



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:II:CS

Date: 03rd October, 2017

National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) MUMBAI – 400 051.	Bombay Stock Exchange Limited, Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, MUMBAI – 400 001.
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रे (पू), मुंबई-400 051	बंबई स्टॉक एक्सचेंज लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई-400 001
Kind Attn.: Ms. Rehana Dsouza, Asstt. Vice President	Kind Attn.: Mr. Iyer Gopalkrishnan, GM, Corporate Services.
Fax No.: 022-26598237/38, 022-66418125/26/24	Fax No.: 022-22723121, 022-22722037/39/41/61

Sub: Outcome of the Board Meeting held on September 29, 2017 - Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with sub-para 1.2 of Para A 1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by Securities and Exchange Board of India.

In continuation to the decisions of the Board as communicated to you vide our letter dated 09th August, 2016, the board in its meeting held September 29, 2017 has considered and approved scheme of Arrangement for the amalgamation of its wholly owned subsidiary company i.e. PFC Green Energy Limited (hereinafter referred to as the 'PFCGEL' or 'Transferor Company') with the Company under Section 230-232 of the Companies Act, 2013.

The scheme is conditional upon and subject, inter-alia, to sanction of the same by the Ministry of Corporate Affairs ("MCA").

As the Transferor Company is a wholly owned subsidiary of the Company, hence the Company is neither required to comply with the requirements laid under Circular No.

पंजीकृत कार्यालय : "ऊर्जानिधि", 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फैक्स : 011-23412545

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

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

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CFD/DIL3/CIR/2017/21 dated March 10, 2017 nor required to obtain observation letter or no objection letter from the stock exchange before filing the scheme with any Tribunal.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 is enclosed as Annexure to this Outcome.

This is submitted for your information and record.

Thanking you,

Yours faithfully,
For Power Finance Corporation Limited



(Manohar Balwani)
Company Secretary
mb@pfcindia.com



ANNEXURE

- a) **Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc. :**

The scheme of arrangement provides for the amalgamation of PFC Green Energy Limited ('Transferor Company') with Power Finance Corporation Limited ('Transferee Company') under Section 230 – 232 of the Companies Act, 2013.

PFC Green Energy Limited (Transferor Company) is the wholly owned subsidiary of the Power Finance Corporation Limited (Transferee Company).

The brief details of the entities forming part of scheme of arrangement as on 31st March, 2017 are as follows –

Name of the Company	Revenue (Rs. in Crore)	Net Worth (Rs. in Crore)
Power Finance Corporation Limited	₹27,018.57	₹36,470.21
PFC Green Energy Limited	₹64.79	₹382.90

- b) **Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".**

The Transferor Company is a wholly owned subsidiary of the Transferee Company. The proposed merger does not fall within the purview of related party transaction in terms of General Circular No. 30/2014 dated 17th July 2014 issued by Ministry of Corporate affairs. Further, pursuant to regulation 23 (5) (b) of the LODR Regulation, the related party provisions are not applicable to the proposed scheme.

- c) **Area of business of the entity(ies)**

Name of the Company	Area of Business
Power Finance Corporation Limited (Transferee Company)	The Company is a leading power sector public financial institution and a non-banking financial company registered with Reserve Bank of India providing fund and non-fund based support for the development of the Indian power sector.
PFC Green Energy Limited (Transferor Company)	The Company is also engaged in similar nature of business focusing of renewable and green energy.

- d) **Rationale for Amalgamation/ Merger:**

- The Transferor Company is wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances,

rationalizing costs, it is intended that the Transferor Company be amalgamated with Transferee Company.

- The independent operations of the Transferor Company and Transferee Company leads to incurrance of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company.
- The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
- The other benefits the proposed amalgamation include:
 - I. Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
 - II. Enhancement of competitive strengths including financial resources;
 - III. Obtaining synergy benefits;
 - IV. Better management and focus on growing the businesses;
 - V. Reduction of overheads, administrative, managerial and other expenditure.
 - VI. Simplify shareholding structure and reduce shareholding tiers

e) Consideration:

Upon the Scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company.

f) Pre and post shareholding pattern:

There shall be no change in the Shareholding Pattern of the Listed Company.