



No: 1:05:138:I:CS
Date: 25th June, 2021

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 (ए), मुंबई-400 051

Sub: Reply to clarifications sought regarding formation of SPV - Mohanlalganj Transmission Limited, a wholly owned subsidiary of PFC Consulting Limited (wholly owned subsidiary of Power Finance Corporation Limited).

Madam/Sir,

This has reference to your email dt. 23rd June, 2021 seeking clarifications regarding formation of SPV - Mohanlalganj Transmission Limited, wholly owned subsidiary of PFC Consulting Limited (wholly owned subsidiary of Power Finance Corporation Limited).

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

PFC Consulting Limited (a wholly owned subsidiary of Power Finance Corporation Limited is providing consultancy services in power sector and other related areas. PFC Consulting Limited has been nominated as the 'Bid Process Coordinator' for selection of developer through tariff based competitive bidding for the Independent Transmission Projects (ITPs) by Ministry of Power, GoI.

As per the provisions of tariff based competitive bidding Guidelines issued by the Ministry of Power, the BPC has to prepare the project profile and initiate the process of land acquisition and forest clearance, if required. For these activities, a Special Purpose Vehicle (SPV) is required to be incorporated which will take up various preparatory activities of the transmission projects e.g. survey and preparation of report, initialization of the process of acquisition of land and also initiate the process of seeking forest clearance, if required.

The SPV has to be acquired by the Successful Bidder selected through International Competitive Bidding Process under Tariff Based Competitive Bidding Guidelines for Transmission Service issued by Ministry of Power.

Uttar Pradesh Power Transmission Corporation Limited had appointed PFC Consulting Limited as Bid Process Co-ordinator for the selection of developer in order to set up transmission system for construction of 400/200/132kV GIS substation, Mohanlal Ganj (Lucknow) with associated 400kV lines and other 765kV and 400kV LILO lines at 765 kV GIS substation Rampur and 400kV LILO (Quad Moose on Monopole) at 400kV GIS Substation Sector 123 Noida through tariff based competitive bidding.

Accordingly, an SPV Mohanlalganj Transmission Limited has been established as wholly owned subsidiary of PFC Consulting to set up transmission system for construction of 400/200/132kV GIS substation, Mohanlal Ganj (Lucknow) with associated 400kV lines and other 765kV and 400kV LILO lines at 765 kV GIS substation Rampur and 400kV LILO (Quad Moose on Monopole) at 400kV GIS Substation Sector 123 Noida.

Mohanlalganj Transmission Limited will be transferred to the successful bidder after the completion of the bidding process. The successful bidder selected through the bidding process will develop the project.

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

S.No.	Query	PFC's Reply
1.	Whether the promoter/ promoter group/ group companies have any interest in the entity being formed? If yes, nature of interest and details thereof;	Mohanlalganj Transmission Limited is wholly owned subsidiary of PFC Consulting Limited (wholly owned subsidiary of Power Finance Corporation Limited). Accordingly as per the provisions of Section 2(87) of the Companies Act, Mohanlalganj Transmission Limited is a subsidiary of PFC.
2.	Whether the formation would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being formed? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	No the transaction not fall within related party transaction.
3.	Brief details of any governmental or regulatory approvals required for the formation;	<p>Subsequent to the approval of Transmission scheme by Govt. of Uttar Pradesh, Uttar Pradesh Power Transmission Corporation Limited appointed PFC Consulting Limited as a Bid Process Coordinator for Selection of developer for the transmission scheme through tariff based competitive bidding process.</p> <p>Further Department of Public Enterprises vide letter dated January 18, 2017 exempted the applicability of DPE OM dated 10.08.2016 for setting up of SPVs by bid process coordinators viz. PFCCCL (Subsidiary of PFC) for bidding out transmission projects and Ultra Mega Power Projects under tariff based competitive bidding guidelines of the Ministry of Power. (Copy enclosed)</p>

4.	Amount invested in the shares of the said SPV	Total paid up share capital of the Company Rs.1,00,000/- only.
5.	Percentage of shareholding / control acquired and / or number of shares acquired;	Wholly owned subsidiary of PFC Consulting Limited

Thanking You,

Yours faithfully,
For **Power Finance Corporation Ltd.**

(Manohar Balwani)
CGM & Company Secretary
mb@pfcindia.com