulars Master Circular for Stock Exchange - Trading Related (No. CI issued by SEBI and subject to the guidelines, circulars, rules Companies Act, 2013 as notified, and applicable, and as amo submitted for approval as "prospectus" or an offer document and/or SEBI and/or the Stock Exchanges or any other statut abroad under the applicable laws in India including the Compa Disclosure Requirements) Regulations, 2009, as amended and distributed to any person in any jurisdiction, including in India.

id shall be made solely on the basis of th SEBI or the Stock Exchanges, on the with the information contained in this

The Bidders acknowledge and agree that any buy order or l publicly available information and any information available w Company's website or otherwise in the public domain (toget

[redacted]

n offer, nor invitation to buy or sell or a tion or sale is or may be unlawful whether

This Notice is for information purposes only and is not intended a solicitation or an offer to buy or sell and neither this jurisdiction ("Other Jurisdiction") in which such offer, solicita

prior to registration or qualification under the securities laws of any such jurisdiction or otherwise. This Notice 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 Notice 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 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 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 [illegible]

[illegible] Notice, and (c) Offer Shares are [illegible]pany or a person United States and ; or (ii) a QIB who [illegible]n requirements of [illegible] defined in ERISA

[illegible] entirety, (i) accepted and complied with the terms and conditions set out in this represented, agreed and acknowledged that such bidder is, and at the time the purchased, will be, the beneficial owner of such Offer Shares, not an affiliate of the Co[illegible] acting on behalf of such an affiliate and either (i) a non-U.S. Person located outside the purchasing such Offer Shares in an offshore transaction in reliance upon Regulation S is also a QP, purchasing the Offer Shares in a transaction exempt from the registratio[illegible] the Securities Act, and in either the case of (i) or (ii), (iii) not a "Benefit Plan Investor" as or anyone acting on behalf of such person.

24/7/2015