



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

No:1:05:138:II:CS

Dated: 02.06.2016

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.
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: Intimation regarding acquisition of Shareholding in Shree Maheshwar Hydel Power Corporation Limited (SMHPCL).

Sir/Madam,

Power Finance Corporation Limited (PFC) is a “Navaratna” Govt. Company under the administrative control of Ministry of Power, Govt. of India and also having NBFC status.

PFC is one of the lenders of Shree Maheshwar Hydel Power Corporation Limited (SMHPCL) and has given loan of Rs. 700 crore to SMHPCL alongwith guaranteeing Rs. 400 crore to the bond holders of SMHPCL. SMHPCL has defaulted in repaying the loan to PFC and now PFC is enforcing its legal rights as per the Pledge deed dated 30.11.2006 as amended from time to time and subordinate loan agreement dated 29.09.2006, by invoking the shares pledged by the promoters of SMHPCL in favor of PFC and by partial converting sub debt loan into equity shares.

Accordingly, PFC had served pledge invocation notice dated 19.05.2016 and conversion notice dated 18.12.2015 and 27.05.2016 on SMHPCL.

In furtherance to above, PFC is in receipt of communication from SMHPCL that its Board of Directors in its meeting held on 01.06.2016 has approved transfer of 6,57,46,779 Equity Shares of Rs. 10/- each in favor of PFC pursuant to invocation of shares pledged by its promoters in favor of PFC in terms of pledge deed dated 30.11.2006 as amended from time to time. Further the Board of Directors of SMHPCL in its said meeting has also approved

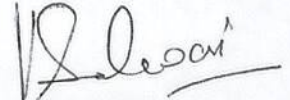
allotment of 6,61,00,000 Equity Shares of Rs. 10/- each to PFC consequent upon partial conversion of sub debt loan to SMHPCL to the extent of Rs. 66.10 crores in terms of subordinate loan agreement dated 29.09.2006.

Upon invocation of pledged shares and partial conversion of sub debt, the total shareholding of PFC in SMHPCL stands 13,18,46,779 Equity Shares of Rs. 10/- each representing 23.32 % of paid up equity share capital of SMHPCL.

This is submitted for your information and record.

Thanking you.

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



(Manohar Balwani)
Company Secretary
mb@pfcindia.com